

## **“Gridlock or Not?”**

### **Taxes, the Economy and the Presidential Politics**

With Charles Rangel

February 25, 2008

*Transcript of the Maxwell School / Public Agenda Policy Breakfast Discussion with Charles Rangel, Congressman (D) and Chairman of the House Ways & Means Committee. Discussion moderated by Robert Siegel, host of National Public Radio's All Things Considered.*

*[The speakers were welcomed and introduced by Public Agenda's President Ruth Wooden and by Maxwell School Dean Mitchel Wallerstein.]*

**Robert Siegel:** So first before matters of trade and tax policy, a little Presidential politics here and maybe then some Congressional politics. You're a Clinton supporter. You're a super delegate to the convention. First I'd like to know, do you remain an enthusiastic Clinton supporter? And what's gone wrong with her campaign? Why am I even asking you this question now?

**Charles Rangel:** I remain a Clinton supporter. The excitement of Senator Obama is something that this country has never witnessed. And I have subjective reasons as to why we have this enthusiastic report but basically as you pointed out I've known Senator Clinton over the years.

She's not only worked with our entire Democratic delegation, Congressional delegation which supports her. But during the Clinton years we worked very closely with her with child and health issues and so it never was a problem for those of us in the delegation that knew her, that worked with her over the years.

One did support her who owned before Senator Obama even mentioned that he was a candidate but second it just makes a lot of sense to me that when you know somebody and find them to be exceptional and they're from your state that you would go with whom you know and certainly not whom you don't know.

**Robert Siegel:** The Obama phenomenon is something positive and that certainly was not foreseen easily a year ago. But are you at all disappointed in the Clinton primary campaign so far?

**Charles Rangel:** No. As an American I am so excited about the fact that during my lifetime we've seen a woman actually run as a candidate for President of the United States. It hasn't been that long ago that they couldn't even vote. And for an African American, at the same time I think it really not only makes me feel proud to be an American, but even more proud to be a Democrat.

But being involved in international affairs and knowing the negative reaction that we've gotten in recent years, especially the Bush years and especially after this the moral entrance into a war that defines belief that we're doing this and continue to do it. That I think that our prestige and respectability throughout the world has been enhanced by friend and foe alike and so therefore I am proud as an American even more proud as a Democrat.

And of course, as I've indicated politically, when you have a friend that you work with over the years of course there's a disappointment. But I love my country more than I love my party. And so therefore I think it's going to be good for our country.

**Robert Siegel:** There's a discussion as to what would happen if the primary season and caucus season ends with the majority of pledged delegates on one side and the majority of unpledged or super delegates on the other side. Is that a problem as you would see it? If the margin of victory were from elected official to who are at the convention by virtue of their status not by virtue of the primary if that what puts one candidate over the top.

**Charles Rangel:** I see no good reason to speculate as to what you would do in one you don't know what the situation is going to be. And two you haven't the slightest clue how it's going to be resolved. The only thing that we should be able to give assurances is that as a party even some pledged delegate or as a super delegate

we have to make certain that we pick the best candidate that we believe can win in November and that we pick the best candidate that can be the President of the United States of America.

How do you accomplish what has to be with the cooperation of the contestants? And even though we talked about super delegates and people being pledged there's no such thing as being pledged. It's a newspaper word. People like to use it. It's exciting. What will you do if?

But the truth of the matter is that the only commitment that we have is to use our common sense and political sense in terms of winning and picking the right candidate. And even though it's not said it would not be used in common sense if you did not take in consideration that thinking of the people that are responsible for you being a super delegate. It makes sense.

**Robert Siegel:** Well, no not entirely because those people could be the residents of your Congressional district, the voters of your state, or the voters at large throughout the country. You're saying they're the voters of your Congressional district.

**Charles Rangel:** Well I'm saying to the extent that members of Congress have been selected because they're members of Congress selected and not elected. They have been elected as members of Congress and I would think that common sense would dictate that they should be concerning about how those people who elected them as members of Congress would want them to vote in terms of who would be the. But it has to be worked out. We're talking about a situation, a solution to a situation that has not taken place yet.

**Robert Siegel:** Let me just ask you just one more question about delegates and then perhaps I guess we'll want to ask some more. And that is as your delegates from Florida and Michigan be seated at the convention should they vote? Or did they disqualify themselves by staging their early primaries?

**Charles Rangel:** It doesn't make any difference how it's worked out. You could bet your sweet life that the citizens, the Democrats in Florida and in Michigan will be one way or the other participating.

