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



## **October 10, 2010 Transcript**

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## TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, the President's top advisor David Axelrod, and a key Republican strategist and former chairman of the Republican National Committee Ed Gillespie.

With just three weeks to go until the mid-term elections the Republicans are smelling blood.

REPRESENTATIVE JOHN BOEHNER: Do we have to take it?

CROWD (in unison): No.

REPRESENTATIVE JOHN BOEHNER: Hell no, you don't.

BOB SCHIEFFER: With more analysts predicting the Republicans will regain control of the House, the President and the vice president are on the campaign trail now virtually nonstop. Do they have a plan to reenergize the supporters who propelled President Obama into office? We'll ask David Axelrod, one of the main architects of the Obama victory in 2008. Then we'll turn to Ed Gillespie, one of the Republicans' key strategists this year.

Finally, I'll have some thoughts on those who protest at military funerals. Do they have a right to intrude on grief in the name of free speech?

But first, coming down to the election wire 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. And welcome to FACE THE NATION.

David Axelrod is the senior advisor to President Obama. Mister Axelrod, let's just start with the headline news. And just when we thought the housing crisis which was--let us not forget the beginning of our economic problem. Just when we thought it couldn't get any worse now we find that this sloppy paperwork by the lenders may have made some of these foreclosures now that are being contemplated invalid. Some of the biggest lenders are now freezing foreclosures until they can get all this straightened out. I guess the first question I would have is does the administration favor some kind of national moratorium on these foreclosures to get this all sorted out?

DAVID AXELROD (White House Senior Advisor): First of all, Bob, it is a serious problem. It's thrown a lot of uncertainty into the housing market that is, you know is already fragile. And it's-- and it's bad for the housing market and it's bad for these institutions which is why they're scrambling--

BOB SCHIEFFER: Hm.

DAVID AXELROD: --now to-- to go back through and-- and-- and through their documentation for all of this as they should. The President was concerned enough to veto a bill that came to him last Thursday, that would have unintentionally made it perhaps easier to make mistakes. And, so we are concerned. We're working with these institutions. I'm not sure about a national

moratorium because there are, in fact, valid foreclosures that-- that-- that probably should go forward. And where the documentation and paperwork is-- is proper, but we are working closely with these institutions to make sure that they expedite the process of going back and reconstructing these and throwing out those that don't work.

BOB SCHIEFFER: Well, I mean, I guess people are worried about what do you think the impact this is going to have on an economy that's pretty shaky right now anyway?

DAVID AXELROD: Well, look, our hope is that this moves rapidly and that this gets unwound very, very quickly and that they-- they-- they can go back reconstruct their paperwork and what we've stressed to them is that they need to expedite that process and work very, very quickly to get it done. And we're going to continue to-- to push for them.

BOB SCHIEFFER: Let's switch to politics. Last week, of course, the President's on the campaign trail. He's on the campaign trail just virtually all the time now. While he was out there, the Democrats put out a-- an ad that's released this morning that blames the Republicans and specifically the U.S. Chamber of Commerce for injecting foreign money into campaigns. The President's words on the trail last week were, "groups that received foreign money are spending huge sums to influence American elections." Well, let's just look at this ad that the Democrats put out today.

(Excerpt from Democratic National Committee Ad)

BOB SCHIEFFER: Now I want to ask you about that because the New York Times looked into the Chamber specifically and said the Chamber really isn't putting foreign money into the campaign. That it does charge its foreign affiliates dues that bring in less than a hundred and thousand dollars a year. A lot of organizations including Labor Unions doing-- do that. But the Chamber has an annual budget of two hundred million dollars and it says, along with that, it keeps these foreign dues separate. They do spend heavily in politics, twenty-five million so far. They expect to spend fifty million. But this part about foreign money, that appears to be peanuts, Mister Axelrod, I mean, do you have any evidence that it's anything other than peanuts?

