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



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TRANSCRIPT

JOHN DICKERSON: Today on FACE THE NATION, Chairman of the Joint Chiefs Admiral Mike Mullen on Afghanistan, North Korea, Iraq, and the state of the U.S. military.

Plus a look at health care reform.

The U.S. military ramps up efforts to oust the Taliban in Afghanistan, U.S. troops start leaving Iraq, and North Korea threatens more missile tests. All on the eve of a Presidential visit to Russia. We'll talk about all of that with the Chairman of the Joint Chiefs Admiral Mike Mullen.

Then we'll turn to health care reform which Congress confronts this week. Can a plan be put together by August? How will it be paid for? We'll talk with two Senators central to the negotiations: Republican Chuck Grassley of Iowa and Democrat Chuck Schumer of New York.

But first Admiral Mike Mullen on FACE THE NATION.

ANNOUNCER: FACE THE NATION with chief Washington correspondent Bob Schieffer. And now from Washington, substituting for Bob Schieffer, CBS News political analyst John Dickerson.

JOHN DICKERSON: Welcome again to the broadcast. Bob Schieffer is off this morning.

Joining us now, chairman of the Joint Chiefs of Staff Admiral Mike Mullen . Good morning, Admiral. Thank you for being with us.

ADMIRAL MIKE MULLEN (Chairman of the Joint Chiefs of Staff): Good morning, John.

JOHN DICKERSON: I want to ask you first about Afghanistan. There are new operations and they're testing the U.S. counterinsurgency strategy. Can you give us a progress report?

ADMIRAL MIKE MULLEN: Well, I'm comfortable with the strategy. We've had-- launched an operation earlier this week, the first significant one.

What's most important is that I think we-- we know how to do counterinsurgency. We've done that. This is very focused on providing security for the Afghan people.

But in the south, this is where the-- we expect the toughest fighting. It's already started out to be pretty tough. We've made some advances early. But I suspect it's going to be tough for a while. And again, we have enough forces there now not just to clear an area but to hold it so we can build after. And that's really the strategy.

JOHN DICKERSON: All right. And I want to ask you about the number of forces. You say you're comfortable with the strategy. There was a report in The Washington Post that (INDISTINCT) about national security adviser there-- Jim Jones seem to be suggesting that commanders in the field cannot ask the President for more troops.

Was that the first time you'd heard that, in The Washington Post?

ADMIRAL MIKE MULLEN: Well, the-- I-- obviously, I read the report as well. But I can assure that I've had discussions with General Jones. I've also had them with the President. And we're all committed to-- to properly resourcing this-- this undertaking.

And General McChrystal, who's the new leader over there, is in the middle of an-- of an assessment. And he'll come back sometime late July or to mid-August with what he needs. And his guidance is to come back and tell us exactly what he needs.

I've also told him just to make sure there's not an-- you know, every single military member over there is somebody that's absolutely required. And-- and so we're all-- again, we're all committed to getting this right and resourcing it properly.

JOHN DICKERSON: When the report came out, there seemed to be some confuse-- confusion. Did you call the President to ask him about this?

ADMIRAL MIKE MULLEN: No, I didn't-- I didn't talk to the President. I had actually spoken with the President along with Secretary Gates sometime before this in terms of how-- how we're going to proceed or how-- what it looks like General McChrystal's going to do and what the assessment is expected to-- to cover without knowing what the results will be. And when we get the results we'll move forward from there.

JOHN DICKERSON: Do you want commanders to tell you what they need right now, before this is-- do you want them to tell you what they need?

ADMIRAL MIKE MULLEN: General McChrystal's guidance for me, before he went was, you tell me exactly what you need and then bring it back here, and we'll look to properly resource it.

JOHN DICKERSON: The White House has said in response to talking about Jones's remarks, they said his message was that military force alone will not win the day in Afghanistan.

Was there anybody in the Pentagon who thought military force alone would win the day in Afghanistan?

ADMIRAL MIKE MULLEN: I've said for a long time, you know, that the military-- the military piece of this is a necessary piece but it's not sufficient. We've got to move to a point where there's security so that the economic underpinnings can start to move, development, that we can create governance so that the Afghan people can get goods and services consistently from their government.

JOHN DICKERSON: One other piece here is the Afghan government. Do they need to do more to help us?