**Robert Siegel:** But participating reflecting the results of the primaries that took part in those states or a few interesting people from those states come and take part of the convention.

**Charles Rangel:** Well as you know because of the party rules they did not participate to the same extent as other jurisdictions. And so we will have to find a method so that they would be able to participate.

You're trying to find an answer to a problem that you don't know what is going to exist at all. You don't really know whether we're going to have two candidates. You really don't. You think you do.

**Robert Siegel:** No I don't – I wouldn't say that.

**Charles Rangel:** So why waste a lot of time wrestling with solutions when you really don't know what you may have to do in order to resolve the issue. And I think the best answer that I can give you, the most direct answer, is that the two candidates are the ones that are going to finally resolve how this thing is going. Because we cannot go into a general election divided now. So they'll be able to do it and even as you and I talk their people are trying to figure out what do you do "if." But not me.

**Robert Siegel:** Right. It was vitally important to you in the last election that the Democrats win the majority for you to remain a member of Congress you said. Now you've had the majority. The approval ratings for the Congress are no higher today than they were when the Republicans were in charge of the Congress. What can the Democrats show for their time in the majority?

**Charles Rangel:** First, let me make it abundantly clear it depends how you ask the question. Democrats are expected to have landslide victories in the coming election. And so that really is not consistent the way you framed the question. On the question of accomplishments, the Congress is down so low because the general feeling I describe it as the Congress being an eagle with two wings.

The House of Representatives have had extreme accomplishment. The other wing has been ineffective and that is the Senate. And there's good reason for it, but having said that, the Congress as a whole and the President with his veto have not been tremendously successful and have been the disappointing to me as well as to those people who would hope that once we got the majority that they would see a dramatic difference in what would happen.

The truth of the matter is that under the parliamentary procedures of the Senate they have the ability to use the filibuster. And instead of using it in order to protect the rights of the minority, they have used it for each and every procedure of the House. And so even though I've been the Chairman of the Ways and Means Committee, probably one of the most important committees in the House, I have yet to go into conference with the Senate because the Senate refuses to legislate rather their inability to get the 60 votes that are necessary to cut off debate they have come up with agreements as to what they are willing to accept from the House. And it's seriously hoped that as a result of the next election, they would have a larger margin of democratic control and we would not have to do that.

But in terms of the minimum wage, in terms of focusing on the war even though not effectively ending the war we truly believe that the House of Representative passed legislation. But if the President's not signing it then you have a legitimate reason to say yes we are down in the polls as a Congress. But I hope you will agree with me that we are high in the polls in terms of Democrats.

**Robert Siegel:** Exactly. What do you think? What's realistic in the next election in terms of Democratic gains?

**Charles Rangel:** I don't do that.

**Robert Siegel:** You don't. What are your colleagues in the Senate have to do? What do the Democrats have to do to change your life? Do they have to win five more seats to be close to 60 votes on routine matters?

**Charles Rangel:** I don't want to frame your question. But with a Democratic President, Republican minorities in the Senate will have to get along. Having the power of the President's veto we have the Farm Bill that has not been worked out. We have the Alternative Minimum Tax that hasn't been worked out.

We haven't even touched Tax Reform which a lot of people know that we have to take a serious look at. There are things that we have to do that if you are in the minority and you know and the White House is the person with the veto you have more power than constitutionally you really deserve.

And so all we have to do is to have a Democratic President and then the Republicans will try to get along the same way. I have tried and to some degree as you pointed out been successful in getting along in a bipartisan way. What is – what use would it be for me to struggle and to fight to reform if the President says he's not going to do it.

If on the other hand I was in the minority and had a cooperative President I could get more done with a cooperative President of the opposite party than I can now as the Chairman of the committee being in the majority.

**Robert Siegel:** Well talk to us then practically about taxes in the next Congress. We've heard everything in this primary season from Governor Huckabee closed the doors on the IRS, shut down the IRS to completely do away with income tax to Senator McCain make permanent the Bush tax cuts.

The Democrats seem to be saying repeal the Bush tax cuts. Give us a realistic picture as you see it of what – let's assume now a Democratic President and somewhat larger Democratic majority in the House. How might our tax bills change and whose?

**Charles Rangel:** Well we have to select our words very carefully. We are not talking about repealing something that the President has deliberately said it's going to expire.

