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TELEVISION PROGRAM TO "CBS NEWS' FACE THE NATION."



## **June 5, 2011 Transcript**

GUESTS: GOVERNOR HALEY BARBOUR  
R-Mississippi

REPRESENTATIVE NANCY PELOSI  
D-California; House Democratic Leader

MODERATOR/  
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## TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, the White House scrambles to explain a bad economy and Republicans look for a candidate that at least they can like.

PRESIDENT BARACK OBAMA: There are always going to be bumps on the road to recovery.

BOB SCHIEFFER: He got that right. Unemployment ticked up again. Food and gas prices are high. The housing market sunk even lower and the stock market tumbled. Democrats are trying to explain.

REPRESENTATIVE NANCY PELOSI (D-California/House Democratic Leader): Well, I think we have to take a careful look at those figures.

BOB SCHIEFFER: Republicans said it was all the fault of the President.

MITT ROMNEY: When he took office, the economy was in recession and he made it worse.

BOB SCHIEFFER: In a busy week on the campaign trail, Romney made it official he's in as Sarah Palin took a vacation, went on the ultimate ego trip or launched her own campaign. No one seemed quite sure which. What did seem clear at least according to the polls is that Republicans aren't all that enamored with any of their candidates, which prompted Mississippi Governor Haley Barbour to say this.

GOVERNOR HALEY BARBOUR (R-Mississippi): We're not going to purity. We're not going to have a perfect candidate.

BOB SCHIEFFER: We'll hear from both sides today--from the left, House Democratic leader Nancy Pelosi; and from the right, Republican Governor Haley Barbour.

It's all ahead on FACE THE NATION.

ANNOUNCER: FACE THE NATION with CBS News chief Washington correspondent Bob Schieffer. And now from Washington, Bob Schieffer.

BOB SCHIEFFER: Good morning and welcome to FACE THE NATION. Mississippi Governor Haley Barbour joins us this morning in the city. Oh, Governor, welcome. We're always glad to see you here. Got some very bad economic numbers this week. Do you think this country is headed for another recession? Some people are saying a double-dip recession.

GOVERNOR HALEY BARBOUR: Well, certainly a possibility because the policies of this administration are bad for the economy. And frankly, while this administration has been great for Wall Street, Main Street has never really gotten out of the last recession. It's very hard to tell the difference for small business, even though the New York banks have done great.

BOB SCHIEFFER: Somebody told me that you actually said this week you think that the President is trying to drive up energy policy, energy prices on purpose. Did you say that?

GOVERNOR HALEY BARBOUR: No question about that. I mean, this administration's policies clearly have been to drive up the cost of energy, so Americans would use less of it. That's

environmental policy. That's not energy policy. But that's their policy. They think it will give you less pollution. Make these alternative energy sources-- excuse me, Bob, more competitive. When-- when Barack Obama became president, gasoline was about a dollar eighty a gallon. And now it's up to four dollars a gallon. Why should we be surprised when his secretary of energy said in 2008, Steven Chu, what we really need in the United States is to get the price of gas up to where it is in Europe.

BOB SCHIEFFER (overlapping): Well, you--

GOVERNOR HALEY BARBOUR: Well, we may need that in Berkeley but we don't need that in Biloxi, I can tell you that.

BOB SCHIEFFER: I've-- I've-- I've-- I've got to say governor, I've heard a lot of people give a lot of different reasons that energy prices have gone up but I believe you must be the first to say, he did it on purpose.

GOVERNOR HALEY BARBOUR: No, I don't think that at all. Barack Obama told the San Francisco Chronicle in 2008, under my cap-and-trade plan, you-- the electricity rates will necessarily skyrocket. Not my words Barack Obama's words--necessarily skyrocket. Now why would you try to push a cap-and-trade tax through to drive up the cost of electricity? Well, because they believe it will mean we'll use less electricity. There'll be less emissions. And so, I don't-- I don't back off from that one iota. And it is hurting the economy. The-- energy is a hundred percent of the economy. Energy is the life blood of the economy. That they've tried to raise the price of oil, they've tried to raise taxes, they've tried to raise the price of coal, they've tried to make it harder to get permits. So I don't-- I don't think there's any question that this is the policy of this administration.

