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TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, is health care reform dead or alive? And what about the controversy over the Harvard scholar and the Cambridge cop?

The Senate won't make the August deadline to pass health care reform as President Obama wanted. Now there are huge problems in the House, not just with Republicans, but now with conservative Democrats.

What happens next? We will ask the top White House advisor David Axelrod and one of the leading conservative Democrats Jim Cooper of Tennessee.

Then we'll turn to the issue that has consumed the headlines last week--the Gates controversy. We will talk about that with Georgetown sociologist, Michael Eric Dyson and columnist Kathleen Parker.

I will have a final word on what the President calls a teachable moment. Health care and the Gates controversy on FACE THE NATION.

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

BOB SCHIEFFER: And good morning again. We begin this morning in Chicago with White House Senior Advisor David Axelrod. Mister Axelrod, thank you for coming. I want to go straight to this controversy of last week involving the Harvard scholar Henry Louis Gates. I assume most people are generally aware of the situation.

So I just want to ask you this, the President said that he talked to both the Cambridge policeman Mister Crowley and he talked with Gates on Friday. He wants them both to come to the White House. Is that, in fact, going to happen?

DAVID AXELROD (White House Senior Advisor): Well, they both expressed interest. I-- I expect that it will happen, yes. I think the President sees this as an opportunity to get dialog going on an issue that's had historic-- that's been historically troubling and one he has worked on. And-- and they both seem very eager to move forward. So, I expect it will.

BOB SCHIEFFER: When did the President realize that this thing was ballooning out of control and, basically, as he said, that what he had said had made it worse?

DAVID AXELROD: Well, he was travelling on Thursday. When he came to the office on Friday, he-- you know he expressed that view and said that he wanted to call-- he wanted to call the-- Sergeant Crowley and professor Gates. And once he made that decision, he-- and the question came up, how you're going to read this out, how you're going to tell people about the call? He said, you know what, I'm just going to go out and-- and say my piece on this. So, you know he made those decisions on Friday morning.

BOB SCHIEFFER: Well obviously, when he said what he said in the news conference, he later came to realize it-- on reflection that maybe that was not the way to go. But I was just wondering was there any particular incident the next day that made him realize that I need to get this straightened out?

DAVID AXELROD: No, but I think, Bob, he-- he certainly is-- you know he is aware of-- he-- he reads widely. He, you know, gets summaries of coverage, he sees some coverage. I-- I think he understood that the debate was veering off in the wrong direction, and as he said, that his words may have contributed to that. So he felt a responsibility to step forward and kind of cool the situation down and acknowledge the fact that he had, as he said, calibrated his words poorly and had contributed to that. So that-- that's what he did. And I think it had the desired effect. I think people are talking more constructively now. I think the

steam has gone out of this and now instead of heat being generated maybe a little light will be generated off of this situation.

BOB SCHIEFFER: And-- and I want to go back. He-- he did get assurances from both of them that they do want to meet and-- and kind of talk this out?

DAVID AXELROD: They-- they-- they-- they expressed an interest in coming in-- in coming to the White House and-- and, you know, I-- I think that that will likely happen.

BOB SCHIEFFER: Well there is no question it took attention away from one thing that the President wanted to talk a lot about this week and that was health care reform. Let me ask you this, Mister Axelrod, with conservative Democrats in the House now saying they just can't go along with what their leaders want to do, is the President ready to scale this whole operation back and bring it into line and-- and more into line with what these conservative Democrats want to do?

Because quite frankly if you can't get this group of Democrats you can't pass this bill.

DAVID AXELROD: Well, Bob, first understand that there is agreement on probably eighty percent of these issues, and the reason there is an agreement is because we have seen health premiums double in the last ten years, out-of-pocket go-- costs go up by a third, health care is going up three times the rate of wages, and this is an unsustainable trend for-- for families and businesses.

Everybody I think wants to get something done and now we are at that final twenty percent. We're trying to work through those details, but I-- I think that we're going to get there, because this is a situation that is untenable for the American people moving forward, and within the things that we're going to do are a vast array of insurance reforms--

BOB SCHIEFFER: Mm-Hm.

DAVID AXELROD: --that have been long over due that'll help people, I mean right now we have a system that works well for the insurance industry but not particularly well for consumers of-- of health care and for the American people.

BOB SCHIEFFER (overlapping): Well--

DAVID AXELROD: We want to give them more security and I think that we'll succeed in doing that.