**Robert Siegel:** Not extending excuse me.

**Charles Rangel:** Right and the truth of the matter is that even Greenspan most all of the people have said that the \$2 trillion 2001/2003 tax cut was irresponsible if it did not pay for itself what does that mean. It means that you either have to make certain that you take care within the budget by cutting other programs but certainly would be irresponsible to borrow the money to do that.

So clearly where economists would be able to say that we have actually raised more money by having a tax cut than we would if we had the rates higher the truth of the matter is that if you just go out and borrow from the Japanese and the Chinese \$2 trillion you'd have more revenue that's here.

Another problem we have is the – and let's get to the budget first because our job is not to determine which way the economy goes. Our job on Ways and Means we have jurisdiction over taxes, tariffs which means trade, Social Security, and Medicare.

Tremendous problems in terms of the indebtedness of the United States as it relates to the deficit. And it's not partisan to say that we came into this administration after the Clinton administration with a projected \$5 trillion surplus. We'll leave now with some \$9 trillion deficit.

What do you do? Where do you go? How much money can you possibly raise? Well the philosophical difference and I really believe not just in terms of the candidates but just in terms of the direction which this great nation is going is do you truly believe as Republicans do that if the states did not specifically give the responsibility to the Federal government that they should not be involved.

And they believe this ever since Roosevelt and Social Security and they believe in their Medicaid. They believe in their Medicare. They don't say that the Federal government has no responsibility for the sick and the aged and the retired. What they say is, get rid of entitlements and let it stand on its own two feet.

Well if you do that then it means that you're casting this responsibility off to the states. They have to responsibility to provide the service. And the voter if they don't like the service they get the philosophy is vote with your feet go some place else. But that the Federal tax structure will be so low that it will make it easy for local and state government.

Democrats don't believe that. We believe in truly the Federal government has the responsibility to invest in the workforce, to invest in health, to invest in education, and to invest in infrastructure which our road system, transportation system is all the basis of doing all of those things.

And that's how we're going to look into the next administration in terms of taxes. It seems to me if the President can find a projected over a \$1.5 trillion for a war, \$159 billion to be given to the so called middle class and those people in turn the economic stimulus.

That we can take a gamble with America and say if we're going to be competitive in international trade we have to have a workforce that at least is subsidized to the same extent as our competitors. This is a major political problem we have and will dictate which way the tax code would go.

To even think that we would add to the deficit by reenacting the Reagan tax cuts doesn't make a lot of sense, the Bush tax cuts 2001/2003. So I would – the first thing that I did as so many people in this room would know is to have an outline of what tax reform could be.

And I worked very closely surprisingly enough with Secretary Paulson. And we almost reached complete accord on the corporate tax structure. There's not one thing that I'd put in there including loopholes that he could object to because I stole it all from his blueprint. Politically he can't say anything because all I said is that if it's going to be good for the corporate world why don't you do something for the middle class as well?

And we were able in my tax bill to reduce this corporate tax rate to 30% - oh no from 35.5% to 30% and we can go even lower if we're prepared to really go after those preferential treatments in the code that should not be in the code. And so we probably as Democrats will be going down that to reform the tax code.

And also and I'll conclude by saying this waiting for your next question is that there's something wrong with a tax code that during the time of recession when the President is now saying, I think he's saying it.

But he kind of saw that this sluggishness that we have in the economy is based on the fact in part of lack of consumer confidence which is another way of saying is that our people are not selling, not manufacturing, not providing goods and services, not because people don't want it.

But because they have the inability to buy it. So when we created the stimulus package three things we said had to be done. One it had to be timely that is don't come out with tax relief after the problem is over. Two it had to be targeted. That is it was not geared for people who have the ability to save or the plan.

They had to put food on the table, clothes on their back, pay the rent, pay the mortgages. And lastly it had to be temporary because we did not want to increase the deficit.

What kind of tax system could you have that allows to tax 1% to enjoy enough assets to be able to get whatever they want, to buy and consume whatever they want, and to have hundreds of millions of people in the middle some who thought they were a little quiet unable to buy.

It screams out for reform to be able to say that the dignity of working hard every day and then looking forward to a rebate is not the right way to have a tax system.

**Robert Siegel:** Well let me ask you then one feature of the Bush tax cuts which in Republican parlance as you refer to this is the death tax or as people call it the state tax or inheritance tax. Is the time to die ending shortly that is are you going to start at taxing the states early on in the next Congress do you think back at a level similar to what it was?