BOB SCHIEFFER: All right. It's been a very busy week in politics. Mitt Romney made it official, he is running. Sarah Palin got a lot of attention. I'm not sure anybody but Sarah Palin knows exactly what it is that she's up to. But, governor, a Pew Research/Washington Post poll had some fairly stunning findings. And I want to run these by you. When Republicans, not just voters in general, but when Republicans were asked what word they would use to describe the Republican field so far, the word they used most often was "unimpressed," followed by "disappointed" and "weak." The word "good" did come in fourth but it was followed by "incompetent," "pathetic," "unqualified," "not interested" and "idiots." Four Republicans in ten, thirty-seven percent used negative words to describe the Republican field, only twenty-two percent used positive words. That tells me, governor, that no matter how bad this economy is, you've got some work to do here.

GOVERNOR HALEY BARBOUR: Well, you know, it reminds me of the last two times the country has elected Democrats as President. In the first half of 1991, if you'd asked people about Bill Clinton, those would probably have been some of the nicer things that they said about him after his speech at the 1988 Democratic National Convention. Yet, he became president. If you'd have asked about Barack Obama, they would have said who? I mean, the fact of the matter is, this field is-- includes some people who have been very successful as governors, a former speaker of the House, people who have been successful in business. But a lot of them are not very well known. And that's going to-- ask what presidential nominating contests are about. And as I say, Barack Obama came from nowhere zil at this time to being President. Bill Clinton came from not anybody saying anything nicer than that. I think the same thing can happen for us, if the election is about Obama's policies and the results of those policies. That's the key for the 2012 campaign for Republicans.

BOB SCHIEFFER: But-- but-- you don't-- you're not concerned that-- that-- that the people in your own party don't seem satisfied with this field? I mean, do you think somebody else ought to get into this?

GOVERNOR HALEY BARBOUR: I think probably other people will get into this. I'm not sure the field is fully formed.

BOB SCHIEFFER (overlapping): Who do you think that will be?

GOVERNOR HALEY BARBOUR: But there are people talking about getting in-- Rick Perry, the governor of-- the governor of Texas. You mentioned Sarah Palin. I don't know if she's going to run. Jon Huntsman, governor from-- former governor from Utah. I don't know if he's going to run but there are other people who might get in. But this field will be more fully formed come fall and then we'll really start seeing what happens in the spring.

BOB SCHIEFFER: Well, what about Sarah Palin? You say she-- you don't know what she's going to do. If she did get in, could you ever envision yourself supporting a ticket that had Sarah Palin at the top?

GOVERNOR HALEY BARBOUR: If Barack Obama was the head of the other ticket, I could. There's no question about that. I mean, we look at the Obama policies. He wants to raise taxes when raises taxes would hurt the economy. When in fact, what we need in our country is economic growth and job creation. He pays lip service to that but his policies hurt that. Obamacare makes it harder to hire people. How do you hire people, Bob, if you don't know what your obligations and costs are going to be for health care. All this government spending, bigger government means a smaller economy. When government is sucking trillions of dollars out of the economy, there is no money on Main Street. I can tell you that. Wall Street may be doing all right but there's no money on Main Street. That's where the jobs come from. So policy after policy after policy makes it harder to create jobs and grow the economy in the Obama administration.

BOB SCHIEFFER: You-- you've made what you called a Dutch uncle speech to a religious group here in Washington, last week. And you told them, you said, "Look we're not going to find a perfect candidate." I want to play just a little of what you said here.

GOVERNOR HALEY BARBOUR (June 3): You need to start teaching this. And that is conservatives, religious people, small government people, we are not going to have purity, we are not going to have a perfect candidate. There's only one perfect person that ever walked on this earth. And-- and I ain't going to be another one in this election.