ADMIRAL MIKE MULLEN: They need-- I believe our focus, and certainly the focus of Ambassador Holbrooke as well as our new ambassador there, Ambassador Eikenberry, is to work with the Afghan government to provide, at every level, not just the national level, but at the local level, the district level, the sub-district level, the provincial level. And we're hard at-- the whole of our government and other countries is hard at work doing exactly that.

JOHN DICKERSON: We're hard at work. Are they stepping up, though?

ADMIRAL MIKE MULLEN: I think, yeah, they are starting to step up. But it's a big challenge.

JOHN DICKERSON: Let's switch to Iraq. This was an important week there, U.S. troops out of the cities. Vice President Biden said, if there's a flare-up in violence it's up to the Iraqis. Is that-- is that right? Are our troops on the way out the door and nothing could change it?

ADMIRAL MIKE MULLEN: Clearly, we've had-- the initial trends, after we've removed our troops from the cities earlier this week are positive. There has been an uptick in violence in these high-profile attacks. But June of this year was the lowest level of overall violence in Iraq since the war started.

I think what the vice president was focused on was this sectarian violence, you know, breaking out as it did a couple years ago. And certainly that's a concern. But I see no indications whatsoever that that's-- that that's going to be the case.

JOHN DICKERSON: But is the military posture towards the exit we're going to let Iraqis work out any violence if it should come to that?

ADMIRAL MIKE MULLEN: Well, we're still very focused on the overall strategy which-- which keeps our troop levels-- troop levels at about this level towards the end of this year focused on elections in January which is key in providing security for elections and then a pretty rapid drawdown to get to the thirty five to fifty thousand troops that we expect to be there in August of 2010. It's really up to the Iraqi political and military leadership to make sure that they tackle some of these tough problems. We are in support of the Iraqi security forces right now. And that's where we'll stay.

JOHN DICKERSON: Okay. Our tour of the world is going to continue now to North Korea.

ADMIRAL MIKE MULLEN: Yeah.

JOHN DICKERSON: They've threatened to-- to shoot a mid-range missile towards Hawaii. What are we prepared to do if that were to happen?

ADMIRAL MIKE MULLEN: I'm very comfortable with our defensive posture that we can protect our interests, our people, and our territories. What I am increasingly concerned about is just the belligerence and actually the unpredictability of the North Korean leadership. These seven missiles that he fired yesterday which is to-- to some degree a repeat of what he did in 2006, they're a violation of the United Nations Security Council resolution. And I think the international community needs to continue to bring pressure and stay together to-- to let him know that he continues to isolate himself. And I'm concerned about his belligerence and instability in that region.

JOHN DICKERSON: It seems that North Korea that-- we it's a black hole. Is that really the way, in terms of our intelligence knowing what they're up to, is that right?

ADMIRAL MIKE MULLEN: It's a very difficult to know what he is up to.

JOHN DICKERSON: One thing that did happen this week is the-- the Korean ship—the Kang Nam-- apparently turned around. Do we know why? And do you think it's on its way back?

ADMIRAL MIKE MULLEN: It did. It looks like it's on its way back. You can't know for sure. And actually don't know for sure why it turned around.

JOHN DICKERSON: Might it have been that it was turned away?

ADMIRAL MIKE MULLEN: Well, there's some-- I mean, there's-- there's speculation on what it could be. I-- we're really not sure. We were obviously concerned about it. We're keeping close track of it. Made a decision to turn around. And it looks like it's headed back to Korea, North Korea. But I honestly don't know.

JOHN DICKERSON: You don't know. And, so, okay. All right. Well, we'll leave the North Korean mystery there.

Let's go-- switch to Russia. You-- you've been there. You met with your counterpart. In Russia, who is calling the shots? Is it Prime Minister Putin or President Medvedev?

ADMIRAL MIKE MULLEN: Well, I went-- actually I just got back Tuesday and I leave shortly to go back with President Obama for the summit. And the summit I think is a really important two days. This is-- my meeting last week with General Makarov was my second meeting with him. I met him in Helsinki several months ago. And we are very focused on this renewal of the military relationship.

And we expect to sign a work plan during this summit. And-- and that's important. I think clearly there are political considerations that President Obama is going to have to deal with in his engagement with President Medvedev. But that's really up to him and it's not up to me.

JOHN DICKERSON: One of the things the Russians are upset about is the U.S. anti-ballistic missile system in Eastern Europe. Are they making progress conditional on our removing those missile systems?

