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

CBS News

# FACE THE NATION

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**GUESTS:** Senator JOHN McCain (R-AZ)  
Republican Presidential Candidate

**MODERATOR/PANELIST:** Mr. Bob Schieffer – CBS News

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**FACE THE NATION - CBS NEWS  
(202)-457-4481**

BOB SCHIEFFER, host:

Today on FACE THE NATION, from Colorado Springs, Colorado, an exclusive interview with Republican presidential candidate John McCain.

Senator McCain says he wants to remake Washington and that change is coming. But how does he beat Barack Obama, and how does vice presidential nominee Sarah Palin help? We'll ask him. Then I'll have a final word on a new theme song for St. Paul, Minnesota.

But first, Senator John McCain on FACE THE NATION.

Announcer: FACE THE NATION with CBS News chief Washington correspondent Bob Schieffer. From Colorado Springs, Colorado, Bob Schieffer.

SCHIEFFER: And good morning again. We welcome John McCain to his 65th appearance on...

Senator JOHN McCAIN (Republican Presidential Candidate): Oh, my God.

SCHIEFFER: ...FACE THE NATION.

Senator McCain, you have now appeared on FACE THE NATION more than any other person over the last year. You've passed the previous record holder, who was Bob Dole, so.

Sen. McCAIN: Well, it's an honor to follow in the footsteps of a great American. And that does say, also, a comment about the number of years that you have been doing this program in, obviously, an outstanding fashion.

SCHIEFFER: Well, we're glad to have you.

Let's start right in with what you were talking about the other night. You did something really extraordinary at that convention. I've never been at a political convention where I heard a candidate get up and not only go after the other party, but go after your own party. You even said at one point your party had lost its way. You said that Washington has to change, and you're the one that can change it. But that's going to be a tall order, isn't it? I mean, because normally it's out in the wilderness, it's the group that's out that says, "Throw the bums out." You're saying it was your party that was part of the problem and that you can be the agent of change. How do you convince people of that?

Sen. McCAIN: Well, Bob, I think we have to show them my record. I think we have to show them that I took on the big spenders, I did campaign finance reform, I reached across the aisle to Democrats. And obviously, I was very unpopular in some parts of my own party, whether it be on the issue of climate change, or against Rumsfeld's strategy and the president's strategy in Iraq, or whether it be on campaign finance reform or a number of other issues that I have fought against the, quote, special interests. And the point is real. We now have former members of Congress residing in federal prison. So it was corruption. And I guess I'll say again what I said, we came to Washington to change Washington--we came to power to change Washington, and Washington changed us. And I real--I understand--but I--the challenge. But I have to make a strong case that we're going to bring about that change, and it's the right kind of change. And I know we're going

to be talking about my running mate, but I think I got the right kind of running mate who has that record also.

SCHIEFFER: We'll get to that in just a minute. But let me ask you just some specifics on how you're going to do it. Are you going to try to form some sort of unity government? Are you going to try to have Democrats within your administration as well as Republicans?

Sen. McCain: You have to. You have to. Look at the approval rating of both Republicans and Democrats now. Look at the loss of trust and confidence. When we do all the town hall meetings and people say, "I've lost all trust and confidence in government," they don't say, "I've lost confidence in Republicans, Democrats." They've lost confidence in everybody. And the way you restore it is obviously to have a very bipartisan approach. But they're in gridlock now. We all know that. They're going to go on to session tomorrow, actually, and they're going to be gridlocked for a month, and then they're going to go out. Whether it be energy or whether it be passing the necessary appropriations bills, whatever it is. And then the American people will--frankly, who are hurting more, are going to be more disillusioned, if that's possible.

SCHIEFFER: So you're going to have Democrats in the White House?

Sen. McCain: Sure.

SCHIEFFER: Will you have Democrats in your Cabinet?

Sen. McCain: Yeah, of course.

SCHIEFFER: How many?

Sen. McCain: Well, I don't know how many, but I can tell you, in all due respect to previous administrations, it's not going to be a single, you know, "Well, we have a Democrat." It's going to be the best people in America, the smartest people in America. So many of these problems we face--for example, energy independence. What's partisan about that? In other words, we've got to have people who are the best and the brightest. And I'll tell you, some of them, I'll ask to work for a dollar a year. They've made enough money. But I'll also ask people who have struggled out there in the trenches to help people, to volunteer in their communities, who understand these problems at that level, which obviously is lost on a lot of part--a lot--big segment of Washington.

SCHIEFFER: Let's talk about Governor Palin.

Sen. McCain: Good.