BOB SCHIEFFER: Well, obviously, the President-- and it's been a-- a-- a strategy by design, he has spoken mostly about principles he has wanted to achieve. Isn't the President going to have to get down to some specifics here, Mister Axelrod? Tell the congress exactly what he is for, how he wants to pay for this, how he wants to cut the costs that are going to have to be cut, so that the Congress can know exactly what he's-- he's talking about? Because, some of the time here where you're-- you're seeing some of these things where they're trying to get the House Democrats to sign off on things that the President haven't-- hasn't even signed off on yet.

DAVID AXELROD: Well-- well, first of all, Bob, understand that we've been in almost daily, perhaps dialogue hourly in the last few months with members of the House and Senate on this. The President did lay out a very specific array of-- a-- a--of cuts and savings that will help finance most of this health reform and those have been largely embraced--

BOB SCHIEFFER (overlapping): Okay.

DAVID AXELROD: --by everybody involved. So he is involved in the process and will continue to be in steering the right direction.

BOB SCHIEFFER (overlapping): Well--

DAVID AXELROD: So that it lowers costs, improves quality of care, and-- and-- and gets us out from under the yoke of this inexorable climb in-- in health care costs.

BOB SCHIEFFER: But just tell me, give me some specifics on how the President wants to pay for this. We heard him say at the news conference the other night. He's now ready to consider a-- a surtax on people in the very-upper income brackets--those who make over half a million dollars. Is he ready as Mike Allen, Politico's crack reporter reports today, ready to tax some of the most expensive, what he calls gold-plated Cadillac insurance policies? Is he ready to do that?

DAVID AXELROD: Well, Mike is a crack reporter, but the President actually was asked this the other day by Jim Lehrer and what he said was that this was, you know, that there was-- this was an intriguing idea to put an excise tax on high end health care policies like the ones that the-- the executives at Goldman Sachs have--the forty thousand dollar policies. His big interest is in keeping the yoke of this, the burden of this, off of the middle class who are struggling in this economy. If-- if it-- if it meets that task then he'll-- he'll-- he'll certainly give it a consideration. So I-- I think that certainly a possibility.

BOB SCHIEFFER (overlapping): But--

DAVID AXELROD: There are other possibilities out there as well.

BOB SCHIEFFER: I just want to go back to-- to my previous question of--

DAVID AXELROD (overlapping): And by the way, Bob-- what I want-- I want to-- I want to respond to your previous question by saying, the President laid out a specific proposal on this, which was after all of the cuts that he proposed that will pay for most of this cuts in-- in unwarranted subsidies to the insurance industry and so on.

BOB SCHIEFFER: Okay.

DAVID AXELROD: He said-- he said that we ought to cap the deductions for the very wealthiest Americans on-- on their taxes and that is a proposal that he believed in, others in Congress had a different view.

BOB SCHIEFFER: Yeah.

DAVID AXELROD: So we are having a dialogue about that.

BOB SCHIEFFER: But just one question. How can you get House Democrats to sign off on something that all you will say about it is well that is an intriguing idea? I mean, isn't he going to have to say, "Look fellows, if you will do this, I-- I'm ready to do this, because it had to--"

DAVID AXELROD: If there's--

BOB SCHIEFFER (overlapping): Go with-- go ahead.

DAVID AXELROD: Bob, if there's a con-- if there is a consensus for an idea and-- and people are looking for his view on it, he will give them that view. That consensus hasn't emerged yet, that's why people have been working all weekend long, day and night on-- on this and will into this week and next. So, you know, I-- I'm sure that this process will move along. The fact is everyone is focused on the fact that we have some issues left to resolve, we've made enormous progress on this and I think that-- that we will continue to do that. And we-- we-- we're on target to--

BOB SCHIEFFER (overlapping): Is--

DAVID AXELROD: --get something done in the fall on this, which has always been, you know, our goal.

BOB SCHIEFFER: Why not say to the Congress, look, this is so important I think you fellows ought to cancel your August vacation and if you'll cancel yours I will cancel mine?

DAVID AXELROD: Well, I think if-- if the view was that that would improve our chances of getting something done I am sure the President would be willing to do that-- that's a-- that's a calculation that has to be made. The important thing is that--

BOB SCHIEFFER (overlapping): Is that a possibility?

DAVID AXELROD: --we move-- that we continue to move forward.

BOB SCHIEFFER: Is that a possibility?

DAVID AXELROD: I-- I think it's-- I think it's unlikely that that will happen. But, you know, I am not going to prejudge. This is also a question for the leaders.

BOB SCHIEFFER: Okay.

DAVID AXELROD: I think that we are making good progress. I think we are on track to get something done. These are complex issues, we're having a good thorough discussion about them.

BOB SCHIEFFER (overlapping): All right.

DAVID AXELROD: Because we-- because we don't want to put speed ahead of-- of doing this right. And-- and everybody, I think, agrees on that.