BOB SCHIEFFER: Why did you feel it necessary to say that?

GOVERNOR HALEY BARBOUR: It's always necessary to say that in primaries, because often times in primaries, you will see people will go to the person who is the most like them. That they think they agree with them on everything. And that's-- and that's the nature of primaries but at the end of the day, you've got to unite. Purity in politics is a loser. Unity in politics is a winner. And there are a lot of people who don't like some things about Haley Barbour. But I tell you what my old boss Ronald Reagan used say, "Remember fellow that agrees you with eighty percent of the time is your friend and ally, not some twenty percent traitor." And it was always amazing to people, how many people who didn't agree with Reagan on this issue or that issue, voted for

him every time. We've got to be like that. I can remember George Wallace. I can remember Ross Perot. When people split off and they gave the left victory because they split the vote on the right, clearly happened in 1992.

BOB SCHIEFFER: Mm-Hm.

GOVERNOR HALEY BARBOUR: It happened in New York just last week. A phony Tea Party candidate, but somebody who got on the ticket is on the ballot as a Tea Party candidate got nine percent of the vote. It contributed to winning the (INDISTINCT).

BOB SCHIEFFER: You even said after that speech you were talking to little group of reporters. And you said, we may actually have to accept a candidate, it feels and says it's necessary to raise taxes.

GOVERNOR HALEY BARBOUR: Well, what I actually said was if a candidate becomes President and ha-- and feels like a good compromise is to take a tax increase and gets plenty in return, what I said was, remember, I work for Ronald Reagan. Ronald Reagan had to compromise on everything. Ronald Reagan put forward good policy. But at the end of the day, he took the best that we could get. I don't-- I think raising taxes is bad for the economy. I think it's the worst thing that we could do. But if you've got enough spending cuts, enough good policy, enough growth, would you take that as a compromise? Well, I wouldn't say I won't support somebody for President who would do that because, like Ronald Reagan, that maybe the best that we can get for the country.

BOB SCHIEFFER: Let me ask you about Medicare and what Paul Ryan said. He says I mean, I think everyone concedes, we're going to have to do something about Medicare, it's going to have to have some serious reforms, it's going to go broke in it's present state. But he says let's do away with Medicare and let's replace it with government-subsidized private insurance. Now when he said that, Democrats began licking their chops. They said, boy, I hope that that's what the Republicans are going to run on because we can beat them on that. Can Republicans run on that and win or do you have to make some modifications to that, governor?

GOVERNOR HALEY BARBOUR: Let's-- let's start at the beginning of what you said. Unfortunately, while Barack Obama said in 2009 that the government will not be able to afford Medicare in the future, health care costs were unsustainable. Today, he wants to do nothing about Medicare. He told the Republicans when they met with him at the White House, "I will not have a plan." Now what kind of leadership is that from the President of the United States? This is an unsustainable program, the government cannot afford it. His own actuaries at Medicare say it's going to be out of money in about ten or twelve years. And he says I'm not going to do anything about it. Now Paul Ryan has put forward an idea, pretty good idea if you ask me. I was a government employee once. And what Ryan is proposing is very similar to federal government employees' health insurance plan.

BOB SCHIEFFER: Why didn't you run? Why did you decide not to in the end?

GOVERNOR HALEY BARBOUR: Yeah, I've been around long time, forty-two years--my first political presidential campaign forty-two years ago. And to run, you've got to be one hundred percent committed to the most consuming job on the face of the earth to make a ten year commitment to almost the exclusion of all else. And I didn't have the fire in my belly to look at friends, supporters, donors, and say I know I've got that fire in the belly. If you don't

know it a hundred percent for sure, you got no business running. It's not fair to the people that help you.

BOB SCHIEFFER: Haley Barbour, it's always a fun to have you here and fun to talk politics with you. I hope you'll come back. And I-- I hope we'll see you again during the campaign.