DAVID AXELROD: Well, do you have any evidence that it's not, Bob? The fact is that the Chamber has asserted that but they won't release any information about where their campaign money is coming from. And that's at the core of the problem here. What we've seen in part because of a loophole that the Supreme Court allowed earlier this year, we now see tens of millions of dollars being spent by the Chamber and a number of organizations some of which just cropped up. Ed Gillespie and Karl Rove won-- run one of them. Tens of millions of dollars from undisclosed donors under benign names like the American Crossroads fund. And they're-- and they're spending heavily in all of these elections. And one race in Colorado, there-- there are six different organizations running negative ads against the Democratic senator there, Michael Bennett. And no one knows where the money is coming from. So I guess, my question back to you and for your next guess is-- guest is, why not simply disclose where this money is coming from? And then all of these questions will be answered.

BOB SCHIEFFER: Well, that will certainly be fine with me. But I want to go back to this thing about the-- the Chamber of Commerce. If they're only taking in a hundred thousand dollars a year--

DAVID AXELROD (overlapping): If they are.

BOB SCHIEFFER: But you-- you question that. You say they may--

DAVID AXELROD (overlapping): Well, I don't know. No one knows, Bob. The point is you-- they can-- I can assert anything I want. But you have as a good journalist you'd ask me, well, how do we know that's true? Do you have documentation to prove that? If the Chamber opens up its books and says here's where our political money is coming from, here are the million dollar, two million or three million dollar contributions we've gotten from this company or that industry, then we'll know. But until they do that, all we have is their assertion.

BOB SCHIEFFER: Do you-- I guess I would put it this way. If-- if-- if the only charge, three weeks into the election that the Democrats can make is that there's somehow this may or may not be foreign money coming into the campaign, is that the best you can do?

DAVID AXELROD: No. I think that we have a more fundamental concern, Bob, which is that the Republican Party and these interest groups who are now the-- the major force in some of these campaigns want to turn the clock back to the very same policies that got us into this mess in the first place, that exploded our deficits, that put the special interests in control or write their own rules, the oil industry, Wall Street, insurance industry. That-- that presided over economic policies that punished the middle class. Their incomes dropped by five percent during the eight years before we got here. And that ultimately crashed our economy. And now they want to turn the clock back to those policies. And we just can't afford to do that. But these-- this-- this issue of this special interest spending is very important. It's never happened before that-- that-- that organizations are spending this kind of money and-- and the American people need to ask why are-- why is the-- why are the-- why is the oil industry, the Wall Street and others spending this kind of money to defeat candidates and elect others in this-- in this sort of secretive way? And, you know, that is a-- that is a threat to our democracy.

BOB SCHIEFFER: What do you think would happen, Mister Axelrod, if the Republicans do take the House, because more and more analysts are saying it looks like that's going to happen? Do you believe it'll force Democrats and Republicans to start working together or do you see something more gridlock perhaps?

DAVID AXELROD: Well, let me say I don't-- you know, I don't think that that is going to be the outcome of the election. But my hope is that you will see more cooperation. As you know, Bob, the-- the posture of the Republican Party from the moment we got here has been basically to deprive the President of bipartisan support so they could accuse him of not being bipartisan. The day that the President went up to talk to the Republican caucus about the Recovery Act in the House, they issued a release on-- on the way up, on his-- on his way up to the Hill saying they weren't going to give him one vote. At a time when we had a national crisis that-- that we needed to address. So I'm hoping that with more seats, the Republicans will feel a greater sense of responsibility to work with us to solve some of these problems.

BOB SCHIEFFER: I-- I'm told you've become a serious student of the Tea Party. Bill Clinton said the other day that Sarah Palin is a force to be reckoned with. What do you make of Sarah Palin? Do you take her seriously?

DAVID AXELROD: Well, she certainly has a following. And she's an interesting personality. So, you know I'm not going to pass judgment on-- on the-- the-- the level of force she represents in her politics. But she has, you know, when she sends out a tweet on Twitter or puts something on her Facebook, you guys cover it. People respond to it and so that makes her a-- a player in our politics.

