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



## **September 20, 2009 Transcript**

GUESTS: PRESIDENT BARACK OBAMA

MICHAEL STEELE  
Chairman, Republican National Committee

MODERATOR/

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## TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, the President is all over television this morning, including right here. President Obama took the unprecedented step of recording interviews with five Sunday talk programs Friday, including FACE THE NATION.

We'll have that interview in a moment and we'll get reaction from the chairman of the Republican National Committee, Michael Steele.

I'll have my usual final thoughts.

But first President Obama talks about health care, anger in America, and a new review of policy in Afghanistan. Right here 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. By now you know the circumstances. The President did a round-robin of interviews in the Roosevelt room of the White House Friday afternoon. So let's get to it, here's ours.

(Begin VT)

BOB SCHIEFFER: Mister President, thank you very much. A--

PRESIDENT BARACK OBAMA: Thank you

BOB SCHIEFFER: You have made speeches, you've addressed the joint session of Congress, you've done interviews, but the polling continues to show that people are still skeptical--

PRESIDENT BARACK OBAMA (overlapping): Right.

BOB SCHIEFFER: --about your health reform plans. And Orrin Hatch, the Republican senator from Utah, has done a lot of work on health care over the years, summed it up this way, these are his words, he said, "If anyone believes that Washington can do a plan that will cost close to a trillion dollars, cover all Americans, not raise taxes on anyone, not increase the deficit, not reduce benefits or choices for our families and seniors, then I have a bridge to sell you." Have you promised too much, Mister President?

PRESIDENT BARACK OBAMA: No, I don't think I've promised too much at all. Look, first of all, everybody acknowledges this is a problem. Everybody acknowledges that the current path we're on is unsustainable. Not just for the people who don't have health insurance, but for those who do. We just had a study come out this week showing that premiums for families went up a hundred and thirty percent over the last decade. Those costs probably went up even higher for the average employer. And that's part of the reason why you're seeing each successive year fewer Americans having health insurance from their employers than they previously did. Health care inflation went up 5.5-percent this past year when inflation was actually negative because of this extraordinary recession. So we know that standing still is not an option.

Now, what I've said is that we can make sure that people who don't have health insurance can buy into an insurance pool that gives them better bargaining power. For people who have health insurance we can provide health insurance reforms that make the insurance they have more secure. And we can do that mostly by using money that every expert agrees is being wasted and is currently in the existing health care system. So, in fact, what we've got right now is about eighty percent consensus on how we would accomplish that.

N-- now let-- let me be honest, with a piece of legislation this complicated and a sector of the economy that's about one-sixth of our economy, there's a reason why for the last forty years people have been talking about this and it hasn't gotten done; it's hard. And there are a lot of moving parts. And so I appreciate the fact that the American people are really cautious about this because it's important to them and the majority of people still have health insurance. What I'm trying to do is to explain the facts, which are if we don't do anything a lot of Americans are going to be much worse off and over time the federal budget just can't sustain it.

BOB SCHIEFFER: Let me just ask you, the-- the main concern--

PRESIDENT BARACK OBAMA (overlapping): Yeah.

BOB SCHIEFFER: --that people seem to have is--

PRESIDENT BARACK OBAMA (overlapping): Mm-Hm.

BOB SCHIEFFER: --that this plan is somehow going to mean a tax on middle class Americans. Now you promised during the campaign--

PRESIDENT BARACK OBAMA (overlapping): Right.

BOB SCHIEFFER: --that that was not going to happen.

PRESIDENT BARACK OBAMA (overlapping): Right.

BOB SCHIEFFER: No tax increase on people who made under two hundred and fifty thousand dollars.

PRESIDENT BARACK OBAMA (overlapping): Right.

BOB SCHIEFFER: No payroll tax, no capital gains--

PRESIDENT BARACK OBAMA (overlapping): Right.

BOB SCHIEFFER: --no tax of any kind on Americans. Can you still make that promise to people today?

