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

CBS News

FACE THE NATION

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**GUESTS: Senator RICHARD DURBIN (D-IL)
Assistant Democratic Leader**

**Representative JAMES SENSENBRENNER (R-WI)
Chairman, House Judiciary Committee**

**DAVID BROOKS
Columnist, The New York Times**

MODERATOR: BOB SCHIEFFER - CBS News

PANEL: Gloria Borger - CBS News/US News & World Report

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***FACE THE NATION - CBS NEWS
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BOB SCHIEFFER, host:

Today on FACE THE NATION: Condoleezza Rice on Iraq and Iran and a debate on what to do about gas prices.

Secretary of State Rice is just back from a surprise visit to Iraq where American casualties this month are the highest since November and insurgent attacks on Iraqis have, according the State Department, skyrocketed. Can that spell progress, as the administration argues? We'll ask her.

Then we'll talk about something else that has skyrocketed, the price of gas, and we'll get two opinions on that: Alaska's Republican Senator Lisa Murkowski and Washington's Democratic Senator Maria Cantwell.

Then I'll have a final word on where the boys are these days and where they are is behind the girls and we're seeing the result of that. But first, Secretary of State Rice 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.

SCHIEFFER: And good morning again. The secretary joins us in the studio this morning. She is just back from Iraq, and I want to ask you about the situation on the ground there in a minute.

But first, I want to ask you about this: We have heard these rumors for years and now former Secretary of State Colin Powell put it on the record this morning, he said flatly he had recommended that a much larger force be sent to Iraq in order to keep the peace and he says that that recommendation was rejected. Let me just ask you flatly, you were there. Is that the way you heard it?

Dr. CONDOLEEZZA RICE (Secretary of State): Well, the president received advice from all of his advisors. Ultimately, any advice went through the secretary of defense and through the commanders on the ground. They put together the war plan. They determined the numbers that would--it would take to execute the war plan and indeed to execute the immediate post-war phase. And so the president listened to that advice and that was determined of him.

SCHIEFFER: But was that the secretary's recommendation?

Dr. RICE: I--I--I really, Bob, don't remember the specific circumstance that Secretary Powell was referring to, but I do know that if there were questions about troop levels, they were, of course, raised. The plan was put together. The president was able to ask the joint chiefs of staff directly whether or not they thought that the plan was executable and whether or not the resources were there. I was in that meeting when he asked the joint chiefs of staff and indeed, they said yes, and that was the plan that was put forward and executed.

SCHIEFFER: Well, in retrospect it looks as if Secretary Powell was correct.

Dr. RICE: The number of troops on the ground was there to execute the plan. Now, we are in a phase now where we see that the number of foreign forces is not really the issue. The number of coalition forces is not really the issue. The issue is what can Iraqis contribute to their own security and during my conversations with Iraqi leaders, they are very anxious to take more responsibility, but they recognize that their security forces need to be trained and ready to go. They're taking more and more responsibility and that's the phase that we find ourselves in now.

SCHIEFFER: Well, I guess the point of my question was that clearly we did not have enough people in the beginning to keep the peace because I mean, if you look at what's happening there.

Dr. RICE: Well, I--I--but if you look at what happened in the immediate aftermath of the war, the Iraqi Army in effect kind of disintegrated. Secondly, there was systematic looting that obviously had been planned, really, where it was not really the number of forces on the ground, it was the--the systematic looting that took place. As I've said many times, Bob, there will be time to go back and look at those days of the war and after the war to examine what went right and what went wrong. But the goal and the, the purpose now is to make certain that we take advantage of what is now a very good movement forward on the political front to tell this Iraqi government.

SCHIEFFER: Right, and I don't want to just keep talking about the past here, but I, I think we have to know that it was the United States that disbanded the Iraqi Army. But let me, let me just go on to what's happening now.

Dr. RICE: Bob, let me just say one thing now. The order to disband, yes, came from the coalition provisional authority. But, in fact, the Army had melted into--into nothing and again, we can all go back. We--I'm quite certain that there are many things that could've been done better. I'm quite certain that there are things in retrospect we would do differently. But that's the nature of any big complicated operation. Anybody who goes back and reads the history of any operation in the past will tell you that there are things that went wrong and things that went right. And we'll go back and see what those were at another time.