SCHIEFFER: There's no question she lit up that convention. I would guess that you now have a lot of Republicans, social conservatives, evangelicals who might not have liked you too much before you did that, and you might have turned that around. But there's also a number of people, some of your supporters who are a little bit worried about it.

Sen. McCain: Mm-hmm.

SCHIEFFER: Charles Krauthammer, the very conservative columnist...

Sen. McCain: Mm-hmm.

SCHIEFFER: ...said the other day that the only constitutional job of the vice president is to be ready to become president at a moment's notice, and he said flatly, "She is not ready." How do you answer him?

Sen. McCain: Well, let me say first that, in all due respect to any commentator, this is the most popular governor in America. She has a clear record of doing what Americans want first and uppermost, reform. Reform. She's not only talked about it, but she's done it. And she took on the people in her own party. She took on a sitting governor of her own party and she reformed--and they passed ethics and lobbying reform. And they--and she gave money back to the taxpayers and they cut spending. They did the things the Americans want--she did the things they--that Americans want most. So in all due respect to any of the critics, what we want is the change in Washington. Who better in the political landscape could do that than Governor Sarah Palin, whose whole life had been engaged in that, taking them on and winning? I've taking them on and won less than she has.

SCHIEFFER: Well, let me just quote him again.

Sen. McCain: Sure.

SCHIEFFER: These are his words, not mine.

Sen. McCain: Sure. Oh, I understand.

SCHIEFFER: He says, "Barack Obama is the least qualified presidential candidate in living memory."

Sen. McCain: Mm-hmm. Mm-hmm.

SCHIEFFER: But he says when you picked Palin...

Sen. McCain: Mm-hmm.

SCHIEFFER: ...the case against Obama, that case evaporates.

Sen. McCain: Well, again, I--again, in respect to many of the critics--and I understand that criticism, it's part of the business. But I also would like to say that she's not only excited our base that you pointed out, she's excited Americans all over this country. We've been campaigning together, the electricity has been incredible. And I'd like to say it's all because of a charisma injection on the part of John McCain, but it's not. They're excited about this reformer, this lifetime member of the NRA, the person who's a point guard. She has it. I mean--and I'm sure that Governor Palin has failings and I'm sure she's made mistakes, because she's had a long career, from city council to mayor to governor. But the fact is she's kind of what Americans have been looking for. And again, in all due respect to any critic, I think being mayor is a very important job nowadays, especially the way America's hurting. There's people who are mayors right now who are saying, "Hey, there's an abandoned house over on this street, the people have

left it. What are we going to do?" You know, "How are we going to provide people with the goods and services they need with declining budgets?" So all I can say is I think that her experience and her background not only qualifies her, but brings to Washington a kind of an energy and a fresh wind that maybe is necessary in our nation's capital.

SCHIEFFER: When will you let her out to campaign on her own? When will she start having news conferences? When will she start doing interviews?

Sen. McCain: Well, as you know, we just finished the convention, but within the next few days. And I'm strongly recommending that she come on FACE THE NATION with Bob Schieffer, and that will be the first of her 65 appearances.

SCHIEFFER: All right. Well, we'll make a place for her here.

Sen. McCain: Thank you.

SCHIEFFER: And thank you for saying that.

Let's talk a little bit about the big news of the day.

Sen. McCain: Mm-hmm.

SCHIEFFER: Both the Post and The New York Times report that the administration is preparing to put Fannie Mae and Freddie Mac, the two guarantors of mortgages, in some sort of a conservatorship\*\*\*(as spoken). Basically what they're going to do is dismiss the officers, the government will take over. There's no way you can say this is not going to cost the taxpayers billions of dollars. Do you think this is a good idea, Senator McCain?

Sen. McCain: I think it has to be done, Bob. I think that we've got to keep people in their homes. There's got to be restructuring, there's got to be reorganization and there's got to be some confidence that we've stopped this downward spiral. It's hard, it's tough, but it's also the classic example of why we need change in Washington. It's an example of cronyism, special interest, lobbyists, a quasi-governmental organization where the executives were making hundreds of--hundred and some million dollars a year while things were going downhill, going to hell in a handbasket. This is--this is the kind of cronyism and corruption that has made people so justifiably angered. I did have a long conversation with Secretary Paulson, a man I admire and respect, and he did say that when the housing market starts back up--and it will, it will in America--then the taxpayers are going to be the first to be paid off. They're the ones that are going to be reimbursed when the values of the homes start--hit bottom and start back up and they start getting more money back in. And that has to be a vital part of it. And again, this is a system that cries out for reform.

