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

CBS News

FACE THE NATION

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**GUESTS: Dr. CONDOLEEZZA RICE
Secretary of State**

**MICHAEL DUFFY
Assistant Managing Editor
Time magazine**

MODERATOR: BOB SCHIEFFER - CBS News

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

Today on FACE THE NATION, Secretary of State Condoleezza Rice on the increasing violence in Iraq, a possible breakthrough with Iran, the Haditha situation and the mass arrest of the alleged terrorists in Canada.

It was yet another awful weekend in Iraq. More car bombs, more executions. Is Iraq descending now into anarchy? Have reports of an alleged massacre of civilians by US forces in Haditha fanned the flames? And what if Iran won't stop its nuclear program? These are the questions for the Secretary of State. Mike Duffy of Time magazine will join in the questioning.

And I'll have a final word on my friend Kimberly Dozier.

But first, Secretary of State Condoleezza 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 of state, Condoleezza Rice, is in the studio with us this morning. Joining in the questioning: my friend Mike Duffy of Time magazine.

Madame Secretary, Friday night in the suburbs of Toronto, as you now know, the Canadian police arrested 17 people on suspicion of terrorism. They had three times the amount of explosives that was used to blow up the federal building in Oklahoma City. They apparently had some sort of contact with two Americans from Georgia. What can you tell us about this?

Dr. CONDOLEEZZA RICE (Secretary of State): Well, first of all, it's obviously a very great success for the Canadian counterterrorism efforts, which we know have been very robust. Really since September 11th Canada has been very active in the war on terror. We have very good cooperation.

I don't think we know very much more about it, and we certainly don't believe that there's any link to the United States, but obviously we will follow up. And we have excellent counterterrorism cooperation. I think we will get whatever information we need. But it's obviously a great success for the Canadians; they're to be congratulated for it.

SCHIEFFER: Well, it sounds as if they were planning to blow up some of the national institutions in Canada, or at least that seemed to be the plan. We know they had contact with two men who have been arrested on terrorism suspicions in this country from Georgia. One of them was a Georgia Tech student, I believe. Do we have any indication that they were trying to plan some sort of attack on anything in this country?

Dr. RICE: Well, we don't have any indication, but let me just say obviously this is an ongoing operation--ongoing investigation. I think it's best not to talk about whatever details there may be. But we have excellent countercooperation--counterterrorism cooperation with Canada, and I'm quite

certain that if there's any further information to be passed, that it will be.

SCHIEFFER: We want to talk about Iran and the negotiations there. We also want to talk this morning about Iraq. This week, Madame Secretary, Tom Friedman of The New York Times says Iraq is not moving toward democracy, but moving into anarchy. What would be your assessment?

Dr. RICE: Well, my assessment is that they have a political process that has been maturing ever since the liberation of Saddam Hussein. We are a long way from the governing council which had a new president every month, to now the the freely elected--first freely elected, permanent government in Iraq. Of course it's difficult. And of course there is violence, and everyone is concerned in particular about sectarian violence that has risen. But the way to handle this is through a government of national unity, with a strong prime minister, which Mr. Maliki certainly is, and with security forces that can take care of the fight from--for the Iraqis.

SCHIEFFER: Madame Secretary, let me just challenge your, your basic statement here. How can you say it's any better? They're now losing, you know, 40, 50 people a day there. Just this morning 26 people pulled off a bus and shot. They can't pick somebody to run the--the defense department. Yes, we have a government in place, but it--I would have to ask the question what difference does that make?

Dr. RICE: Well, it's only been a matter of a few weeks since you've had a government in place. Let's give the government a little chance now to get settled in, and to really begin to work on these--the situation. I would note that Prime Minister Maliki, even in the absence of a minister of interior and a minister of defense--which they will have, and they will have good ones because they're going about this in a most careful way--but even the absence of filling those ministries he has been working with General Casey, and with Zal Khalilzad on a security plan for Baghdad. He has declared state of emergency in Basra to deal with the situation there. This is a government that is more confident, that has real basis for action, because it is a national unity government. And I think it is far too soon in a matter of less than a month to say that this government can't deal with the problem.