**Charles Rangel:** Now that's a question your children should be asking.

**Robert Siegel:** It's appropriate in the (Sears Kraft) Auditorium that I should be asking this because they have much to do with that.

**Charles Rangel:** I don't want to really get involved in the historic reasons why we have the inheritance tax. It has a lot to do with equity but that's a more difficult political argument to make. The fact is that we have been and are prepared to have a \$3.5 million deduction right off the bat to lower the actual tax to have it \$7 billion for a couple and less than one half of 1% of the people will ever be affected by it.

And I will think even if we didn't need the money that they would be a moral level in term of what a person making that type of income would owe the rest of the country in terms of giving him or her the opportunity. So a \$7 million per couple just wiping it out entirely and lowering the rate what more do you want as a privilege to live in the greatest country in the world.

**Robert Siegel:** I guess just to keep on living forever would be the only thing beyond everything. Trade policy from what you hear in the campaign this year and what you expect to hear in the Congressional campaign, how can you as someone who's a deal maker on trade policy.

What kind of a trade policy can you arrive at if the Democrats seem to be as opposed to trade agreements as we're hearing people at the top of the ticket and as we're likely to hear candidates for Senate and Congress?

**Charles Rangel:** I think we've done a terrible job in selling trade. I think Lou Dobbs is solely backing on people who felt a lack of confidence, who don't feel the spirit of competition, who really don't see the jobs that are created or the benefits that Americans would get.

You know, we don't have people walking out of Wal-Mart saying "thank God for China that makes this (item) so much cheaper." We don't have people knocking on the door saying I got my job through NAFTA. Most of the concentration has been on the shareholders and not the benefits that have been given to millions of Americans who have had to make the transition from manufacturing jobs to service industry jobs.

I think I've gone a long way in working with the business round table, the U.S. Chamber of Commerce and in New York I've really been meeting with the New York partnership in saying that in addition to shareholders, our corporations have had to have that American flag to let individuals, communities, and our businesses know that we're all on the same side with this.

And if they can open up the doors to allow people to come in because of their special training and science and technology they should be investing in America to say we want our workforce to be just as smart. They should shatter this myth about education and health being local issues.

They're national issues. And they have a national responsibility not just to go overseas to train and create the jobs there but to go into our towns and villages to be able to say you may not be able to do the things you used to do. But with the incentives that we're getting from the Federal government and research and development that is not just for shareholders that's for Americans to be able to take advantage of it.

And so I've been working very, very closely with Secretary Paulson. As you pointed out we were able to get the Peru agreement. We are pretty close to closing out on the Pan American agreement and the reason for that is purely political and has nothing to do with the internal politics of the United States.

A pretty bad sale has been made for Korea since we have about 4,000 cards in Korea they have about 650,000 cards here. It was a bad deal we think is being held up because they won't let our beef in. And Columbia is a pretty emotional problem as it relates to the number of labor leaders, teachers, and journalists that are being killed in Columbia.

And the government has not come forward. But I see a great opportunity if we would work together and not against each other to teach Americans that job training is good. My cousin is in the audience, Cliff Wharton. He and my grandfather and his father were close cousins.

And he was an elevator operator in the Criminal Court building. He lost his job because of automation and people thought he was a big shot, you know, he had a uniform and had the badge on. And they – he used to sit on this stoop and give all this bad legal advice.

But – and then when he lost his job they said hey (Charlie) you lost your job as the elevator operator in the Criminal Court building. He said yes but that no good grandson of mine's a district attorney down there. Well I think that even if you have to go through the pain of transition.

There should be a young generation saying that they have a great opportunity in this country. They got between the loss of jobs and the creation of new income is not a very well known story. And so when everything that goes wrong you can charge it to trade that's what we're going through.

**Robert Siegel:** But what is this – how well can this attitude survive the next week in Ohio? What we're going to hear about trade agreements between now and next Tuesday or from the Democratic Party in Ohio could conceivably brand your national ticket, the ticket against free trade?

**Charles Rangel:** Well I don't know how many of you know my community Central Harlem but it's been the recipient of the empowerment zone which is a bill I created which was signed by Bill Clinton who is the husband of the candidate...

**Robert Siegel:** I've heard of him.

**Charles Rangel:** And I'm telling you the excitement of seeing the economic growth that's taken place in my community is only challenged by the appreciation of property and the higher rents. And we do hope by investment in the education system to be able to improve just that.