BOB SCHIEFFER: All right. Thank you so much, Mister Axelrod.

And, we turn now to Congressman Jim Cooper, who is one of those conservative Democrats. He is at his home in Nashville, Tennessee this morning.

Well, I guess we couldn't blame Mister Axelrod for not canceling the President's vacation this morning on television; he probably wouldn't keep his job very long if he did that. But do you want more specifics, Congressman Cooper?

REPRESENTATIVE JIM COOPER (D-Tennessee): Yes, Bob, we do. It is very important that every American understand this plan, because it is so vital. It's about how their doctor or hospital treats them and that is what this issue has got to do. We want more White House leadership. Now they have been increasingly good at this where they're more and more engaged, but the real question is not about authorship it's more about craftsmanship, a bill that works. And the President laid doubt excellent guidelines. We are for reform. We want a good bill to pass this year and I think that can be-- that can happen.

BOB SCHIEFFER: But as of right, Speaker Pelosi has said that when she takes the bill to the floor for a vote that she will have the votes to pass it. Can she take that-- that bill to the floor next week yet? Does she have the votes yet to pass it?

REPRESENTATIVE JIM COOPER: I don't believe so next week. I think that the American people want to take a closer look at this legislation. They want to feel comfortable with it. And I think most members of the House and Senate want the same thing. We're still in the earliest stages of drafting reform. We have a-- a long way to go. A lot of agreement is out there. And I think David Axelrod is right, we have agreement on the seventy or eighty percent of the legislation. But it's important we get the other details right too.

BOB SCHIEFFER: Well, because the other details are who's going to pay for it and-- and how you going to cut the cost? What do you want here Congressman? What if you went to the White House or if the President called you on the phone after you're on television here this morning, what would you tell him about what needs to happen here?

REPRESENTATIVE JIM COOPER: Well there are two approaches: We can try to amend the current bills that are in Congress, and that's a possibility; or there are other approaches that are completely bipartisan and introduced and actually score well according to the Congressional Budget Office. They save money and they cover everyone. One of these is called the Healthy Americans Act introduced by Ron Wyden and Bob Bennett. Another approach is the one that former Senate Majority Leader Tom Daschle came up with Bob Dole. So there are other alternative approaches that, I think, Congress should be allowed to consider.

But if we're just amending the current legislation, it's really important that we get into the details and make sure they work in every state in this great country. And there are ways to do that, because there are excellent models of health care delivery all over the country, places like the Mayo Clinic in Minnesota, they do a superb job. Almost every state has one of these outstanding models, and if we just allowed them to grow a little bit more. And as the President has said repeatedly, if we just make health insurance more affordable and more available for everybody then I think it's going to be health care reform that everybody can get behind.

BOB SCHIEFFER: Well, what about this idea that's apparently being talked about at least in the White House now of putting a tax on the more expensive health insurance programs, the so-called Cadillac Plans? Would that be something you could vote for?

REPRESENTATIVE JIM COOPER: Well, Bob, that's a very interesting and promising new development in the discussions. I think the better way to describe it is like this: First of all, this is a free country. You should be able to buy whatever health insurance you want to with your own money. But you should not be able to force your fellow taxpayers to subsidize your choice of these super luxury plans. We're reading about one today from Goldman Sachs that's forty thousand dollars per family. That's fine if you want to do buy that with your own money, but you shouldn't be able to force poor middle-income taxpayers to subsidize your decision to buy that policy.

And a lot of folks don't understand today's very complex tax system which does, in fact, subsidize the policies for the highest income people in America, and it really doesn't give much of a tax break at all to regular-working Americans. So I think there's a way to make that tax system a lot fairer than it has been in the past.

BOB SCHIEFFER: Is it possible to cut health care costs? I talk to doctors that say, "Look, the costs are going up, they are not going down." Is it realistic to say that you can actually make substantial cuts in how much this cost?

REPRESENTATIVE JIM COOPER: Bob, you've asked the key question right there and I think the best way to put it is what we really need to do is slow the rate of growth of health spending. It's been growing at inflation plus two and a half percent for thirty or forty years. If we can just get it down to the growth of inflation that would solve some two-thirds of our entitlement problems in the future. But there is resistance to that because a lot of the health care sector has grown so fat and happy on the extra money they don't know how to just live on an inflationary adjustment.

So I think we can reform the system, but so much of medicine is cultural and it's very difficult for government to get at. The excellent New Yorker article by Atul Gawande on the difference between McAllen, Texas and El Paso, Texas; McAllen taxes being the highest spending health care area in America. And this all developed in the last fifteen years due to a practice pattern in McAllen that is very, very wasteful.