PRESIDENT BARACK OBAMA: I can still keep that promise because, as I've said, about two-thirds of what we've proposed would be from money that's already in-- in the health care system but just being spent badly. And, as I said before, thi-- this is not me making wild assertions. You know, you always hear about waste and abuse in Washington and usually it doesn't mean much because nobody ever finds where that waste and abuse is. This is money that has been directly identified that the Congressional Budget Office, that Republican and Democratic experts agree is there, that is not improving the quality of our health. So the-- the lion's share of money to pay for this will come from money that's already in system.

Now, we are going to have to find some additional sources of revenue for the other third or so of the health care plan. And what I-- and I've pro-- provided a long list of approaches that would not have an impact on middle-class Americans. They're not going to be forced to pay for this. Insurance companies, drug companies are going to have to be ponying up, partly because right now they're receiving huge subsidies from folks.

BOB SCHIEFFER (overlapping): But aren't they going to then pass it on to consumers? I mean that's what you know the Chamber of Commerce is saying. They're starting a big ad campaign right--

PRESIDENT BARACK OBAMA (overlapping): Right.

BOB SCHIEFFER: --now, they're saying you're going to put these taxes on these insurance companies on people that make things like x-rays and lab tests and all of that and they're just going to turn right around and-- and pass it right--

PRESIDENT BARACK OBAMA (overlapping): Here's--

BOB SCHIEFFER: --on to the consumer.

PRESIDENT BARACK OBAMA: --here's the problem, they're passing on those costs to the consumer anyway. The only difference is--

BOB SCHIEFFER (overlapping): But this would be more.

PRESIDENT BARACK OBAMA: No, the difference is that they're making huge profits on it, Bob. I mean, let's take the Medicare HMO programs that are being run by insurance companies. It's estimated by everybody that they're overcharging by about fourteen percent. This amounts to about a hundred and seventy-seven billion dollars over ten years, about seventeen billion dollars a year, eighteen billion dollars a year that's just going to pad their profits, hasn't been shown to make Medicare recipients any healthier. And in fact because those huge subsidies are going to insurance companies, Medicare recipients are not getting a good deal.

Now, if we are enforcing what should be the rules around Medicare and making sure the people are getting their bang for the buck, it's not going to be possible for insurance companies to simply pass on those costs to Medicare recipients, because ultimately it's Uncle Sam that's paying for those services anyway.

Look, bringing about change in this town is always hard. When you've got special interests that are making billions of dollars, absolutely they're going to want to keep as much of that-- the profits that they're making, as possible. And by the way, those insurance companies even during these down years have been making terrific profits. We don't mind them making profits, we just want them to be accountable to their customers.

BOB SCHIEFFER: Let me ask you a little bit about the tenor of this debate. It seems to me that there is a sort of meanness that has settled over our political dialogue. It started this summer at these town hall meetings--

PRESIDENT BARACK OBAMA (overlapping): Right.

BOB SCHIEFFER: We saw this outbreak when you spoke on the-- on the-- to the joint session.

PRESIDENT BARACK OBAMA: Right.

BOB SCHIEFFER: Some people clearly just don't agree with your policy.

PRESIDENT BARACK OBAMA: Absolutely.

BOB SCHIEFFER: But there seem to be others that are just, just mad, angry. President Carter is now saying that he thinks it's racial. Nancy Pelosi says it could be dangerous. What do you think it's all about?

PRESIDENT BARACK OBAMA: Well, look, as-- what I think we have to remember is that at various periods in American history people get pretty rambunctious when it comes to our democratic debate. That's not new. And every President who's tried to bring about big changes I think elicits the most passionate responses. May-- if you hear what people had to say about Abraham Lincoln or what they had to say about FDR, or what they had to say about Ronald Reagan when he first came in and was trying to change our approach to government, that elicited huge responses.