GOVERNOR HALEY BARBOUR: Thank you, Bob.

BOB SCHIEFFER: We'll be back in one minute with the House Democratic leader Nancy Pelosi to talk to her about some of this bad economic news we got last week.

(ANNOUNCEMENTS)

BOB SCHIEFFER: We welcome to the studio this morning the Democratic leader in the House of Representatives, the speaker of the House when the Democrats had the majority there, Nancy Pelosi. Ms. Pelosi, thank you--

REPRESENTATIVE NANCY PELOSI (overlapping): Good morning.

BOB SCHIEFFER: --so much for coming.

REPRESENTATIVE NANCY PELOSI: Good morning.

BOB SCHIEFFER: You know, the unemployment figures came out and they were worse than expected.

REPRESENTATIVE NANCY PELOSI: Yes.

BOB SCHIEFFER: As you know. Unemployment actually ticked up to 9.1 percent but this was just part of the story.

REPRESENTATIVE NANCY PELOSI: Hm.

BOB SCHIEFFER: A series of numbers that have been really, really bad lately, the number of new jobs created--

REPRESENTATIVE NANCY PELOSI: Hm.

BOB SCHIEFFER: --fifty-four thousand, far fewer than expected. Home prices hit a new low in the first quarter of the year. Home sales are down again. Consumer confidence is down. And gas and food prices are up. I have to say, congresswoman, many of the experts thought the recovery would be well underway by now.

REPRESENTATIVE NANCY PELOSI: Mm-Hm.

BOB SCHIEFFER: But it looks like we're going backwards now, that-- that we may be on the verge of a double-dip recession here. Do you-- do you fear that's what's happened?

REPRESENTATIVE NANCY PELOSI: Well, I think we have to take a careful look at those figures to see. The unemployment numbers are obviously very disturbing. Are they an anomaly as some people suggest, because of the disasters in the South and the Midwest and the rest or

is this something systemic that-- that we have to accommodate in a different way? But all of it translates into hardship for America's middle class and they're feeling it very, very severely.

BOB SCHIEFFER: You know Mitt Romney launched his presidential campaign in New Hampshire. And he said basically the President has made the economy worse. Here's-- let's just listen to what he said.

GOVERNOR MITT ROMNEY: This is now his economy. And what he has done has failed the American people. And the borrowing and the spending and the 1.6 trillion dollar deficit, these-- these numbers are his, they're on his back and it's why he's going to lose.

BOB SCHIEFFER: So are you and the Democrats going to have to come up to an answer to that?

REPRESENTATIVE NANCY PELOSI: Well first of all, I don't stipulate to that set of facts that Governor Romney just said. Mitt Romney has said because the fact is that this deficit came to us largely from President Bush. But it's no use going there. We have to go forward. It's a question of what-- what is the President and what are those who aspire to be President going to do about the future to create jobs, good paying jobs. What are they going to do about the education of our children, the security of our seniors, the strengthening of the middle class, reducing the deficit-- reducing the deficit?

BOB SCHIEFFER: But the President has been there two-and-a-half years.

REPRESENTATIVE NANCY PELOSI: Mm-Hm.

BOB SCHIEFFER: I mean, why hadn't he done that yet?

REPRESENTATIVE NANCY PELOSI (overlapping): Well, he's done a great deal of it.

BOB SCHIEFFER: What's happened?

REPRESENTATIVE NANCY PELOSI: I think if he hadn't taken the actions he did that the situation would be worse. He pulled us from the brink of a financial crisis, from an economic crisis. And now we have to dig out of a deep-- a-- a deep debt. And-- and we have to also make it clear that we're not getting into this situation again.

BOB SCHIEFFER: You were talking in a kind of a different way when unemployment went to five percent under George Bush. What you said then that Americans are struggling with skyrocketing energy prices, gas is only three dollars a gallon then. And you said this morning, this is January 4, 2008, "This morning's jobs report confirms what most Americans already knew--President Bush's economic policies have failed our country's middle class." I mean, aren't Republicans entitled to say, you know, if then gas was three dollars and unemployment was five percent and-- and-- and the President has failed the American people, don't they have a right to say that this President has failed the American people?