ADMIRAL MIKE MULLEN: The-- the focus on missile defense is one I understand. The missile defense system that we've proposed has-- is a defensive system. It's not meant in any way, shape, or form to be threatening to Russia. That's something we disagree with in terms of how the Russians see it. And I think that's something we're going to have to work through. We-- in this country, President Obama has directed a review of that-- the third sight. We're doing that. And that review won't be done till later this year.

JOHN DICKERSON: They disagree with us on this position but the-- the question really is whether they're making it-- it a condition, whether they're saying, look, you'd like to have progress but we're not going to progress until you commit to removing them.

ADMIRAL MIKE MULLEN: Well, I think that certainly to-- I think to be worked out by both President Bama-- Obama and President Medvedev. And I-- I wouldn't be presumptive of the decisions that they're going to make or in fact how much of that they're even going to talk about during this summit.

JOHN DICKERSON: Okay. Let's go back to something also that Vice President Biden said about Iran. He said that if Israel wants to launch a strike to stop Iran's nuclear capability there's nothing the U.S. can do. Is that right?

ADMIRAL MIKE MULLEN: Well, I'm-- I have been for some time concerned about any strike on Iran. I worry about it be-- being very destabilizing not just in and of itself but the unintended consequences of a-- of a strike like that.

At the same time, I'm one that thinks Iran should not have nuclear weapons. I think that's very destabilizing. I worry about the proliferation of the technology. I worry about other countries then thinking in the region they might have to have that capability.

So it's a very, very narrow window with respect to that. And it's something I'm engaged with my counter-- my Israeli counterpart on regularly. But these are really political decisions that have to be made with respect to where the United States is. I remain very concerned about what Iran is doing. They continue to spon-- state sponsor terrorism. They continue to develop nuclear weapons. They are a-- have been a destabilizing force in both Iraq and-- and Afghanistan. And that's really been the areas that I've tried to focus on.

JOHN DICKERSON: But a strike is not a military-- I mean that's not a political decision. If the Israelis make a strike that's a military consequence you'll have to deal with.

ADMIRAL MIKE MULLEN: Well, I think actually, you know, should that occur obviously all of us will have to deal with that.

JOHN DICKERSON: Let me ask you now on Pakistan, linked to Afghanistan, of course. It's been a couple of months now we've asked the Pakistani government to pick up its efforts with the Taliban. How are they doing?

ADMIRAL MIKE MULLEN: They're actually doing pretty well. A year ago were you and I sitting here talking about what the Pakistanis were not doing, you know, that would have been the area of focus.

And, in fact, they've actually made a lot of progress, taken significant military steps, had a significant impact, and moved in a positive direction. I've engaged my counterpart General Kayani there many times. And he's basically he's doing what he told me he would do. He's concerned about the-- the focus both the

threat from India as well as the growing threat in terms of the insurgency. And he's addressing both of those. So actually they've done pretty well.

JOHN DICKERSON: They're doing well in the Swat Valley. They seem to have cleared out the Taliban there. They're headed south. But in the North militants have said they're breaking a cease-fire and it-- it looks like it's a little bit stalled there in terms of the Pakistani reaction. Is this a hornet's nest now that they're in the middle of this and are they capable of handling that hornet's nest?

ADMIRAL MIKE MULLEN: Well, from what I've seen, General Kayani has a very deliberate plan and he's on his plan. And he's aware. He knows his country very well. The military leadership knows their country very well. And I think they're dealing with it. He has pushed, I mean, he has a force focused in two different directions. He's rotating forces, not unlike us. So he's—he's approaching it in a measured, thorough way. It's going to take some time. Oftentimes more time than we'd like to give him.

JOHN DICKERSON: All right, Admiral Mike Mullen, thank you very much.

ADMIRAL MIKE MULLEN: Thanks, John.

JOHN DICKERSON: We'll be back to talk health care in just one minute.

(ANNOUNCEMENTS)

JOHN DICKERSON: With us now from Cedar Falls, Iowa, Senator Chuck Grassley and joining us from Long Island, New York, Senator Chuck Schumer. Welcome, senators.

Senator Grassley, I want to start with you. Last week, the Senate Health and Labor Committee put out a bill, a health care bill, that has two provisions in it. It has a public option and it also has an employer mandate. Essentially a company with more than twenty five employees has to pay insurance or pay a fine of seven hundred and fifty dollars per employee. Senator Grassley, you are against both of those provisions. Advocates say though that that's the way you get coverage at low cost. What's your reaction?