It's a question of sales. Those people who are doing much better as a result of trade are not hurried. And you're dealing with the transplants of people who worked in the factory that you saw every day that were proud that their kids were going to college.

Well their kids are going to college and doing different type of work. We have to make certain that we have a cushion there that we have a transition there that just because you lost your job it's not the end of the world. We have to make certain that you get health insurance that you get training and that your kids have an opportunity to go to school without being forever indebted for doing it.

And why in God's heaven if we're lagging behind in terms of education do we have to have kids with loans over \$20, \$30, \$40, \$50,000 when we need that in order to be internationally competitive. And it's just plain stupid. And so when people see their kids doing better than they have, it takes the hit off the fact that they were disappointed in the fact that we're going through globalization.

But we have to be more concerned about the losers. Another problem that we have is that we have two million people locked up in jail; most all of them for a non violent crime. We have got to take another look at how we use our vital resources, especially when you're dealing with countries that have billions of people as opposed to our limited population, limited access to education, and a pretty lousy health system.

**Robert Siegel:** Well you've given us lots to think about and I'd like to have some questions from the audience for you.

**Question from Audience:** Congressman, we've already heard a lot about health care in the – what we've heard so far in the campaign and certainly as we get into the general election we're going to hear more about it and much of that focus is on how much coverage should be provided to how many people.

And I'm curious what you would like to see I guess sort of regardless of who the President was if you had your wishes where you'd like to see health care coverage go in the new administration.

**Charles Rangel:** Well you can't say regardless of the administration. As I pointed out earlier there's no one here that's appeared to challenge the fact that the Republicans are almost proud of the fact that they don't believe the Federal government has an obligation to provide health care.

Nobody they really believe if anything incentives should be given. You should go to the private sector. It'll work its will out, you know, survival of the fittest. But there's no national priority to say that we want the healthiest country that we can possibly get and people should access to decent health care.

And so whether we're talking about Senator Obama or whether we're talking about Senator Clinton who clearly has given her life in terms of providing universal care. Democrats will have to find out what method are we going to use to pay for this care.

If you have any faith and confidence in the country if we can say that the war in Iraq forgetting the cost of lives, the hundreds of thousands of lives the American's who's lost their lives but then we talk about the projected \$1.5 trillion cost of the war unless you're going to McCain and it may be a lot longer.

Because he's prepared to stay beyond the years. But when you say well how did you get the money for the stimulus package? How do you get the money? Where you're going to get the \$2 trillion for the extension of the tax cuts? They will tell you that because it's such a robust economy that's projected the percentage of the deficit as it relates to the gross national product why it'll be infinitesimal.

You say well God if a war and for rebates could be infinitesimal what a boom it would be if we said for education. My God what would return be if we just said in the long run we'll be able to get a return? And then we'll go to people like you and Syracuse University and we will ask.

Of all of the money that we're spending for health care at what stage of the life of the patient is it being spent? And you guys would talk about the cost of intensive care units and the surgeons and the specialists and the technologists. And then somebody would ask well would it be more costly or would we save if we prevented all of these illnesses?

If we had a universal care do sick people cause other sick people to get sick? Can we get the costs down in the long run? And you'll have scientific evidence to prove that we can do this type of thing. And so then we would not have a budget. The budget that the President has given to the United States Congress is painfully embarrassing to any accountant.

There – Democrats and Republicans have all kinds of creative ways to make budgets balance that nobody has gone as far as this administration. They have moved to cut by over 30% the health budget knowing that Republicans and Democrats are not thinking about doing it. They're eliminating assistance for sending kids to school by being able to give them reimbursements.

They're eliminating the health care for the poor knowing that they're not going to just leave the poor out there. And so one way or the other the Congress is going to have to readjust it to do things. But also they have the war ending in one year.

In other words there's no cost in the budget for the war. Some of you may know about the Alternative Minimum Tax. It'll cost \$1 trillion in order to get rid of it at least to get rid of it. And it costs \$80 billion a year just to push the darn thing off.

Now the President would say he wants to eliminate this tax. It was unfair. It was unintended. It's a burden on people that never should have it. But yet in every year after the first year he acts as though it's never removed. How can

you possibly suggest that you eliminate the tax burden and at the same time not provide how you're going to raise the money for it?

And so what I'm saying is this is a test not just of Democrats and Republicans but a real test will 50 million people that have no access to health insurance have it and more will we able to bring in a system where preventive care in the longer run would reduce the indebtedness that we have.