SCHIEFFER: Let's talk about now. American casualties this month are the highest since November. Your State Department just released a report last week that said that the number of attacks on Iraqis has skyrocketed. But you continue to say that we're making progress there. Where do you see these signs in light of what we're seeing happening everyday?

Dr. RICE: Well, the progress is, of course, on the political front. And you defeat an insurgency through politics, not just through military force. And yes, this is a very difficult set of circumstances. It was always going to be hard once a dictator of Saddam Hussein's reach and brutality was overthrown to get a stable foundation for a democratic Iraq. But the Iraqis have gone out, they've voted three times, they now have a permanent government. They now have a permanent government that as one of them said to me, 'The Iraqi people

have had enough,' he said, 'And we've got to bring ourselves together in a national unity government, appoint ministers who are nonsectarian and who are competent and get this country moving in--permanently in the right direction.' That's the sign of progress. I know what people see on their screens every day. I see it, too. But I also know that the violence is accompanied by a political process in which the Iraqis have met every deadline. They've met every test and in which they, themselves are moving forward.

SCHIEFFER: Let's shift to Iran quickly. Their oil minister said today that he doesn't think the United Nations is going to impose sanctions because he says it will just drive up the price of oil even more and the United States wouldn't want that. Well, there is something in what he says. The sanctions probably would drive up the price of oil.

Dr. RICE: Well, it...

SCHIEFFER: But what will we do? Are we going to push for sanctions?

Dr. RICE: Well, it depends on what kind of sanctions ultimately are levied against Iran. First of all, we're going to press for a Chapter 7 resolution, which would take the presidential statement that was passed a month ago and would now make it compelling--a compulsion on Iran to do that. I don't think that--you know, we're going to take it one step at a time, no one is talking about going to oil and gas sanctions. This is an Iran that does not want to be isolated from the international community. The international community has a number of steps that it can take through financial measures that it can take, through asset freezes.

SCHIEFFER: Well...

Dr. RICE: But when--you know, when the Iranians say things like, 'We don't care if there are sanctions,' then I ask myself, then why are they working so hard to stay out of the Security Council? Why are they suddenly saying they're interested in the Russian proposal? Why are they suddenly saying, 'Oh, by the way, yes, we will allow snap inspections'? Why are they suddenly saying, 'Well, let's get this back into the IAEA'?

SCHIEFFER: Well...

Dr. RICE: It really doesn't sound like a regime that is simply unaware of what might happen to them.

SCHIEFFER: So you still hold out hope that the--that we can do something short of warfare that would stop them from enriching uranium and moving toward building a nuclear weapon, if that's what they choose to do?

Dr. RICE: Oh, I absolutely believe that we have a lot of diplomatic arrows in our quiver at the Security Council and also like-minded states that might be able and willing to look at additional measures if the Security Council does not move quickly enough.

SCHIEFFER: Well, the chairman of the Foreign Relations Committee, Richard Lugar, Republican, says we ought to talk to them face-to-face. Would we ever consider that?

Dr. RICE: Well, we--first of all, we do talk to the Iranians about limited issues. We've talked to them in Afghanistan, we've...

SCHIEFFER: What about this?

Dr. RICE: On--on this, I think the Iranians know what they need to do. The United States has been very clear in public, in private, in every way conceivable that we back completely the options that have been given to the Iranians for a civil nuclear program, whether it's the EU proposal or the Russian proposal.

SCHIEFFER: Well, let me just ask you, when you bring up Russia, shouldn't we be getting more support on this from the Russians and from the Chinese? Why do we have such a hard time convincing them that we ought to take strong action?