BOB SCHIEFFER: And the Tea Party itself. Do you believe as some Democrats do that it is simply a motivator for Democrats?

DAVID AXELROD: Well, I think some of the positions that some of the Tea Party supported candidates have taken eliminating Social Security, eliminating Medicare, eliminating the Department of Education, dismantling laws to protect our air and water, these are not positions that most Americans support, certainly most Democrats don't support that. And I think that is motivating. I don't discount the impulse of millions of people who have supported these candidates who are frustrated with some of the things that they've seen over the years here in Washington and who are frustrated with the-- with the economy. But I don't think-- what's interesting is you've got a Republican Party that is sort of bifurcated between those rank-and-file people who have that impulse and these sort of corporate Republicans here who are kind of factotums for special interest. The day of the Tea Party Convention in-- in Nashville, John Boehner was up on Wall Street telling the-- the big finance houses there that he was the only one who stood between them and financial reform. Well, I don't think and that they should give him millions of dollars which they apparently are. I don't think that's what those folks bargained for but that's-- that's where we are.

BOB SCHIEFFER: Let me ask you a final question. When John Boehner, the Republican leader of the House was here I asked him, I said, talked to him about things where the two sides could work together. I said, "Why don't you and the President announce jointly that the two of you will pledge to try to stop smoking." He said he'd take it under consideration or thanked me for the suggestion. Do you think the President would be willing to join in some kind of a campaign like that?

DAVID AXELROD: Well, you know, we sort of started that campaign, Bob, because we-- we waged a big battle in the Congress to get the FDA to regulate tobacco so that we could stop the marketing of these products to children.

BOB SCHIEFFER (overlapping): But he still smokes.

DAVID AXELROD: Yeah. But Mister-- the President has-- is doing a pretty good job on that by the way. But-- but the bigger issue is this. They can be role models for sure. But if we allow the tobacco companies to market their products to children, then we're creating a whole new generation of people who are addicted to tobacco. That's why we waged that fight. Mister Boehner and the Republican Party were on the other side of that fight.

BOB SCHIEFFER: But what about just a pledge the two of them working together? Do you think the President would consider something like that?

DAVID AXELROD: Well, I think Mi-- we-- we want to work together on any constructive--

BOB SCHIEFFER (overlapping): All right.

DAVID AXELROD: --thing we can.

BOB SCHIEFFER: All right. Thank you, Mister--

DAVID AXELROD (overlapping): Okay.

BOB SCHIEFFER: --Axelrod for being with us.

DAVID AXELROD (overlapping): Good to be with you.

BOB SCHIEFFER: Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And we're back now with Ed Gillespie, former chairman of the Republican National Committee and a man who turns out as one of the key strategists in these midterm elections. Well, I guess, we need to go first to what Mister Axelrod said and that ad that the Democrats are reporting about Republicans injecting a lot of foreign money into this campaign.

ED GILLESPIE (Chairman, Republican State Leadership Committee): Yeah.

BOB SCHIEFFER: Your answer.

ED GILLESPIE: Well, my answer, Bob, is that David Axelrod is either willfully uninformed or willfully deceptive, and dishonest because the fact is on three points he made here. Let's start with the first. Karl Rove and I don't run American Crossroads as he said on this program. We're fully supportive of it. I've helped to raise money for it. I encourage it to come together because I think we need something like that on the conservative side because there's so much money on the liberal side. You know, four hundred million dollars was spent in 2008 to help elect Barack Obama. We didn't hear Mister Axelrod or others complaining that much of that money was undisclosed. And this year, there are organizations on the right who are playing by the same rules. But I'm not on the board. I'm not a paid consultant. I don't have any formal role. And I'm not responsible for its decisions. Second, I am responsible for the Republican State Leadership Committee. I've chaired that group. We helped to elect candidates to state House and Senate offices around the country and attorney general offices. We disclose all of our donors--eighty-five thousand of them, all of them American. Third, the Washington Post and the New York Times both completely refuted this charge of foreign money being funneled through the Chamber of Commerce into American campaigns--the charge of illegal criminal activity. That was based on a blog posting that the President of the United States repeated that was put on a website that's affiliated with Center for American Progress, a liberal nonprofit advocacy group that does not disclose its donors. So the fact is that this is the kind of abuse of power in a lot of ways and the kind of attacks that most Americans are rejecting. And it's one of the reasons they're in such trouble in this election.