**Robert Siegel:** If you could kind of following up on the question of how many people are covered? In the last Democratic primary Senator Clinton likened universal health care to Medicare and to Social Security as great programs that the – that Federal government has brought about.

But she's not proposing a tax based quote single payer system in which we pay more in Social Security taxes and as a result get a Federal government benefit that covers our health care. Nobody's this side of Ralph Nader is proposing that.

Is it conceivably going to be on the agenda of the next Congress as these various plans for how you extend health care given the Democratic view of the Federal government as they're debated? Is there a future for discussing simply a real mandate which is everybody pays in their taxes for the cost of their health insurance and everybody receives a benefit?

**Charles Rangel:** You bet your life. You know, with all due respect to Senator Clinton it's got to the Congress that decides what the law is going to be.

**Robert Siegel:** Is that kind of we'll have a possible future in the Congress whether the...

**Charles Rangel:** The debate will have a future in the Congress. I would like to believe that the providers will play a more important role than the politicians. Even as you and I talk I'm working with the Republican senior member of the Ways and Means Committee not to come up with legislation but to bring in the doctors,

the hospitals, and the specialists to see what would you do if you had the authority to recreate a system?

The problem that we have now is that every provider is competing against another provider for a piece of the reimbursement. And therefore we don't get a clearer picture as to what the cost is. But if we did have a situation where the bipartisan way doctors who've lost a lot of their ability to be reimbursed based on the service they provide.

If we had them all to come in and truly believe we were looking for a bipartisan solution to the problem but since I've been there on the Ways and Means Committee we've had a pretty partisan view on how you provide health care. And we have to get away from that.

But whether you listen to Senator Obama or whether you listen to Senator Clinton that is not what Senator McCain is talking about. So these debates are merely a discussion about what I'm going to propose to the Congress. And I'm excited about that opportunity.

**Robert Siegel:** Okay. Well some questions you're first hearing in there.

**2<sup>nd</sup> Question:** My question is, everything you've said sounds very good and certainly no one is more able to bring about these results than you are with your bipartisan cooperation, Secretary Paulson, and with your Republican counterparts.

But we've said nothing about the lobbies. Don't the lobbyists come in the (Case) Street crowds give so much money to so many Congress members and do more than that on some occasions? And don't they have a great deal of influence over members maybe members of the other party to prevent the kind of bipartisanship you look towards?

**Charles Rangel:** Quite frankly if – I think lobbyists are great. I train more in having lobbyists come to testify than anything I know especially since every day there's a new challenge either in taxes we have people that argue on both sides of the tax code to someone that's an incentive to make America greater and stronger by giving us an opportunity to invest and create new opportunities and new jobs.

To someone else say wow what a loophole do you know the give away the government is having there? And you just listen to them. And common sense and research will dictate the direction in which you're going. Any I think I've had over \$3 million in contribution just in one year. I'm not certain of the amount.

But I think we ought to really stop that and get involved in public financing. But to get to the bottom line of your question any member of Congress that's influence by a contribution of a lobbyist I really think ought to be indicted and arrested.

And the inference as the New York Times had against my friend McCain I think is just wrong and immoral to have to do it. There could be nothing basically wrong with just saying to lobbyists. It's just that we've had some real bums. We've had some criminals. And we ought to get rid of those people.

What is a lobbyist? They have been hired to try to educate, to persuade a legislator that their side of a legislative issue is right. For every lobbyist that believes in one side there has to be someone that believes the other side. And if you were just listening to the debate if there was a Republican up here I would be a lobbyist for America and my people and what I think is right. And the Republican would be the lobbyist for a different position.

**Robert Siegel:** But it changes when it turns out that you have an envelope with money in your pocket and you can help some of the people get elected but with that

contribution from your industry that's different being an lobbyist, being an advocate for a position.

**Charles Rangel:** Beyond advocate for a position and a pay for access and I think that part is wrong that they should not have – I'm against the contributions that lobbyists make. There should be a more public system but I certainly don't believe – call me adversity that's represented here.

**Robert Siegel:** Well Syracuse University or very prominently.

**Charles Rangel:** They don't lobby because they're not my constituents. These are my constituents. They give more money probably than any hospital in the country because they do a great job.

When I put them in for a grant they don't challenge the expertise of the institution. But do they lobby? You bet your sweet life they do. I mean these are lobbyists here.

And so I think that's great. And I suspect that other hospitals will be sending other people to tell me that they should get the grant.