SENATOR CHUCK GRASSLEY (Ranking Member, Finance Committee): Well, number one in most of the small town America and even large cities, small business is the backbone of our economy. And such an employer mandate would put a lot of small businesses out of business. It would have the same faults that the Clinton bill did fifteen years ago. And that's going down the road of not getting health care reform.

More importantly and more of an obstacle is what you call the public option or the government-run insurance program. The federal government is in the process of nationalizing banks, nationalizing General Motors. I'm going to make sure we don't nationalize health insurance and public option is the first step to doing that.

A government-run health insurance program, because the government-- the power of government is an unfair competitor, is what the think tank in Washington says would crowd out a hundred and twenty million people and pretty soon the President wouldn't be able to keep his promise of--if you want to keep your health insurance you ought to be able to do it.

So we want to make sure that we do to private health insurance what it takes to do to accomplish two things: One, to make health care insurance affordable and accessible. And we will do that by taking away the discrimination that is in the present health insurance system through pre-existing conditions. And we would make it affordable with community rating. And for people that can't afford health insurance, low-income people, we would help them purchase their health insurance.

So when you have accessibility and affordability for everybody you don't need the unfair competition from a government-run program that is the first step towards nationalizing health insurance, which we do not want to do.

JOHN DICKERSON: All right. I'm going to stick on this public option for a moment here, of course, because it's something that both Democrats and Republicans say is crucial to this health care operation.

Senator Schumer, I want to bring you in. You've been trying to find some kind of middle ground. You're a supporter of a-- of a pure public option, but you've also been trying to work with Senator Grassley and even Democrats in your own party who have been talking about a co-op. Where do those negotiations stand?

SENATOR CHUCK SCHUMER (Finance Committee): Well, we're making every effort to reach common ground. But let me just say this. We need somebody to keep the public-- the private insurance companies honest. They are terribly concentrated. In Chuck Grassley's own state, seventy-one percent by one company. In ninety-four percent of the markets, according to the Justice Department, health insurance is highly concentrated.

So without a public option, you're going to have no competition. And the public is going to be forced. You know, they don't like the insurance companies simply raising prices and raising prices and cutting back on coverage and cutting back on coverage.

I am not saying that the public option should be the only option. There are some who do say that particularly in my party. But we shouldn't say there should be no public option. We should have this insurance exchange and let both sides compete. And let's see which one does better.

Each one claims to have advantages. I think both will-- will exist in the market. A public option may be better for some. A private insurance company may be better for others. No one is going to force anyone who has private insurance to give it up. The President has promised that over and over again. And we can come to-- we can come to a middle ground.

Already, John, the House-- House has proposed its plan, has a strong public option. The HELP Committee, the other committee in the Senate doing this, has proposed a strong public option. The Finance Committee, we're trying to come to some compromise. But make no mistake about it, the President is for this strongly. There will be a public option in the final bill, some form of it. And hopefully Chuck Grassley and I and others can come to an agreement on how that should work. We want it to be a fair level playing field, but you need something to keep the big boys honest. And the only thing that really is out there is a public option.

We don't trust the private insurance companies left to their own devices and neither do the American people. Seventy percent of the American people support a public option. So do fifty percent of--

JOHN DICKERSON ((overlapping)): Let me interrupt you just there, Senator Schumer. I'm sorry. Let me just ask, we-- there has been a lot of sort of vague talk about public options, but you've been at work here-- and I'll throw this question to Senator Grassley.

Senator Grassley, you have said you're interested or intrigued at least with the notion of patient-owned cooperatives. So you've been in discussions with Chuck Schumer and other senators about trying to forge a compromise. Are we anywhere towards an actual compromise or is there over, broken down, and we're moving on?

SENATOR CHUCK GRASSLEY: If it is in the area of what we have known cooperatives in America, and there's even a few insurance cooperatives already operating in America, if they're within what we have known of cooperatives and the concept of cooperation for the last hundred and fifty years, I think we can reach a favorable compromise, and then enhance competition and enhance it in the private sector. And then we don't have to worry about what Senator Schumer was talking about--having the government enhance competition and teach insurance companies to be honest, because quite frankly, the government is not— is not a fair competitor in anything, and they get us into more trouble, as you find out with Fannie Mae and housing, as just an example.

And then the other thing, if you want to keep people honest, you know, if there's collusion within the insurance industry we can put people in prison for collusion.