SCHIEFFER: But it has taken them since last December to even get this far.

Dr. RICE: To have a government of national unity has taken some time. But to have a government of national unity is at the core of solving the problems that the Iraqis--the Iraqis face.

SCHIEFFER: Mike Duffy:

Mr. MICHAEL DUFFY (Assistant Managing Editor, Time Magazine): The Iraqi prime minister also made a startling charge this week. He said that attacks on Iraqi civilians have become--appeared to become an almost daily occurrence by American troops. What do you make of that charge?

Dr. RICE: Well, first of all, it--there's a much longer statement there.

And I've talked to Prime Minister Maliki. He wants coalition forces there, he knows that Iraqis are not yet capable of dealing with these security issues themselves. We have very good cooperation with him.

I would just note that obviously the United States goes out of its way to try in any counterterrorism operation to avoid civilian deaths. When there are incidents that need to be investigated, they are fully investigated.

Mr. DUFFY: Do you mean for internal reasons...(unintelligible)?

Dr. RICE: Well, no, I--I'm certain he really is concerned. We're always concerned when there are reports of this kind. But let's remember that American soldiers, American men and women are there on the front lines making tremendous sacrifice, losing their own lives in defense of a free Iraq, in defense of the protection of the Iraqi people, and in fighting these terrorists who on any given day do drag people off of buses and try to blow up school children. So American forces are the solution here, not the problem.

Mr. DUFFY: An Army officer we spoke with this week who's in Iraq said one of the most frustrating aspects to his job, aside from being, you know, at risk of being shot at every day, is that when he goes in to sweep through houses and try to find insurgents house-to-house, he encounters locals who say, 'We don't know any insurgents. We don't know who they are.' He's getting very frustrated, he says, about trying to actually get people to help him. Are we asking American troops to do more than we should expect them to do if the Iraqis aren't willing to help?

Dr. RICE: Well, the Iraqis are taking tremendous chances and sacrifices themselves. We have to realize the Iraqi security forces are also dying on the front lines, that some of the people who are in the political leadership, like the head of the Iraqi Islamic Party, the Sunni Party, has lost a brother and a sister to insurgents. So these are committed people. But it is difficult to--to fight and fight insurgents when they can hide among the civilian population. I will tell you that we have had many, many, many more tips from Iraqi civilians over the last couple of months about what is going on. And as the Sunnis are integrated into the political process, as they clearly are now, I think you will see that people will start to turn on the--the murderers and the terrorists who are killing innocent Iraqis.

SCHIEFFER: The prime minister says that the United States should turn over its files on Haditha where this alleged massacre took place to the Iraqis because they want to do their own investigation. Should we do that?

Dr. RICE: Well, I'm quite certain that there will be full cooperation with the prime minister about this--about this case. Let's remember that when this happens in a democracy, there is full investigation and there will be full investigation. But there is also the right of the accused to have due process. And so we want to be sure that both will protect it. The president said that this to him is deeply troubling, these reports. And they will be fully investigated, but the--the great mass of American soldiers are there taking casualties, making sacrifices, to protect the Iraqi people. When

something like this happens, we'll--we'll get to the bottom of it.

SCHIEFFER: You...

Mr. DUFFY: Secretary...

SCHIEFFER: Go ahead.

Mr. DUFFY: Secretary Rice, one more question on Iraq. This week, General Casey, the US commander in the country, said that he was moving reinforcements into Anbar Province, 3500 troops. Prime minister declared, as you said, a state of emergency in Basra. Are we undermanned in Iraq still?

Dr. RICE: We are using the forces that are available and that are needed. You notice that when General Casey needed more forces in Anbar, he had more forces.

Mr. DUFFY: It's his next-to-last troop, so...