REPRESENTATIVE NANCY PELOSI: Well, if you want to go into the past, we can talk about the past all you want. The public wants to know about the future. What are you going to do to create jobs, good-paying jobs in our country?

BOB SCHIEFFER (overlapping): Well, what are you going to do?

REPRESENTATIVE NANCY PELOSI: Well, as I said what the President has done has improved the situation from where it may have been.

BOB SCHIEFFER: But the fact is the Congress has been in session since January and it's done basically nothing.

REPRESENTATIVE NANCY PELOSI: Well you can talk to Mister Boehner about that.

BOB SCHIEFFER: So it's all their fault, it's not your fault?

REPRESENTATIVE NANCY PELOSI: Well, no. I mean, they set the agenda. We have said everyday that they're there, another day goes by and there isn't a jobs agenda or a jobs bill that has come to the floor. But again, it's about how we can work together to go forward. The-- these issues are bigger than politics. They're bigger than elections.

BOB SCHIEFFER (overlapping): Well, yes.

REPRESENTATIVE NANCY PELOSI: It's about the country that we will live in. And that-- what you'll see in the election as we-- we go forward is one vision of America that's encompasses the Republican budget plan that-- that abolishes Medicare, that-- that makes college almost unaffordable for nearly ten million chil-- people, and the young people in our country. That takes us deeper into debt and does not create jobs, or you can talk about an agenda that is about making it America, investing in education, innovation and the rest. And that's what campaigns are about. But I-- I-- I completely agree with you. Five months of this new Congress we haven't seen a jobs agenda come forth from the Republicans.

BOB SCHIEFFER: Do you think you're any closer to coming some kind-- some kind of agreement with the Republicans on anything right now than say, you were in January?

REPRESENTATIVE NANCY PELOSI: Well, I would certainly hope so because we--

BOB SCHIEFFER (overlapping): And when would be that be?

REPRESENTATIVE NANCY PELOSI: Well, we have what-- what it has to be and then we can work back from there. What it has to be and what the American people want from us, they-- you know, you keep going back to '05 and this and that and I-- and I'm-- you want me to respond to that and I respond.

BOB SCHIEFFER: I'm asking you about now with-- with respect--

REPRESENTATIVE NANCY PELOSI (overlapping): Yeah, no but you went back to '05.

BOB SCHIEFFER (overlapping): Well, yes.

REPRESENTATIVE NANCY PELOSI (overlapping): So the people don't want to hear about '05. They want to hear about the future and the-- as you know--

BOB SCHIEFFER (overlapping): I think they want to hear about the now.

REPRESENTATIVE NANCY PELOSI (overlapping): They want to hear about the future.

BOB SCHIEFFER (overlapping): I think they want to hear about the now. I think they want to know why aren't you doing anything now. I mean we keep talking about well we don't want to talk about the past. We have to talk about the future. But in the meantime in between time, nothing is getting done.

REPRESENTATIVE NANCY PELOSI (overlapping): Well, it--

BOB SCHIEFFER (overlapping): Nobody is agreeing with anybody on anything.

REPRESENTATIVE NANCY PELOSI: I understand that. So we're not in the majority in the House. And so you're saying to me why haven't we brought something to the floor to create jobs? I think that's a better question asked to the Republicans because they control the agenda. But what we do have to do and we can engineer back from there, we must not default on our loan. So we' going to have to raise the debt limit.

BOB SCHIEFFER: Moody's bond rating service warned this week that America's credit rating can be downgraded if a deal on the debt ceiling is not reached in a matter of weeks. Could you come to an agreement with the Republicans on debt reduction if they took Medicare off the table?