BOB SCHIEFFER: All right. Well, let's-- let's just go back to the original premise though. It may be legal and-- and apparent-- well, it is.

ED GILLESPIE: Sure.

BOB SCHIEFFER: It is--

ED GILLESPIE: Yeah.

BOB SCHIEFFER: --it is legal. But wouldn't it be better for all concerned if we disclosed who was giving what money to who? Why not make these disclosures possible?

ED GILLESPIE: Well, Bob, that-- that's a debate for Congress to have. And you know the-- the-- Mister Schumer and Mister Van Hollen, the chairman of the Democratic Congressional Campaign Committee tried to jam through a bill at the end of this session of Congress. It didn't work. And now that-- these groups are playing by the very same rules that the law that they had passed earlier and tried to reform but were unable to, they're leveling charges all over the place. Max Baucus, the chairman of the Senate Finance Committee is calling for an IRS investigation. There's already a Treasury Department inspector general investigation of the White House trying to find out how it is they came to get access to private tax information by Coke industries, the Coke brothers are on their enemies list apparently because they opposed their agenda. They support free market policies. And then, how is it that the President's top economic advisor made that confidential information public, an inspector general investigation that-- which is rightly being done. But that's the kind of steps they take. The-- Al Franken, the senator from Minnesota-- Democratic senator for Minnesota calling for a criminal investigation of the Chamber of Commerce.

BOB SCHIEFFER (overlapping): But-- yeah.

ED GILLESPIE (overlapping): You know, I mean that's-- this kind of intimidation to silence political opponents, Bob, you wonder why people may not want to be disclosed? I mean, look what they're--

BOB SCHIEFFER: But--

ED GILLESPIE: --doing to folks who are stepping up and saying we're going-- we're going to challenge you in the electoral process.

BOB SCHIEFFER: I take your point on all of that. But I still go back to the basic question. Wouldn't it be a good idea to know who is putting money into campaigns? I mean, how do we not know that foreigners aren't pouring money in, because now it is possible under the law. Wouldn't that be a good thing to change that law?

ED GILLESPIE: Well, if everybody plays by the same rules I'm for everybody playing by the same rules. But again, in 2008, four hundred million dollars went to help elect Barack Obama from liberal nonprofit advocacy groups much of it non-disclosed the-- the sources of that-- of that. If people want to change the rules and have that debate that's fine. But don't accuse those who are playing by the rules of somehow doing something unethical or illegal. And the notion that David Axelrod, one of the highest ranking officials, a-- a sworn official in the White House would sit on this set and say, I'm going to lob these charges and let them prove it's wrong. What if I accuse the cameraman here, hey, you've taken some foreign money. Let's, you know, prove that that's wrong. That is an unbelievable mentality and it is the kind of grasp on power. You know, this-- these-- these ads are not a threat to democracy, Bob. They may be a threat to their power. But their power and democracy are not the same thing and it's very revealing that they see it that way.

BOB SCHIEFFER: All right. Let's-- let's talk about David Axelrod. I asked him, what did he think a Republican takeover of the House would mean. He said, well, he doesn't think it's going to happen but he would hope it would lead to cooperation. Do you think it would lead to cooperation or-- or should we expect more gri-- gridlock, more opposition?