Dr. RICE: And but--but he--Anbar is a place that we've had good cooperation with a number of the local officials. We wanted to be able to reinforce that region so that some of the things that were happening in the insurgencies--the insurgents were doing to those local officials and communities could not go on. But the United States has forces on the ground to deal with this situation. As importantly, the United States is, of course, supporting Iraqi forces who are in growing numbers and growing competence. And the real, the real breakthrough here is that Iraqis are able to engage in these activities. After all, Iraq really needs Iraqis to be able to secure their country.

SCHIEFFER: Talking about moving those new troops in, I would just note that on the very day that the Pentagon was planning to move those troops in, General Casey was telling Harry Smith of "The Early Show" that we were going to draw down troops. He didn't get around to mentioning that part. Do you think there is any way that American troop levels can be reduced this year, Madame Secretary?

Dr. RICE: Well, it's very clear that Iraqis are getting better and they're taking more of the fight. It's also very clear that they're taking large portions of territory. But as the president has said many times, whatever is going to happen with American troop levels is going to relate directly to what's going on on the ground. And therefore, when General Casey felt that he needed to reinforce Anbar--and indeed, even before there, some hundreds of forces had gone into Baghdad to--to deal with the new security plan for Baghdad. When General Casey has needed and wanted to do that, he's been supported in the Pentagon and he's been supported by the president. So these are decisions that will be made on the ground.

But as Iraqi forces get better--and they are getting better, they are taking more of the fight--American forces will clearly have fewer responsibilities and ultimately be able to come out.

SCHIEFFER: But you're not prepared to say this morning when they will be better, when that's going to happen.

Dr. RICE: It's all got to be conditions-based. It--it's also a case, Bob, that we have a new prime minister and we need to sit with that prime minister and his team and talk about what security challenges there are and who is going to play what part in meeting those security challenges. And so any talk about what American forces would look like at any point in time, I think, has to await a discussion with the Iraqi leadership.

SCHIEFFER: Well, let's talk a little bit about Iran. In a change of US policy, you agreed to talk to Iran if they would suspend their nuclear program. I know there's a big "if" there. Now, you and the other Western powers have offered Iran a package of incentives and possible penalties if they don't stop their nuclear activity. Today, they say they plan to make this package public. I guess the Western powers have said, 'Let's keep it private so it won't be provocative in any way.' They say they're going to make it public, and they say they're not going to stop nuclear activity. Is that their response? What do you make of what they're saying today?

Dr. RICE: Well, we're going to give the diplomacy a little time here and we're not going to react to everything the Iranian leadership says. Over the last couple of days, they've said lots of different things. When the proposal goes to Iran, I think it will be very clear, I hope it will be very clear to the Iranian government that this is the international community's way of giving them an opportunity to resolve this impasse favorably with a civil nuclear program that would be acceptable to the international community.

Iran keeps talking about its right to civil nuclear power, no one is questioning that it has a right to civil nuclear power. But many countries have the right to that, that don't enrich and reprocess on their territory, and given Iran's history, it--it must not have the technologies that could lose--lead to a nuclear weapon.

Now, the two paths that were talked about by Foreign Secretary Beckett, the British foreign secretary in Vienna, are very clear: We are committed as an international community to those--to that path--to those two paths. But let me just say, when the president made the decision more than a year ago that the United States was going to fully support the European negotiations, that that was in--in the US interests to have the diplomacy have chance to work, that really was the course that we continued to follow this week. Because it was clear that at some point we were going to have to decide, should the United States become party to the talks that we already supported?

SCHIEFFER: Do you see any sign at this point that the Iranians have taken this seriously?

Dr. RICE: Well, I--I do think they're taking it seriously. But let's see what answer they--they come up with. And as I said, I don't think we're going to react to everything that's said until we have--until they have a chance to

see the proposal and until they understand the two paths.