SCHIEFFER: You're talking about--they're going to have some more regulation. Is that what you're saying? More control?

Sen. McCain: More regulation, more oversight, more transparency, more of everything. And frankly, a dramatic reduction in what they do. You know, they are originally designed to provide a chance for middle income people to have an affordable home loan mortgage, and it grew into

this sprawling, massive bureaucracy rife with corruption, cronyism, special interests, lobbyists and a relationship with Congress. Congress passed these laws that allowed these massive loopholes to be there. And so obviously, it's got not only to be fixed, but it's a system. It's an example and a symptom of a system where we're so close to the special interests that somehow-- in Washington, we're so close that somehow the average American is totally disregarded.

SCHIEFFER: All right. Let's take a break here.

Sen. McCain: Sure.

SCHIEFFER: We'll come back and talk about this and a lot more in one minute.

(Announcements)

SCHIEFFER: And we're back with John McCain.

Senator McCain, I want to ask you about the use of the term "community organizer."

Sen. McCain: Hm.

SCHIEFFER: We heard Rudy Giuliani talk about Barack Obama being a community organizer, and he sort of did it in a sort of denigrating way.

Sen. McCain: Mm-hmm.

SCHIEFFER: And the audience sort of giggled when he said that. And then we heard Governor Palin talk about being a mayor, and she said, "That's being a community organizer with responsibilities." You know, I know a lot of people who think being a community organizer's a pretty good thing to do. I know in your speech, at the end, one of the parts that I liked most was when you called on Americans, "If you want to make things better, enlist in the military, teach, help somebody that's hungry." Why would they use that term in that way?

Sen. McCain: I think, Bob, first of all, I meant every word of my speech, that people who serve causes greater than themselves are the happiest in the world. And you and I have known some very wealthy people that aren't very happy.

SCHIEFFER: Mm-hmm.

Sen. McCain: And we've known some people who are out there every day helping others who are the happiest. So I admire and respect all public service.

I think what happened was it was a reaction to the Obama campaign saying and denigrating the fact that she had been mayor of a small town. Now, that was an attack that immediately was launched against her, which I--obviously, the fact that she's most popular governor and knows more about energy than anyone else in America at that level, in my view. But, so I think it was a reaction to the denigration of her role as mayor. But I know that she shares my respect for all people and appreciation for all people who are--serve their community and their nation. And as you know, she's got a son who's doing that.

SCHIEFFER: So you do not think that it's a negative that Barack Obama was a community organizer?

Sen. McCain: I do not. I do not think it's a negative. I think it's very honorable. I do know that he never took on his party on any major issue from the time he came up in the Chicago political arena to the time he--the short time he was in the Senate. He never took on his party on a single major issue. I've taken them on a lot.

SCHIEFFER: Is that why you said that you're the one who can change, and that he's just sort of not up to it?

Sen. McCain: Well, I don't think he has the judgment, whether it be on calling Iran a tiny problem, or most importantly saying the surge would never work. He still will not acknowledge that he was wrong. When the Georgia invasion by Russia took place, he basically stated some kind of equivalence there. I just don't think he has the judgment. And I'll let the American people decide on that issue. But I think I can make a strong case that whatever the issue, he does not have the judgment necessary. I think that Sarah Palin obviously does.

SCHIEFFER: I want to ask you about the composition of the--of the convention. There were 36 African-American delegates out of 2300-plus delegates there. How can you survive as a party if you become just the party of white people?

Sen. McCain: We can't. We can't. I saw a bit of information the other day that by--I forgot, I think it--don't hold me to it--2042 or something like that, white Americans who will be a minority in the population of this country. We can't. We've got to reach out. We've got to do a better job. We have to have the Hispanic as well as African-American voters. I've traveled all over this country. I've been to places where there literally no Republican votes. I have to convince them that I'll be the president of everybody. And the Republican Party has a job to do and, frankly, it's a job that also spills over into other areas. You've seen the generic ballot...

SCHIEFFER: Sure.

Sen. McCain: ...difference that we have.

SCHIEFFER: Well, were you kind of surprised at that, when...

Sen. McCain: No.

SCHIEFFER: ...to see that statistic come up?

Sen. McCain: No. I was obviously disappointed. But we need to prove to Americans that this is the party of Abraham Lincoln, Theodore Roosevelt and Ronald Reagan. We're the party of Abraham Lincoln. And we've got to...

SCHIEFFER: So what are you going to do about that?