**Robert Siegel:** But you would say it's a couple of rotten apples or a few rotten apples in the Congress. You know, when you say...

**Charles Rangel:** I think there's a lot of them.

**Robert Siegel:** You wouldn't swell over two million people already in prison by – we already as you said have two million people in prison. You wouldn't seriously swell that by locking up everybody who's been influenced by a lobbyist in Washington.

**Charles Rangel:** I'm a former Federal prosecutor so this is not just a question of what you want to believe. It's a question of was someone criminally inclined to break the law

to influence a law maker. And I'm saying that that person should be indicted and everyone should not be just called a lobbyist merely because they're paid to try to persuade a member of Congress that their side of the issue.

I will be dealing this week with a \$17 billion energy tax bill and trying to find ways to conserve energy by giving tax incentives to certain utilities, certain appliances that could be made energy efficient. In addition to that wind and water and solar all of these things we will have lobbyists saying give us a chance to show that we can conserve energy that we have another way to do it.

They come from universities. They come from the sciences. They come from the industry. And I don't suspect that there's any immorality in any of the presentations that they'll be making in front of my committee. They are lobbyists. So if we want to talk about crooks let's talk about them. These are the moral people.

**3<sup>rd</sup> Question:** Thanks. I just want to thank you for being here. It's been fascinating. The issue of Social Security reform hasn't been very high up in the Presidential agenda yet. And I'm hoping it will be in the general. What do you see as the possibility of real Social Security reform in the next two years assuming we get Democratic landslide in both House, Senate?

**Charles Rangel:** Wow that's a difficult question. When I met with Secretary Paulson and met with Republicans we said everything would be on the table, tax reform which some reason they've never even come close to suggesting tax reform in seven and a half years.

We said trade and we started moving in that direction. We said Social Security and let's think about it then said Medicare oh my God no. So the Medicare system is in far worse condition in terms of an emergency than the Social Security system ever would be.

That doesn't mean that we might not take up Social Security first next year. The one thing that took Social Security off of the table was the President's insistence of privatization. And that is that in an effort to get rid of the entitlement ultimately the goal of Republicans would be to spin it off into the private sector.

So ultimately you're not talking about Social Security as we know it. We're talking about annuities. We're talking about pension plans. We're talking about tax breaks so that the individual ultimately would be providing for their own long term interests.

We have to address Social Security. Assuming the next administration is Democrat, it would be immoral if we didn't immediately take a look. Because each day, week, month that we do nothing about Social Security, do nothing about Medicare and to a lesser extent the Alternative Minimum Tax the more indebtedness that we're getting involved in.

The deeper hole that we've pitching ourselves into we could have tried to work out something except politically the third rail was privatization. It just means that you're going to have to depend on the Wall Street market as to what your life is going to be like.

In addition to that whether or not the Federal government had a responsibility to guarantee under an entitlement are you disabled? Are you a survivor? Have you reached the appropriate age? I guess is everyone would acknowledge. Why deal with a potential problem if you're not going to have a solution especially when the problem is politically costly? And so we'll have to do it.

**Robert Siegel:** Another question.

**4<sup>th</sup> Question:** Mr. Chairman in connection with the sub prime crisis and housing crisis generally there are proposals that the government should buy up at a deep discount some of the mortgage indebtedness to avoid foreclosures. There are proposals and change the bankruptcy laws to reduce some of that indebtedness. Can you comment on what you think should be done and what you think is politically feasible going forward?

**Charles Rangel:** I cannot because every committee that has jurisdiction including mine is trying to come up with a solution whether we should have had more regulation, whether or not we can bring this to a halt, whether or not the mortgagee was taken advantage of, whether we can provide some relief for those people now who find themselves in foreclosures.

There is no question that if this stimulus package which is supposed to hit the streets some time in spring time does not bring some type of restoration of confidence into the market...that Congress is going to be asked to go back to the drawing board and to do something else.

We have been working on this stimulus package since December because we were told that to talk about a recession was to encourage a recession. We just brought in the economists as we bringing in the bankers now when looking at the different ways that we can provide more protection for the home owner.

And at the same time see whether or not we could have run a tighter ship to avoid this from being happened. So Barney Frank, my committee, Speaker Pelosi, and the Republican ranking members as we talked are still working around the costs.

I don't know whether the President has yet to say we have an economic problem. I really don't. And it's very difficult to get the cooperation of the participants if they don't find that it's in the national interest to cooperate now because of the crisis is here.