Mr. DUFFY: What's the timetable here? John Negroponte, the director of national intelligence, told us a few weeks ago that he does not expect Iran to acquire a nuclear device at the current rate for--and at least until the beginning of the next decade. Is the intelligence on that estimate any better than it was on the intelligence with respect to Iraq's WMD program?

Dr. RICE: Well, the United States is not the only country concerned about the path that Iran is on. I think that the IAEA has had concerns about the progress of the Iranian program and the many unanswered questions about the Iranian program. Whatever the timetable to--to an unacceptable outcome in Iran, we have to push the diplomacy as hard as possible. One of the reasons that the president made the decision to do this now is that we need to know whether negotiation is a real option or not. And we will soon know that. But for the international community, it is clear that is--Iran is on a path with its nuclear program that is not acceptable.

Mr. DUFFY: Do you think your partners in Russia and China will ever agree to putting sanctions on Iran if they do not pick up this, this trick?

Dr. RICE: Well, I'm--I'm, in--in fact, very--well, this--let me say, proposal.

Mr. DUFFY: Proposal. Excuse me.

Dr. RICE: This is a serious offer to the Iranians by the international community. Look, I'm quite satisfied that the commitments that our partners have made to both paths are indeed to both paths and to robust action on either path as appropriate.

SCHIEFFER: I know you don't set deadlines, and I wouldn't ask you to do that, but just in a general way, how long did the Iranians have to respond to this proposal?

Dr. RICE: Well, we need to know whether or not the negotiating track is--is real. And we've said this can't be a matter of months, because we're--the Iranians are continuing to move. One reason that it's important that they suspend is that the program can't just continue, even if you're in negotiations.

And I might just add, Bob, that I've heard the condition of full suspension described as an American condition; it is, of course, the condition that the Europeans set when their talks broke down and it is also the condition written into the IAEA board of governors resolution and into the presidential statement of the UN Security Council.

SCHIEFFER: In the end, do you rule out the military option now that you're concentrating on this?

Dr. RICE: The president has never ruled out and won't rule out any of his

options. But, as he said, diplomacy is the way to resolve this. Unity of the international community is the way to resolve this. And everything that we've done is to build an international consensus--a climate of opinion that--about what Iran must do, and now we're working very hard to try and see if we--if we do indeed have a negotiating option.

Mr. DUFFY: So you're saying--the Soviet foreign minister said that it had unambiguously ruled out the idea of military force. You're saying that's not the case?

Dr. RICE: The president of the United States doesn't rule out any of his options. But again, we believe that there is a lot of life left in the diplomacy here. I had heard, is the diplomacy at an end? Well, of course, the United States, with this new offer, made a new diplomatic overture--a new diplomatic effort. I think it just shows that we--the international community--has a lot of--a lot of arrows in its quiver.

SCHIEFFER: All right. We will leave it there, Madame Secretary. To be continued.

Dr. RICE: Thank you. Thank you very much.

SCHIEFFER: Thank you for being with us.

We'll be back in just a minute.

(Announcements)

SCHIEFFER: We're back now, and Mike Duffy is with us here because we want a little--get a little context and perspective on all of what we have just heard.

Mike, your magazine was the one that broke this story, and I must say, one of those stories that news organizations when they get a story like this sometimes wish they hadn't got it, and kind of hope it isn't true. How did you get this story, in the first place? This story of this massacre at Haditha?

Mr. DUFFY: Yeah, it may of taken place last November in a town in the Euphrates River. The morning after the incident, where the Marine patrol allegedly went through and--and--and may have killed some men, women, and children who weren't--weren't armed, a student across the street who wanted to grow up and be--an Iraqi student who wanted to be a journalism--wanted to be a journalist when he grew up--got out his video camera and shot the aftermath. And--and the tape that he made raised questions about whether this was a bomb, as the Marines had insisted, killed the--killed the people; or whether, perhaps, other kinds of force had been used. He gave the tape to a human rights group. That human rights group gave it to us. And when we took it to the military, although their first response was, 'We don't really believe this,' when we took it higher up the chain of command, they said, 'Yeah, we need to take a look at that.'