So what we want is good value. Every American wants to live longer and healthier. We can do that and save a bunch of money. The estimate is that we're recurrently wasting every year some seven hundred billion dollars. And that's billion with a "B," Bob. That's a lot of money.

BOB SCHIEFFER (overlapping): All right.

REPRESENTATIVE JIM COOPER: If we can just save a fraction of that we can solve the problems.

BOB SCHIEFFER: Congressman Jim Cooper acknowledged as one of the real experts on this whole issue in the House.

We'll be back in just one minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And with us now to talk about this controversy over the Cambridge cop and the Harvard scholar, Michael Eric Dyson of Georgetown University, among other things a biographer of Barack Obama, a sociologist who has written a lot about politics and sociology; and Kathleen Parker, the syndicated columnist, I would say it's fair to say conservative columnist, of the Washington Post, although she is ambidextrous, she tells me.

What should we make of this Michael?

MICHAEL ERIC DYSON (Georgetown University): Well, obviously, it was a flare-up along a bigger trajectory of race in American society. The disagreement, the disgruntlement, dis-- the disconcerting evidence of racial and class hostility between Sergeant Crowley and Professor Gates and the President getting involved, and what I love about him he is a-- he is a principled gentleman. He says "Look, I ratcheted it up. I admit that I did that mea culpa. Let me try to help figure this out." I think we've got to focus beyond the persona and the personalities here to the bigger issues. Racial profiling is real. Disproportionate concentration of black and Latino men in prison is real. The death penalty being unfair to many people is real. So I think we have to have a broader conversation about race.

And Eric Holder, the Attorney General, suggested to us during black history that we are-- have been a nation of cowards when it comes to race. He was widely booed and some people reviled him. Now, his words have come to haunt us and they appear to be pressing us.

So I think that what we have to do is to have open honest conversation on all sides without prejudging the situation but to suggest at the same time, Bob, that look there are some big problems here. If Mister Crowley and Mister Gates go join Mister Obama in the White House and have a beer that's great, but we-- we haven't done what-- got to what ails us and what ails us are structural problems. And the President, by the way, has the bully pulpit to talk about this in a more powerful way. I think he's been loathe or at least reluctant to speak about it. I think he should dive right into it.

And secondly he should change some of the policies that actually affect black and brown men once they go to prison--the harsh penalties that they-- they endure. I think all of that kind of stuff, that-- that-- is that-- if that-- that's where it leads us, I'm sorry, that's going to have a huge effect that is very edifying on the American conversation.

BOB SCHIEFFER: Will it?

KATHLEEN PARKER (Syndicated Columnist): Well, it's going to be interesting. I agree with so much of what he said and-- and, you know, I-- because of my introduction I suppose I'm supposed to present some conservative view. Or because of my skin color I'm supposed to see the white view. But, I-- you know, this is not a-- a clear-cut black and white issue, I don't think. In fact, the ambidextrous conversation had to do with the fact that I could argue both sides fairly passionately.

This conversation about race desperately needs to take place. Barack Obama is uniquely positioned to advance that conversation. I think he-- he'll-- he stepped in it a little bit. You know, when he got up at that first press conference and said the police acted stupidly but first by prefacing it saying, "Well I don't really know the facts and I am biased," but, you know, Barack Obama was doing what-- I think he was being the person Obama and forgetting momentarily that he is the President Obama and everything he says matters. But he did do the right thing, coming back and saying, "Look, I did make this worse." I'm sorry I made it wor-- he didn't say I'm sorry but indicated as much.

BOB SCHIEFFER: But, you know, that was kind of remarkable in itself. I can never recall and maybe one of you can a President actually saying, I made this worse. I-- I thought that was a very interesting moment--

MICHAEL ERIC DYSON (overlapping): Yes.

KATHLEEN PARKER (overlapping): Yeah. You know, if he got the press conference--

BOB SCHIEFFER: --in the history of the American Presidents.

KATHLEEN PARKER: If he got the press conference question, "Can you think of anything you've ever done wrong or you either regretted or made a mistake?" He would not have trouble thinking of something to say.

MICHAEL ERIC DYSON: Which-- which is remarkable. I mean that is an indication I think of profound leadership of a depth of integrity and at least the willingness to acknowledge if I am going to ask the American people to do some stuff, I got to be willing to say that I was wrong myself.

And, I think-- but look, I-- I think that Kathleen is right. When you look at Barack Obama, it did have a-- a sense of flashback, you know, because many black men have endured this particular problem. I mean, I'm a professor at Georgetown and I got a PhD from Princeton but I was stopped by the cops in New Jersey and when I told them I was working on a PhD at three o'clock in the morning, he had me walk a line. I'm a teetotaler and a Baptist preacher, I don't drink. He said, "Yeah, and I'm the blanking President of the United States."