As opposed to assuming sanctions and further regulatory responsibilities when the President as yet to say that we have more than economic challenge. We have to come in this as a Congress not with 435 ideas in the House but in working with the bankers, working with the people that provide the money and making certain that we have a safety net for those people who want to fulfill the American dream and that is to own a home.

And so I can assure you that we're working on it. It's not a question of waiting until the Democrats come in if in fact we do. But we are working on it. It's a serious problem. And I won't be the one that said again get worse because that's not what we do.

**Robert Siegel:** Would the – would freezing interest rates on adjustable rate mortgages before they reset is that to a reasonable thing to do or simply (unintelligible)?

**Charles Rangel:** We bring in the Chairman of the Federal Reserve Board. We bring in our committees. We bring in our Republican and Democratic leadership and they have to convince us or get our support rather than have to convince us that what they are doing is the best that they can do with the tools that they have to work with and suggest to us very strongly what we can do to supplement their effort in order to restore confidence in the economy.

**Robert Siegel:** One last question from the audience.

**Last Question:** Mr. Chairman, Mr. Siegel asked you this question but I don't think you really responded and I'm not quite sure you'll respond now either. But what has gone wrong with Mrs. Clinton's campaign?

Why has she begun to lag so badly? And if she were to call you up or she may have already have done so and said, Charlie what have I done wrong? What can I do to change the situation? What would you tell her?

**Charles Rangel:** I can't see where she has done anything wrong. When you are back pedaling because of the outstanding impression that your competitor has given you are inclined to fight back some times with statements that sound mean spirited and negative and therefore to the extent that this campaign of Senator Obama has a life and a spirit of its own.

I would say that there's a problem there. But I don't think that anyone that's listened to the Senator over the years would believe that the campaign didn't start off strong or that she has made any mistakes. I think that the Clinton campaign has found the Obama campaign unexpected.

And it has a momentum of its own. And I really don't find that it's a negative for the Senator at all. As a matter of fact I can't begin to tell you how proud of I as a Democrat that we are bringing this type of challenge to the American people.

If I were to get political and I try desperately hard to not do that I would thank God that we had a Republican at least that could stand up like McCain because prior to that I was embarrassed as a politician as to what the Republicans were bringing up which in my political thinking we have overwhelmed them in terms of excitement and young people and it's not a question of whether we're going to deal with Social Security or health care or education.

It's which one believes that they have a better idea. And I only hope that the under belly racism that traditionally this country has known about that these candidates have made their personality so important that the question of sex and the question of color is not the issue.

And so, you know, this country's been good to me. I went as Cousin Cliff knows from a high school drop out in 1947 to Chairman of the Ways and Means Committee. So hey it's a great country and a great system.

And I think that in the last year this is one of the most important things that I can think of that's ever happened to us as a nation. I think this is elevated our status throughout the world. And even when we see what's happened in Cuba which we know a hand full of people in Miami has been able to dictate to Republicans and Democrats how we treat a nation, you know, for over 50 years.

And now I listen to my candidate's debate on what are the free conditions before we sit down and get rid of this silliness and start opening up the door. It's a good period of time to be an American. And if the magic of the Democratic primary can extend to our country and especially to our young people we're winners. So I'll be in Ohio. I'll be in Texas. And I hope that we win. But I don't see us as any losers at all.

**Robert Siegel:** And thank you. Very, very briefly I just want to check one thing that you told CBS. You said that since the battle in Korea which you managed to come out heroic and alive you've never had a bad day in your life. Is that true?

**Charles Rangel:** I think a lot of people are able to say it. I just wrote a book about it. But on November 30, 1950 the Second Infantry Division was on the border of North Korea and China. General MacArthur had for some reason had a confrontation with President Truman and the entire 8th Army was waiting.

Because we have completely defeated the North Korean. During that period of time while we were waiting the Korean Communist People's Volunteer Army completely surrounded our unit and in 20 below zero weather tens of thousands of them attacked my unit.

And we had 90% casualties. I was shot, left for dead, heard the screaming, the nightmare we had waited to be hit for three days. And then I just decided that it was all over and I told my sweet personal order save you Jesus Christ if he saw fit to get me out of that he'd have no problem with me any more in

life. Well I got out of it, came home with the medal, got the GI Bill and I haven't had a bad day since.

**Robert Siegel:** Well thanks for sharing your part of a good day with us today.

**Charles Rangel:** Thank you.

**END**