SCHIEFFER: And so, it was this journalism student who--who basically brought this story out?

Mr. DUFFY: Yeah, it's someone who in the new, you know, under the new Iraqi government, thinks he can grow up and be a reporter. That's a--that's a positive sign. And he was able to actually go around and--some of the village elders had tried to take what they thought the evidence of an alleged massacre was to the Marines. The Marines were reluctant to hear it at first. But the videotape really was the thing that made the difference for the US military and it sparked the investigation.

SCHIEFFER: So now there--we--obviously there is a full-scale investigation going on...

Mr. DUFFY: Two.

SCHIEFFER: Two full-scale investigations going on.

Mr. DUFFY: Two different ones.

SCHIEFFER: Do you see any pattern here? Is this something that has just happened and is completely isolated, or is there more of this going on? What do we know about that, Mike?

Mr. DUFFY: Well, it--I think something of this size has truly been a precedent. We haven't seen anything like this during the war. The Marines and other military officers say they get complaints about this a lot, and we talked about earlier what the prime minister said. But typically there haven't been a lot of incidents like this. There were some reports this week that there are others under investigation. The Pentagon is warning reporters to be--to brace for, perhaps, results of others. They also took one off the table this week, and said, 'This actually didn't take place.' So I--I think we're entering a period where there might be more of these things, and the Pentagon is saying get ready.

SCHIEFFER: What do we think happens next on the investigation of Haditha?

Mr. DUFFY: There are two probes. One is looking at what happened that day, and whether criminal charges should be brought. We don't expect those, Bob, until the summer. More immediately, very soon, perhaps, there's a second look at whether--once this event took place, did officers up the chain of command actually properly look into it, or did they actually try to cover up? That--that probe is being run by the Army, an Army general, and we could expect results from that perhaps as soon as this week.

SCHIEFFER: What sort of reaction are you getting from those people in the military you're talking to? Do they think this is another Abu Ghraib? Do they think it's been overinvestigated? How do they feel about it?

Mr. DUFFY: Well, most military officers are horrified at the suggestion of

this, and say, 'Look, this isn't what we came to do. This isn't how we operate. This isn't how we're supposed to perform.' They're quite concerned about the stresses on the troops, because as we talked about with Secretary Rice, this is becoming a commonplace event to have to go into people's houses and ask them, to figure out, 'Who among you in this dark room is a insurgent?' That's a very difficult environment in which to operate tactically. So they're aware, and they are admitting that these are very difficult environments, but they also say this is not what we're supposed to be doing.

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

I'll be back with a final word in just a minute.

(Announcements)

SCHIEFFER: Finally today, this was a hard week at CBS News. We lost two very good people in Iraq, the camera crew of Paul Douglas and James Brolan, and we almost lost another, correspondent Kimberly Dozier.

Kimberly was basically dead when they got her to the military hospital. She had lost 30 pints of blood, at one point had no heart beat. But somehow, those doctors brought her back to life.

Kimberly knew the danger, yet she kept going back to tell this story. Why? Here is part of an essay that she wrote not so long ago about the responsibility she felt to tell the story of the young Americans fighting this war.

"Almost every soldier I meet now," she wrote, "has done at least one tour of Iraq, and sometimes is working on his or her second or third tour. Almost every one of them has been hit by something. And while they may have walked away, they usually know someone who hasn't. It gives a whole new meaning to the expression 'Feel the fear and do it anyway,'" she said. "So basically, if you want to tell their story, you have to take their risks. Yes, absolutely, journalists face awful, dangerous risks in Iraq," Kimberly wrote, "but it is nothing compared to the people we cover."

Kimberly felt the fear and went anyway, because that is the only way to get the true story, and that is the core of responsible journalism. She faces months, perhaps years of healing and recuperation, but she has improved enough that they will fly her to a military hospital in the United States later this week. We're very proud of her.

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