Now I-- I-- I think that what's driving passions right now is that health care has become a proxy for a broader set of issues about how much government should be involved in our economy, particularly coming off a huge economic crisis. And the only thing that I've been trying to say is--number one, I have no interest in increasing the size of government. I just want to make sure we've got a smart government that is regulating for example the financial institutions smartly so I don't have to engage in any kind of bank bailouts. That's point number one. And point number two, even though we're having a passionate disagreement here, we can be civil to each other. And-- and we can try to express ourselves acknowledging that we're all patriots, we're all Americans, and not assume the absolute worst in people's motives.

And I have to-- one last point I've got to make, Bob, and that is I do think part of what's different today is that the twenty-four-hour news cycle and cable television and blogs and all this, they focus on the most extreme elements on both sides. They can't get enough of conflict, it's catnip to the media right now. And so the easiest way to get fifteen minutes of fame is to be rude to somebody. In that environment I think it makes it more difficult for us to solve the problems that the American people sent us here to solve.

BOB SCHIEFFER: Mister President, seven former directors of the CIA have sent you a letter today asking you to reverse the decision of the Attorney General to reopen the criminal investigation of CIA interrogations that took place after the attacks on September 11. Would you consider that?

PRESIDENT BARACK OBAMA: Well first of all, I have the utmost respect for the CIA. I have said consistently that I want to look forward and not backward when it comes to some of the problems that occurred under the previous administration, or when it came to interrogations. I don't want witch hunts taking place. I've also said though that the Attorney General has a job to uphold the law.

BOB SCHIEFFER: So you intend to let him go forward?

PRESIDENT BARACK OBAMA: He's got to make a judgment in terms of what is go-- what has occurred. My understanding is it's not a criminal investigation at this point. They are simply investigating what took place. And I appreciate the former CIA directors wanting to look out for an institution that they helped to build. But I continue to believe that nobody's above the law. And I want to make sure that as President of the United States that I'm not asserting in some way that my decisions overrule the decisions of prosecutors who are there to uphold the law.

BOB SCHIEFFER: Afghanistan.

PRESIDENT BARACK OBAMA: Yeah.

BOB SCHIEFFER: We keep hearing that General McChrystal is about to ask you for tens of thousands of new American troops to go to Afghanistan, our David Martin has reported that. Are you considering something of that nature? Sending that large a force to Afghanistan?

PRESIDENT BARACK OBAMA: I'm not considering at that point because I haven't received the request. But I just want to remind people how we got here. When I came in Afghanistan was adrift because we frankly hadn't focused on it. I immediately ordered a top-to-bottom review. Part of that review was when General McChrystal got to Afghanistan for him to do his own assessment. In the meantime I sent twenty-one thousand troops to make sure that we could secure the election that was going to take place in-- in the early fall.

The election is now complete. General McChrystal has completed his assessment. But my job is to make sure that we get a strategy that focuses on my core goal, which is to dismantle, defeat, destroy al Qaeda and its allies that killed Americans and are still plotting to kill Americans--

BOB SCHIEFFER (overlapping): Well, if he asked you for that many troops, you're going to have a hard time saying no--

PRESIDENT BARACK OBAMA (overlapping): Well, no--

BOB SCHIEFFER (overlapping): --are you not?

PRESIDENT BARACK OBAMA: --let's be clear, my central focus is, what are we doing to protect the American people and the American homeland? Afghanistan and Pakistan are critical elements in that process, but the only reason I send a single young man or woman in uniform anywhere in the world is because I think it's necessary to keep us safe. And so whatever decisions I make are going to be based first on a strategy to keep us safe, then we'll figure out how to resource it. We're not going put the cart before the horse and just think by sending more troops--

BOB SCHIEFFER (overlapping): But--

PRESIDENT BARACK OBAMA: --we're automatically going to make Americans safe.

BOB SCHIEFFER: Didn't you say on March 27th that you had announced a comprehensive new strategy for Afghanistan? I thought you already had a strategy.

PRESIDENT BARACK OBAMA: Well we did. But what I also said was that we were going to review that every six months because, you know, this is a very complicated terrain. We had just started getting our troops in. In fact we-- all-- the twenty-one thousand that I already ordered in are just now getting in place. And what I did not want is a situation in which we are just continually sending more and more troops or putting more and more resources without having looked at how the whole thing fits together, making sure that our efforts in terms of building Afghan capacity is in place that our civilian diplomatic efforts are in place. So what we're going to do is to continue to reassess, review what's taking place and make sure that our strategy and resources fit together for the aim of making sure that al Qaeda is not able to attack the United States.