ED GILLESPIE: I think there will be areas where there's cooperation areas where there's opposition. Look, the Republicans if they take control of the House and get very close in the

Senate are going to try to put the brakes on all this reckless spending. We just saw this week alone they announced that there was the-- the debt going up 1.3-- 3 trillion dollars-- by the way, partly, because eighteen billion dollars of stimulus money went to seventy-two thousand dead people. We just saw this week that ninety-five thousand Americans lost their jobs and the unemployment rate remains at 9.6 percent, above nine percent for the fourteenth straight month. We just saw that this administration is-- well, we know that this administration has incurred more debt in eighteen months than President Bush's administration incurred in eight years. So Republicans are going to put the brakes on that. But on areas maybe like free trade agreements, I think there may be some common ground if they can find areas where you can get spending restraint with this administration, Republicans would be happy to go along with that.

BOB SCHIEFFER: Talk a little bit about the Tea Party. You heard what Mister Axelrod had to say about it. I mean, he basically takes them seriously. Are they a problem for Republicans?

ED GILLESPIE: Well, they've been a little disruptive in the primary process to some candidates and-- and we have un-- some unconventional candidates now because of Tea Party participation in the process. That's the right kind of problem. We've got nineteen million people who voted in Republican primaries this past year versus fifteen million in Democratic primaries. Four million more people voted in Republican primaries than in Democrat primaries. That's the first time I think since FDR, Republicans have outpaced Democrats in primary voting. That's a very good harbinger for what's going-- going to come on November 2nd. So the fact is there are some growing pains that are going on here with these new folks coming into the political process, coming into the Republican Party primary. But growing pains are better than shrinking pains, and as a former RNC chairman, I'd rather see that any day. And so the fact is the best thing for us is that these folks are voting in Republican primaries, not backing third party candidates, Tea Party candidates is a third party which would hinder our ability to elect Republicans.

BOB SCHIEFFER: And what's your take on Sarah Palin? We heard what Mister Axelrod said. Do you think she is actually trying to run for President here?

ED GILLESPIE: You know, I-- I don't know, Bob. I have a lot of respect for Sarah Palin. I think she'll be a force if she does run in the Republican Party primary for the-- the nomination. I'm not privy to her thinking on that. She leaned into it a little bit recently. And I can tell you there are a lot of voters and I think she, you know, especially in Iowa, who-- to whom she has strong appeal. And the question is, you know, would that-- would-- for-- I think for Governor Palin, as is the question for all potential nominees is, can you go beyond your original base of support and build on it to, you know, to win enough votes in other states to get the nomination.

BOB SCHIEFFER: All right. Ed Gillespie. Thanks so much for coming.

ED GILLESPIE: Thank you.

BOB SCHIEFFER: We get your side of the story this morning.

ED GILLESPIE (overlapping): Appreciate the opportunity.

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

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally, if you know me, you know I take second to no one in my defense of the First Amendment. Freedom of Speech is our most important freedom. Without it, we could not defend the others. But as I watched the lawyer for those Kansas protesters argue before the Supreme Court, that her group had a right to hold protests at the funerals of American soldiers. I was reminded that no freedom is possible without some limit. The courts decided long ago that free speech does not allow someone to falsely shout "fire" in a crowded theater. This group believes its soldiers are dying because God is punishing America for tolerating gays. So they argue they have the right to show up at any soldier's funeral and shout and wave disgraceful signs as long as they stay in a public area. I understand that in a free society even a group as vile as the Nazis has the right to publicize its cause. I don't like it. But I recognize that even flag-burning is a form of legal political expression. But does the First Amendment give anyone the right to open the heart of a dead soldier's parent and invade that person's privacy and grief with hateful noise and sights? I'm no lawyer. But I know enough about our Constitution to know it is based on the premise of fairness. What these people are doing is not just unfair, it is wrong. If we can bar political parties from campaigning at polling places, surely there is a way to stop those who wish for their own selfish purpose to harass those who have given their children in the cause of freedom.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And that's it for today. We'll be right here next week with FACE THE NATION. Thanks for being with us.

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