Dr. RICE: Well, the Russians and the Chinese did vote--well, the Russians did, the Chinese abstained, to refer this to the Security Council. There is a presidential statement that was unanimous in the Security Council. But, yes, I do think that as we go forward, the international community is going to face a choice just as Iran faces a choice. Are we going to be credible in what we have been saying about the need for Iranian compliance? Are we going to continue to allow the will of the international community to be defied? That is a choice. And my own view, and I think the view of the Europeans and of others, is that the credibility of the Security Council is extremely important not just to this case but to the broader search for peace and security. And so when we go back after the 30 days having just expired, no one can contemplate just another presidential statement, we need to get to a Chapter 7 resolution.

SCHIEFFER: Let me ask you also about the issue where foreign policy and domestic policy converge, and that is the issue of immigration. And now, all of a sudden, a lot of people on the right are saying this whole issue of "The Star-Spangled Banner" being sung in Spanish is a bad thing. You're not just a diplomat, you are also a musician; where do you come down on that?

Dr. RICE: Well, I've heard "The Star-Spangled Banner" sung in any number of ways and--in any number of ways. I think--I think what's really being expressed here is that our immigration policies really need both to be humane and to defend our laws and defend our borders and to recognize that when people want to come here, they want to come here because they're seeking a better way of life. Now, the president is a former border state governor, and he clearly believes that a comprehensive approach to immigration where we recognize the economic goal--role that these people play, but yet keep a firm hold on border security, keep a firm hold on the fact that people have to be legal is extremely important.

SCHIEFFER: So--so what language the national anthem is sung in is not a problem for you?

Dr. RICE: From my point of view, people expressing themselves as wanting to be Americans is a good thing. But we have laws about how they do that, how they become Americans. And I sincerely hope that we can come to an immigration policy that is comprehensive and that befits the fact that this is, after all, a country of immigrants.

SCHIEFFER: I think you kind of dodged that question.

Dr. RICE: Well, we hope--Bob...

SCHIEFFER: I mean, does it make any difference or not?

Dr. RICE: What, what, what language the national anthem is...

SCHIEFFER: What language it's sung in?

Dr. RICE: ...is sung in? I've heard the national anthem done in rap versions, country versions, classical versions. The individualization of the American national anthem is quite under way. I think what we need to focus on is an immigration policy that is comprehensive, and that recognizes our laws and recognizes our humanity.

SCHIEFFER: All right. Thank you very much, Madame Secretary.

Dr. RICE: Thank you very much.

SCHIEFFER: Hope to see you again sometime.

DR. RICE: OK. Thank you.

SCHIEFFER: Back with more news in just a moment.

(Announcements)

SCHIEFFER: And from the controversy over what language to sing the "Star-Spangled Banner" in, we turn now to something serious: gas prices. Here to talk about it, Senator Maria Cantwell of Washington, a Democrat, and Senator Lisa Murkowski of Alaska, a Republican.

Senator Murkowski, I hear a lot of finger-pointing, I hear a lot of people talking about how awful all this is. I'm not sure I've heard anybody come up with a realistic solution, or a realistic thing can be--that can be done about these rising gasoline prices. And there's no question it's the thing that's on everybody's mind these days. What can we do about it?

Senator LISA MURKOWSKI (Republican, Alaska; member, Senate Energy and Natural Resources Committee): Well, there is a lot of, of finger-pointing and blaming that's going on right now. I look at this as we are here because we've had a

failed energy policy in this country for decades. That's where we are right now. Let's do something about it.

And we, we've got to, we've got to recognize that what we're faced with are the laws of supply and demand. And your Congress is not going to be able to repeal the laws of supply and demand. We've got to work on the demand side, through, through conservation, through efficiencies. We've got to also look to the supply side. That's something that we haven't done a good job in this country.

So whether it's utilizing the new technology to get us towards the renewables, the alternatives, or whether it is increased domestic supply, which, of course, is the issue coming out of Alaska, that's a side of it that we have got to focus on.

SCHIEFFER: So you're talking about drilling in the ANWR?

Sen. MURKOWSKI: I'm talking about sensible exploration and drilling in the coastal plains. We've got an opportunity up there for perhaps the largest find in North America that we have seen. We've got an opportunity up there for a million barrels a day coming into this country. A million barrels a day is, is what we saw...