BOB SCHIEFFER: You announced yesterday a major change in American strategic strategy when you said that we would not go forward with the missile defense system that would be there on the-- on the border of this-- of Russia.

PRESIDENT BARACK OBAMA: Mm-Hm.

BOB SCHIEFFER: The Russians saw that as a poke in the eye from-- from the very beginning. But even people who agree that that missile system is out of place are asking questions. Shouldn't you have tried to get something from the Russians in exchange for doing that?

PRESIDENT BARACK OBAMA: Well, keep in mind that-- that when George Bush announced his strategy for putting missile defense in place, in the Czech Republic and in Poland, I said at the time I think we need missile defense, but I want to make sure it works, that it's cost effective, that the technologies are operable, that it's our-- our best possible strategy. And that hadn't been shown. So when I came in I asked the same people who had signed off on first one--Bob Gates, my Secretary of Defense, as well as the Joint Chiefs of Staff--tell me given the intelligence you have got now and the technology we possess and what we know about the Iranian threat, which is always been our main concern, not Russia, tell me if the system that we've designed is the best possible system. And they came back to me and said, you know what, given what we know now we actually think that this is a better way of doing it.

So we're not eliminating missile defense, in fact what we're doing is putting a system in that's more timely, more cost effective, and that meets the actual threats that we perceive coming from Iran.

Russia had always been paranoid about this, but George Bush was right, this wasn't a threat to them. And this new program will not be a threat to them. So, you-- my task here was not to negotiate with the Russians. The Russians don't make determinations about our-- what our defense posture is. We have made a decision about what will be best to protect the American people as-- as well as our troops in Europe and our allies. If the by-product of it is that the Russians feel a little less paranoid and are now

willing to work more effectively with us to deal with threats like ballistic missiles from Iran or nuclear development in Iran, you know, that-- then that's a bonus.

BOB SCHIEFFER: Mister President our time is up. Thank you so much.

PRESIDENT BARACK OBAMA: Thank you so much. Appreciate it, Bob.

BOB SCHIEFFER: And we'll be back in one minute with the response from the Chairman of the Republican National Committee, Michael Steele.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And we're back now with the chairman of the Republican Party who is with us live in the studio, Michael Steele.

MICHAEL STEELE (Chairman, Republican National Committee) (overlapping): It's a pleasure to be with you, Bob.

BOB SCHIEFFER: Mister Steele, thank you very much for coming. Short question. Your reaction?

MICHAEL STEELE: Well, I-- I-- again, I thought the President said a lot without really saying anything. There was nothing new here. There was nothing that will move the needle if you will on this debate. The American people will walk away from this weekend series of interviews I think tomorrow night with Letterman or whatever and-- and they'll say-- say to themselves so what's changed?

And this is not, I think, very helpful to the President right now. He's got to get the American people behind him. And when he says stuff like he can do it-- you laid out the litany of things that, you know, he wants to get accomplished. And he says, yeah, we can still do all of that without raising taxes, without increase-- creating the deficit or increasing it.

It's just not believable. And I think it may have been nice to do the interviews, but I don't think it advanced the debate on health care that much.

BOB SCHIEFFER: So you think he is going to raise taxes?

MICHAEL STEELE: He has to. Then how else do you pay for it? I mean, the-- you know, all this cutting efficiencies-- I mean creating efficiencies and cutting costs within various programs. I mean, Washington has been saying that for generations. I mean that's just not the business of government. It doesn't do that. And I don't think that's going to-- particularly with something as mammoth as health care that you're going to be able to go in and create a trillion dollars worth of savings in-- in-- in the health care system.