Sen. McCain: Oh, education, economy, small business, create jobs. Education, as I mentioned, civil rights issue of this century. Now they have--everyone has equal access to a school. But what's the point of access to a failed school or a failing school? We've got to give them more choice, more opportunity, all Americans. Because we know in low-income areas of America the schools are failing, with the exception of New York City, now New Orleans and some others. But, so a quality education is really the dream of every parent.

As you know, in Washington, DC, they have an experimental voucher system. A huge number of parents want to take advantage of that, thousands more than they have room for. So we've got to provide the kinds of opportunities, and education is one of the keys to it. Help for small businesses. But get this economy back on its feet, Bob. Don't raise their taxes, get it going again. Americans are hurting in a way that they have not hurt for a long time. I will probably argue to you the 65 appearances--I hate to keep bringing that up--that we probably--you and I have never had a conversation when our economy was in greater difficulty than it is today.

SCHIEFFER: You think it is--because you have said you think it's fundamentally sound.

Sen. McCain: Well, I have--because I have great confidence and faith in our innovation and our capabilities and our--but these are tough times now. But oh, listen, America's best days are ahead of us. But you know, we've got a very tough...(unintelligible)...to go through.

SCHIEFFER: Let me ask you about this. You and I both know that the all-volunteer army is about the best army in the world. I don't think there's any question about that. But we have one half of one percent of the American people who are making all of the sacrifice in this war. If the rest of us didn't watch televising or looked at the newspaper, we might not know there's a war going on. Our taxes didn't go up, there's no rationing. If you didn't look for it, you wouldn't know the war was going on. Shouldn't there be some way, in a democracy, that we share this burden?

Sen. McCain: Yeah. And I agree with you. But I also think it's been true through a lot of our history, it's been the brave few have gone out and defended the freedom of the rest of us. But that's why I fought so hard for a long time for kind of a national service idea that's voluntary. Create organizations, use existing ones--the Peace Corps, AmeriCorps, Teach for America, all these organizations--and give people a chance to serve the country. I think one of the biggest mistakes we ever made after 9/11, we told Americans go shopping or take a trip. We should have said, 'OK, you're going to be part of a large group of Americans, the majority of Americans who are going to serve the country, and we're going to find ways for you to serve.' A lot of it voluntary, a lot of it with reward. Young people, reward them with educational benefits for service and call on them to serve. And I think today Americans would do that. By the way, I worked with Evan Bayh, who I understand is one of those who was considered by Senator Obama. So we've got to do it in a bipartisan fashion. Americans are ready to serve, especially the young ones. I think, frankly, the younger generation of Americans is more prepared and more desirous of serving, frankly, than mine was.

SCHIEFFER: You and Barack Obama will appear together at ground zero...

Sen. McCain: Yes.

SCHIEFFER: ...on 9/11.

Sen. McCain: Yes.

SCHIEFFER: Tell me about that.

Sen. McCain: Well, I think it's a good idea for us to do that. I think it's a time of solidarity with Americans. It's a time and tragedy that we can never forget. America was attacked on our soil in a way that was unprecedented in history. Thousands of innocent lives were lost. So I think it's a very appropriate thing to do. And as I said in my convention speech, I admire and respect Senator Obama and I admire what he's achieved, but we're going to win this election.

SCHIEFFER: Senator McCain, thank you for being with us.

Sen. McCain: Thank you, Bob.

SCHIEFFER: And thank you. We'll look forward to having Governor Palin next week on FACE THE NATION.

Sen. McCain: Soon, soon.

(Announcements)

SCHIEFFER: When I was in St. Paul last week, I told the folks there I could feel their pain when their town is referred to as the Minneapolis-Saint Paul area, or sometime just Minneapolis. I can feel the pain because I'm from Fort Worth, Texas, which is sometimes referred to as the Dallas-Fort Worth area. So I invited them to write a theme song for their town, and I started them off this way: Minneapolis, Minneapolis, we think you are just fabulous, but if you want to have a ball, come around to old St. Paul. I invited them to finish the song, and we got some very interesting entries.

Here's one: "Let's forget its grander twin, St. Paul now is really in." Interesting, because it comes from May Scanlin, who says she's never been to Minneapolis or St. Paul.

One woman suggested just merging the cities, but she saw trouble ahead. She said, "If they merge, would it set off a brawl if they called it Minnepaul?" She signed it Diana. I think I know her.

I have to say, my favorite came from a guy name Jim Bohanan who's never been to St. Paul either, but here's what he said: "Minneapolis, Minneapolis, I'm afraid it's still our feeling that while you're not all appalling, St. Paul is really quite appealing." So that's it.

Next week on FACE THE NATION we'll be back in Washington, and we'll be back to prose and blank verse. Thanks for joining us. America,