SCHIEFFER: OK.

Sen. MURKOWSKI: ...when Katrina and Rita took us off line.

SCHIEFFER: So what you're talking about is getting serious about a long-term policy.

Sen. MURKOWSKI: Absolutely. Absolutely.

SCHIEFFER: Are you saying there's really not much that can be done in the short term?

Sen. MURKOWSKI: In the short term, there are things that we can do immediately, whether it's the--making sure that your tires are inflated, or, or car pooling, or the, the, the efficiency and the conservation things that we all should be doing as Americans. But we have to recognize that there's so many different pieces to this. Supply is one side of it, and we can't forget that component.

SCHIEFFER: All right. Well, let's see what Senator Cantwell has to say about it. Do you agree with that?

Senator MARIA CANTWELL (Democrat, Washington; member, Senate Energy and Natural Resources Committee): Well, I agree with my colleague, Senator Murkowski, on some issues, that we need a much more aggressive energy policy than we have today. But if you want to look at what's happening to the American consumer, they're getting gouged at the price pump right now, and so if you look at what's happened to the airline industry where they've had

people who've lost their jobs and lost their pensions, if you look at the American farmer who basically, you know, has to pay more for a gallon of gas than they get for a bushel of wheat, you know, it's a big problem for the American economy. So...

SCHIEFFER: So what can we do about it?

Sen. CANTWELL: Well, first and foremost, we have to get aggressive about making sure that price-gouging is addressed with the new federal statute that says that it's illegal to gouge consumers on the high price at the pump. And we also have to have more transparency in the energy markets. We have all this speculation, Bob, about the price and what's going to happen in the future, and you have loopholes that have existed that were created really by Enron for online trading. So you basically trade a commodity like corn or wheat or something like that it's on an exchange. There are rules. But oil has certain loopholes and we ought to close that.

SCHIEFFER: Well, where--where's the price gouging coming? Is it at the pump, is it at the middleman, is it at the producer? Where is it coming?

Sen. CANTWELL: Well, we want to make sure that there is a strong law on the books that looks at the wholesale price of gasoline, because we have a question about whether gasoline is being exported out of the country for a cheaper price just to drive up the cost here in the United States. And there's been some evidence of that. So what we want to do is have a strong law in place to protect consumers today and to make sure that we're giving that the attention.

Then secondly, the most important thing to do, is to get off of this overdependence on oil and--foreign oil. Now the president says that in his State of the Union but we have to get serious about it. And getting an alternative fuel market going in the United States and getting some true competition will do a lot more than anything on the supply side that can be--than can happen now.

SCHIEFFER: Well, what about Senator Murkowski's point, we ought to start drilling up in the, the Arctic reserves up there? Will that make a difference?

Sen. CANTWELL: Well, I--you know, one penny is what somebody thinks that that would reduce in 10 years the cost of gasoline. So the experts--the--the bottom line is, is that we are set on the world price of oil. That is that the United States cannot drill our way out of the fact that what we pay at the pump today is impacted by these countries like Iraq, Iran, Saudi Arabia. And so we don't want a future where we're 50 or 60 percent dependent on foreign oil, and if God only gave the United States 3 percent of the world's oil reserves, we're kind of stuck on being impacted by those countries and their--those policies.

But, if the United States could get aggressive, and this is the time we should do this, America should be proud and excited about it, being energy leaders

instead of being laggards in these new energy technologies.

SCHIEFFER: Back to you, Senator Murkowski.

Sen. MURKOWSKI: Well, yes, we need to be doing all this. Senator Cantwell and I are not so diametrically opposed, except when it comes to the new domestic supply. This is where we've got to look realistically at it and say, 'What can we do?' Because the, the, the demand side of it is very real and it's not just coming from this nation. Look at what's happening in--in China. Look at what is happening in India. We've got to recognize that the competition for the resource that we demand is huge. So what are we going to do about it that we can control. It's domestic supply, and this is the one thing that we have failed to do aggressively in any energy plan is to focus on the domestic supply. Domestic energy is going to be energy security and national security.