REPRESENTATIVE NANCY PELOSI: There is a-- a bipartisan discussion going on that is civil and constructive. And that they've come to some areas where they can possibly reach agreement. But that nothing is agreed to until everything is agreed to. But I'll-- I-- I-- I welcome this line of questioning because this is a place where we are looking to how we go forward with a-- a sound fiscal policy to reduce the deficit. And-- and I-- I could never support any arrangement that reduces benefits from Medicare.

BOB SCHIEFFER: All right.

REPRESENTATIVE NANCY PELOSI (overlapping): Absolutely not.

BOB SCHIEFFER: Let me ask you a little bit about Medi-- Medicare. Obviously as we all know the House Republicans want to replace it with government-subsidized private insurance. Can Democrats win in 2012 by just saying no to that?

REPRESENTATIVE NANCY PELOSI: I think the party is going to say to the American people, to middle class, we want to create jobs, good-paying jobs so that you can provide for your families. It's about M--the middle class, about Medicare.

BOB SCHIEFFER: Mm-Hm.

REPRESENTATIVE NANCY PELOSI: No reduction in benefits in Medicare.

BOB SCHIEFFER (overlapping): But--

REPRESENTATIVE NANCY PELOSI: And it's about make it in America again about jobs for the middle class, good-paying jobs for the middle class. I think that is an agenda that can win. The--

BOB SCHIEFFER: Don't you-- let me just interrupt you. Don't you have to though give some plan or some idea of how you're going to reform Medicare because we all know it can't sustain as it is.

REPRESENTATIVE NANCY PELOSI: Well, we in our health care bill as you probably know saved half a trillion dollars in Medicare. We had a half a trillion dollars in savings there which we plowed back into improved benefits for seniors in terms of prescription drugs but even more important than that, we made it stable for about ten years into the-- added ten years of solvency into the future.

BOB SCHIEFFER: Mm-Hm.

REPRESENTATIVE NANCY PELOSI: That was-- that was a big start. The Republicans want to overturn that. That's one of the fights that we are having because we want to have those savings to keep Medicare solvent.

BOB SCHIEFFER: Is what you're telling me you've already done what needs to be done in Medicare.

REPRESENTATIVE NANCY PELOSI: Well, I think that we can-- I give the secretary of HHS the power to renegotiate for lower prices. That would save billions and billions and billions of dollars. I think that any fraud that is associated with Medicare has to be addressed. But that's already a given. We didn't prevail in the bill on negotiating for lower prices. But that's a very important place to go to do that. So if you're talking about lowering the cost, what ideas do people have? We have some. If you're talking about reducing the benefits, that's a non-starter.

BOB SCHIEFFER: Well, you've got some interesting days and weeks and months ahead of you.

REPRESENTATIVE NANCY PELOSI: Yes.

BOB SCHIEFFER: Miss Pelosi, we always enjoy having you here.

And we'll be back in a moment with some final thoughts.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally, a little family news here. Monday, we turn a new page at CBS News. Scott Pelley becomes the anchor of the CBS EVENING NEWS. Not many people have had the job. And Scott is a good man for it. I sort of watched him grow up here. Actually, I watched most of the people here grow up. No one who was in the Washington bureau when I came here in 1969 is still here. So they're all newcomers to me. But here's the part I like. Scott was telling somebody the other day that since coming here in 1989, he has never had an anchor job. So he was a little nervous about taking this one. Well, I think that makes him more qualified. Too many people in TV these days get their suntans from the studio lights. Not Scott. He hasn't spent much time in the studio. He stayed out there where the news was and still is. Whether it was asking tough questions at the White House or in the trenches with the troops in Iraq or traveling to God knows where, if there was a news story you would usually find Scott there. Which is probably why since he joined 60 MINUTES in 2004 half of all the awards won by that prestigious broadcast were stories that he reported. So I won't be worrying about Scott handling an anchor

job. I won't be worrying at all. It's just nice to see someone get the job who deserves it. He'll do just fine.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And thanks for watching FACE THE NATION. We'll see you right here next week.