So those dollars will have to come from some place. Whether you're talking the Baucus bill, whether you're talking the House bill--HR3200 or whatever bill the administration finally settles on, taxes are going to go up for the middle class because they have to. That's the only way you pay for this.

BOB SCHIEFFER: Do you think, Mister Steele, it's just good politics for Republicans to just be against this?

MICHAEL STEELE: Well, we're not against this. And I'm glad you asked that question, because we're not against this. We are for health care reform. We are for-- for promoting a health care system that brings in those who are currently without health care, but we want to do it in a step-by-step common sense approach that's bottom up, that's patient-doctor centered, that touches on portability, tort reform, creating small business polls, all these things.

I don't need to overhaul the entire system to do the three things I just said. This administration is-- is bent on reforming the entire system, a comprehensive overhaul. It is impossible to do without all those other pieces that he claims won't be touched like tax increases on the middle-class will be touched.

BOB SCHIEFFER: It seems that you and the President are on the same page on thing and that is racism fueling this meanness we're seeing in this debate. He says, no. He said it's people are frustrated about--

MICHAEL STEELE (overlapping): Yeah.

BOB SCHIEFFER: They think he's trying to enlarge the government.

MICHAEL STEELE: And I think the President is absolutely right and I was very, very happy to hear the administration come out and make that stance with me that in this instance what we heard the-- the eruption in the House was inappropriate. It was wrong. But, it was not racism.

BOB SCHIEFFER: Let me ask you about something that doesn't have to do with this interview. The New York Times reports this morning that the President sent word through an intermediary to the Democratic governor up there, David Paterson, asking him to withdraw as a candidate for governor next year because they think he's so far down that it's just going to drag down the party.

MICHAEL STEELE: I-- I-- I found that to be stunning that the White House would send word to one of only two black governors in the country not to run for re-election. And it just raised a curious point for me. I think Paterson-- Governor Paterson's numbers are about the same as Governor Corzine's numbers, yet the President was with Governor Corzine, and I don't know if there's been a request made of Governor Corzine to step down in New Jersey. So I-- I just find it to be stunning and also rather bold.

BOB SCHIEFFER: Well, you don't think he's asked him not to run because he's black?

MICHAEL STEELE: Oh, I don't think that, but I just find-- I mean look, you-- you have so few-- if you're looking-- if you're saying it's the numbers, then why isn't there a call for those other Democrat governors who have low numbers who are in trouble as well? So I just think that it's-- it's just a curiosity for me that the President would inject, or the White House would inject itself into that debate when it's-- I don't think it's appropriate nor necessary, because it's a primary. If he's going to be challenged he'll be challenged. And he'll survive it or not survive it.

BOB SCHIEFFER: How do you think it will play in the African-American community?

MICHAEL STEELE: That will be very interesting to see what the response from black leadership around the country will be by the President calling for Governor Paterson to step down or-- or not run for election. Very curious. I-- I'll be waiting to hear the responses.

BOB SCHIEFFER: All right. Mister Steele--

MICHAEL STEELE: All right.

BOB SCHIEFFER: Mister Steele, thank you so much for being with us.

MICHAEL STEELE: Thank you.

BOB SCHIEFFER: I'll be back in a moment with some final thoughts.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally, so the President made the rounds today. He was literally here, there, and almost everywhere else. The Obama-rama set off quite a pre-interview debate, not so much about what

he said or planned to say but whether he was overexposing himself. Frankly, I have no idea. My totally unscientific poll suggests that people who don't like him think he's talking too much. Those who do like him think he isn't. People kept asking me what I would advise the President. My short answer was--speak only to CBS.

The other part is no one from the White House ever sought my advice, and why should they? My job is to show up and ask questions; the President's job is to hold himself accountable to the people who elected him. That means answering questions. Why would I want to stop him? It works out better when we both stick to our basic assignments: We ask, he answers.

Do I like the round robin of interviews? Not as much as I like the exclusives. But the President, any president, is the world's number one newsmaker. When he invites me over to ask him questions, I'll be there not to offer advice but to take notes.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Well, thanks for joining us this morning. We'll be back right here next week.

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