I mean, the kind of disparaging and humiliating remarks made by police people toward African-American and Latino men. I don't think there's a moral equivalency here, that is to say police people with big guns going into your house or accosting you on the streets are not equal to people who get mad and outraged that they have been stopped. Most black men would never say what Professor Gates ostens-- allegedly said according to Sergeant Crowley. We are too scared. I've had white people that I have been with who when stopped, got out of the car and cursed the police. I took cover because I knew a hail of bullets was about to come.

BOB SCHIEFFER: Let me ask Kathleen, let's suppose this had been two women, would this have happened?

KATHLEEN PARKER: Well, no. I don't think so. I think we do have-- there's a little-- there's a male aspect to this. There's a pride aspect to this. Guys are going to go head to head. They're going to say "Look, oh, yeah, well I'll show you, buddy. Your momma, oh, yeah well I have got the guns and the handcuffs so we will show you who is boss." You know, that's-- males take it to a different level. I don't think it would have been the same thing.

And I would-- I would say that once I was-- since we're trading personal stories, I was pulled once by a female-- black female traffic cop, and I got a little feisty. It was about a hundred degrees. I was tired. I had a toddler in the seat. And I didn't think I was speeding and I wanted to argue and she indicated to me that if I didn't adjust my attitude I'd be going to jail. And, so I adjusted my attitude. It was a pretty simple thing.

MICHAEL ERIC DYSON: Yeah. Yeah.

KATHLEEN PARKER: And, you know, if we are going to get right down to the bottom line, in this case, I want to say that the-- the man with the gun and the handcuffs and the power is the man who says, we made a mistake, see you later or, you know, go ahead and let him have a piece of your mind if you want to but walk away.

MICHAEL ERIC DYSON: But look at this way too. If that had been not Professor Gates but Henry Kissinger, another Harvard professor and George Bush the President and he said that's my friend and a black sergeant arrested him he'd be doing traffic duty right now. The police union would not stand behind him and I think we would have a much more different understanding and interpretation. So these things do make a difference. Class makes a difference, race makes a difference, testosterone makes a difference.

KATHLEEN PARKER: Well, and that class distinction needs to be talked about too because when Professor Gates said do you know who I am, you have got a black intellectual saying to a working class white guy, I'm-- I'm more important than you are. You know, that sets up a whole another set of sparks, but we were talking earlier and we decided that not only should we be invited to this White House encounter but what would be interesting, the way you get to the truth is you have the opposite sides defend the person they are least likely to defend. You argue for the white cop, I'll argue for the black intellectual.

MICHAEL ERIC DYSON: Well, what's interesting as well is that the class issue comes out this way too. It took a President and a Harvard professor to gin up enough pedigree and social status to argue against what is usually taken for the law, a white policeman. That's a class matter too that has to be dealt with.

KATHLEEN PARKER: Right.

BOB SCHIEFFER: I'm going to speak for the timekeeper here.

KATHLEEN PARKER: Okay.

BOB SCHIEFFER: Our time is up. Thank you both so much.

MICHAEL ERIC DYSON: Thanks very much.

BOB SCHIEFFER: I'll be back with my own take on all of this in just a second.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally today, the President said he hopes the Gates incident would provide a teachable moment and for sure it was no shiny moment for any of those involved, a scholar who popped off after a long day, which included locking himself out of his own house. But then we've all been there, haven't we? A cop trained not to let such things bother him, let some smart remarks get under his skin. Inexcusable sure, but aren't cops human too sometimes. And a President who should've remembered but forgot just how bullied the bully pulpit can be. But then he had a couple of things on his mind that day too, didn't he?

Finally, the President did what Presidents or anyone for that matter seldom do--he admitted a mistake. He said he realized that what he had said just made things worse. That made me think, if the cop had told the scholar "Sorry, I didn't mean to insult you when I asked you for identification, I was just trying to do the job you pay me to do," or if the scholar had told the cop, "You know, I shouldn't have popped off. It's just been a long, hard day." My guess--if they had said that none of this would have even made the local news.

We all have bad days, no one is perfect. And when we are willing to step back, take a breath and admit that, or at least concede the other guy may have a point, it generally makes things better. To me, that's the lesson here.

That's our broadcast. See you next week right here on FACE THE NATION.

(ANNOUNCEMENTS)

ANNOUNCER: This broadcast was produced by CBS News, which is solely responsible for the selection of today's guests and topics. It originated in Washington, DC.