SCHIEFFER: OK, Senator:

Sen. CANTWELL: I just, I just think that, that domestic supply is about plant-based ethanol, it's about biodiesel, it's about something that the United States can be world leaders in, and the sooner we get at that task, the more secure this economy will be. And Brazil is a great example of a country that went from being 70 percent dependent on foreign oil to now being energy independent and they did it by running cars on this ethanol product. And the great story there is that they're mostly United States GM cars they're running down in this country on an ethanol product. So let's get about passing a serious energy bill that in...

SCHIEFFER: All right.

Sen. CANTWELL: ...gets that market going.

SCHIEFFER: Let me ask both of you, and I'll ask you very short answers here. There are a couple of things that people are talking about.

Senator Cantwell, would rolling back the gas tax make any difference?

Sen. CANTWELL: Well, I think what you need to be concerned about there is that if these prices keep going up \$3, \$4, \$5 a gallon that isn't going to be a solution.

SCHIEFFER: Senator Murkowski:

Sen. MURKOWSKI: I don't think it's a long-term solution for us, and that's where we need to be focused.

SCHIEFFER: But would it help this summer?

Sen. MURKOWSKI: It might help this summer.

SCHIEFFER: OK, what about the windfall profits tax?

Sen. MURKOWSKI: Windfall profits, I think we saw the impact to this country the last time we did it under Jimmy Carter. It didn't work then. It's a policy that hasn't improved with age.

SCHIEFFER: Senator Cantwell:

Sen. CANTWELL: Get--you know what we need to do is the royalties that are given. These guys get billions of dollars, the oil industry gets billions of dollars of tax breaks, and they don't even pay on the royalties that they're supposed to pay on. The federal government might be out \$80 billion, so let's get those...

SCHIEFFER: How about this idea of giving everybody \$100 rebate?

Sen. CANTWELL: Well, if you look at what they've been paying for the last several years it would be about \$700 that the American consumer has had to pay because of these high prices, so let's stop that.

SCHIEFFER: What about that?

Sen. CANTWELL: I don't think it's a real answer. It's a temporary band-aid. I don't think that it's, again, the long range solution.

SCHIEFFER: Do either of you believe that gas prices are going down this summer?

Sen. CANTWELL: No.

SCHIEFFER: No.

Sen. MURKOWSKI: I believe that we better pass a bill that gives the president and the--gives the administration the ability to chase these price gouging activities. Because we have to protect the consumer.

SCHIEFFER: All right. Well, thank you very much.

Sen. CANTWELL: Thank you.

SCHIEFFER: A lot of information in a short time. Thanks to both of you, Senators.

Sen. CANTWELL: Appreciate it.

Sen. MURKOWSKI: Thank you.

SCHIEFFER: We'll be back with a final word in just a minute.

(Announcements)

SCHIEFFER: Finally today, when I was a young reporter covering the Pentagon,

I had a great friend named Daniel "Chappy" James. He was an African-American, and he became a famous fighter pilot in Vietnam, where he and his wing commander, Robin Olds, were known as Black Man and Robin. He achieved four-star rank in the Air Force, a real rarity. But he told me one day there would never be full equality in this country until we no longer noticed that someone was the first or the only.

I thought about Chappy as I went over today's guests here on FACE THE NATION. All of them were women, and I wondered, did anyone notice but me? You see, we don't invite guests to FACE THE NATION because of race and gender, we invite the key players in the week's big stories. But with more and more women now in positions of power, it follows that on any given week, the key players may well be all women.

There was a time when that made some people uncomfortable. It may still. But they had better get used to it. Newsweek reports that girls are outperforming boys at every level from the third grade on. We'll be seeing more women at the top levels of every profession.

By now, Condoleezza Rice is neither the first woman nor the first African-American to hold her powerful post. Who would have imagined that even 20 years ago? My friend Chappy James is gone now, but he would have liked FACE THE NATION today. What he would have noticed is that none of our guests was the first or the only.

That's it for us. We'll see you next week right here on FACE THE NATION.