JOHN DICKERSON: Senator Schumer, let me ask you a question. Step back here for a moment, if I may, about just a question of timing here. We're still circling around the public plan here. You have 25 days to meet the President's deadline. He wants something by the August recess. Why so fast?

SENATOR CHUCK SCHUMER: Well, look, I think it is very important to get this done. And the President has pushed us and pushed us. Now, we've been working on this for two or three months already. We're coming close.

There are a whole lot of areas where Chuck Grassley and Max Baucus-- Chairman Baucus and I agree, such as an insurance exchange, such as an emphasis on prevention and-- and information technology, such as some real tough regulation on the insurance companies and delivery.

So, on a whole lot of this, we have agreement. There are three areas we don't: how to pay for it, public option, and employer mandate.

And we're working very hard to come to an agreement. Look, I've said to Chuck Grassley and to Kent Conrad and Chairman Baucus, if-- I don't care what you call it, but whatever we have that has to compete against the private insurance companies, and, of course, I prefer a public option, but these are the minimum requirements:

First it has to be available on the first day to everybody. Second, it has to be-- so there shouldn't be a trigger, two years later, maybe we'll have one.

Second, it has to be national. You know, I know there are co-ops in Iowa. There are even co-ops in New York. I live in one. I live in an apartment building that's a co-op, so I'm a co-operator.

But to just have one little co-op, say in Ogdensburg, New York, and say New York is covered, when 99 percent of the people have nothing, that's no good.

Third, it has to be transparent. In other words, we want to know-- the public option, the advantage is, when it makes a deal with the drug companies or big hospital association, we'll know what it says and it will keep the insurance companies honest. They don't make their deals public. And they-- since there's no competition, they jack up prices. And it has to have the clout to go against the big boys. Now if we could get those four things, we could do it. But it's a-- it's a road to go.

JOHN DICKERSON (overlapping): We're demonstrating the complexity here.

Senator Grassley, are you going to make the deadline--the President's deadline?

SENATOR CHUCK GRASSLEY: Well, we're going to make it. And-- and let's get back to basics. Because, by golly, if we're going to insure everybody make sure it's affordable and accessible and you take care of everybody.

What's this business of having to have a third plan? We're going to take care of everybody.

Now, here's the situation. We'll get this done because we're doing it in a bipartisan way.

JOHN DICKERSON ((overlapping): Speaking of bipart--

SENATOR CHUCK GRASSLEY: And I--

JOHN DICKERSON (overlapping): Go ahead, Senator.

SENATOR CHUCK GRASSLEY: Well, I think Senator Schumer doesn't want to go too far on pushing the federal government being more involved in cooperatives because, you see, this is a very difficult situation. And it's more of a political problem than it is a health care problem, I hope I've demonstrated.

And I think, if we can reach a compromise, we can get this done by August the 8th, or at least get it out of committee by August the 8th.

SENATOR CHUCK SCHUMER: Well, I think-- I think we can get it-- I think we can get it done by August 8th. But we have to meet in the middle. I don't think you can take things off the table altogether. We need something to keep the insurance companies honest. Prices have gone up. They've gone up--

JOHN DICKERSON (overlapping): Yeah, and Senator--

SENATOR CHUCK SCHUMER:--seven times faster than the CPI We can reach a compromise.

JOHN DICKERSON (overlapping): Senator Schumer.

SENATOR CHUCK SCHUMER: We want to reach a compromise, and I think we will.

JOHN DICKERSON: Senator Schumer, I'm just going to have to interrupt you to ask Senator Grassley about Governor Palin, which-- Iowa plays an important role in the presidential process.

What did you make of this decision by her?

SENATOR CHUCK GRASSLEY: Well, it's astounding. I would think if you want to run for President, and I'm not sure that's got anything to do with what she's doing, that the forum of a-- of a governorship would be a better forum than just being a private citizen. I have no insight into why she did it. I think-- I believe-- I'm not an Alaskan, but I think I'd rather have her be governor of Alaska. And if she wanted to run for President, I'd welcome her to be a candidate for President.

JOHN DICKERSON: Okay. Senator Grassley, thank you so much. Senator Chuck Schumer from Long Island, New York, thank you for being with us.

We'll be back in just a moment.

(ANNOUNCEMENTS)

JOHN DICKERSON: That's our broadcast. Bob Schieffer will be back next Sunday. Thanks for watching FACE THE NATION.

(ANNOUNCEMENTS)

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