

© 2007 CBS Broadcasting Inc.
All Rights Reserved

***PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS CBS
TELEVISION PROGRAM TO "CBS NEWS' FACE THE NATION. "***

CBS News

FACE THE NATION

Sunday, July 15, 2007

GUESTS: STEPHEN HADLEY
White House National Security Adviser

Sen. LAMAR ALEXANDER (R-TN)

KAREN TUMULTY
TIME Magazine

DAN BALZ
The Washington Post

MODERATOR: BOB SCHIEFFER - CBS News

*This is a rush transcript provided
for the information and convenience of
the press. Accuracy is not guaranteed.
In case of doubt, please check with*

FACE THE NATION - CBS NEWS
202-457-4481

BOB SCHIEFFER, host:

Today on FACE THE NATION, what to do about Iraq. The Democrats want to start bringing the troops home now. Key Republicans want a change in strategy. The president wants to stand fast, and the Iraqi parliament prepares to go on vacation.

The president says he won't even consider a change in strategy until September. But his critics want to know what difference two months will make. And Iraq's prime minister says his troops can take over now. We'll ask the president's national security adviser, Stephen Hadley, if he agrees.

Senior Republicans, from Richard Lugar and John Warner to Tennessee's Lamar Alexander, have different ideas. They want to shift America's military mission from fighting the war to training the Iraqis to do it. We'll talk to Alexander about that.

For analysis of that and the latest on politics--including the fate of John McCain's suddenly money-starved campaign, we'll bring in Dan Balz of The Washington Post and Karen Tumulty of Time magazine. Then I'll have a final word on the Iraqi parliament's summer break.

But first, what are we going to do about Iraq? 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. Joining us here in the studio, the White House national security adviser, Stephen Hadley.

Mr. Hadley, thank you for joining us this morning. I've listened very carefully this morning, I believe you're appearing on four of the Sunday broadcasts this morning. You have talked about the various plans that Republican senators are putting forth that shift the strategy. You have maintained that you simply can not live with that at this point, that the decisions about whether or not to shift the strategy will come in the fall. But I want to ask you this: It seems to me that the key question here is, with the Iraqi parliament getting ready to go on vacation--they've been able--hardly able to get a quorum for the last month or so--they're going to take off the whole month of August, how can the president ask American military soldiers to go out and continue to prosecute this war and be in the middle of this thing while the Iraqis take off for--and wait for cooler weather?

Mr. STEPHEN HADLEY (White House National Security Adviser): Well, of course, the Iraqis aren't doing that. And the point is...

SCHIEFFER: Well, they announced they are doing it, with all due respect, sir.

Mr. HADLEY: ...that the process for--the process. Yeah, with all due respect, let's talk about what the process is that's going on and will be

going on for the next 60 days. The coalition forces and the Iraqi forces are now engaged in implementing what's been called "the surge." They're going aggressively into al-Qaeda areas, challenging al-Qaeda, killing and capturing, covering caches. They are also going against Shia militia. That is critical, because what the president's premise of this strategy was that, until we can get--help the Iraqis get control of the security situation, we weren't going to get the political reconciliation that everybody knows has to occur. And so the process I think you're going to see over the next 60 days now finally in a position to prosecute the surge, enhancing security in the country, what we found is when you go forward and challenge al-Qaeda in areas like Anbar province and Diyala, Sunni tribes are now getting into the fight against al-Qaeda, taking control of their localities, setting up local political institutions that can provide security and effective government. That's what we call bottom-up reconciliation. And in addition...

SCHIEFFER: But that's supposed to be to give the Iraqi government time to work out the political side of this.

Mr. HADLEY: Exactly right.

SCHIEFFER: How can they work it out if they're not there?

Mr. HADLEY: Exactly right. It works out in two ways. Bottom up, and you're going to be seeing that over the next 60 days. In addition, while people are focused on the legislation, we have to take a step back and ask this question: What is the problem, in terms of political reconciliation, top down in Baghdad? And the problem is that the Sunni, Shia and Kurds have not yet worked out the basic bargain of power sharing of how they're going to work together under the democratic...

SCHIEFFER: Which is the bottom line. That's what has to be done. How can they do it if they're not there?

Mr. HADLEY: Exactly. That's exactly right. They will be there. The Iraqi parliament continues--has now extended for the second time. They will continue through July. They will be working six days a week. At this point, that's the schedule that they're on. My point, Bob, is what really needs to happen is behind the council of representatives, the parliament, there needs to be a basic bargain worked out between the leading political parties--Sunni, Shia and Kurds--about how they're going to work together. That process is overdue.

SCHIEFFER: How often have they had a quorum in the last month, Mr. Hadley?

Mr. HADLEY: My understanding is that they had a quorum this last week. But, Bob, I...

SCHIEFFER: But they didn't have one for how long before that?

Mr. HADLEY: They had a period of time when they did not because, as you know, the Sadrists pulled out. There've been some instances that caused the

Sunnis to pull out. Bob, I think the important thing is, look, we have been pushing on them, they need to stay in session, they need to get these laws done. But I think we have to be candid about what the underlying problem is. The basic problem...

SCHIEFFER: Well, would you like them to cancel this vacation?

Mr. HADLEY: We'd like them to stay in session and work on this issue.

SCHIEFFER: Are you pushing them on that?

Mr. HADLEY: Absolutely.

SCHIEFFER: Do you think there's any chance they'll cancel this vacation?

Mr. HADLEY: We'll see. Initially, as you know, it was supposed to be July and August. They're now going to stay in session in July. They're going to go work a six-day a week session. We want to continue them to work on this legislation. But, Bob, the most important thing they can do is the leaders of the Sunni, Shia and Kurdish communities and parties need to come forward and come up with a power-sharing deal under democratic prim--that's what's mission--missing. If you can get that done...

SCHIEFFER: Well, obviously. Yes.

Mr. HADLEY: ...then you can get legislation of council representatives, and that's what needs to happen.

SCHIEFFER: One of the president's most senior advisers told me this week that no one believes we will be using the same tactics or we'll be engaging with the same strategy once the fall comes. If, in fact, that's what everyone in the administration believes, why don't you start that process now? Why--what's this magic about the September 15th? We can't think about changing anything until September 15th.

Mr. HADLEY: Well, of course, there's a lot of thinking going on. And if you go back to the president's speech of January 10th, 2007, where he laid out the new strategy, what he said was, 'We want to move to a different place in Iraq, a different phase in Iraq, where the role of our security forces and our military will be different than it is now.' And the reason for his reinforcement strategy and for the extending population--security of the population was precisely to accelerate the day where we could contemplate that transition. So everybody's looking at how we can get to a point where Iraq is in a different place and our role is different. The issue, Bob, is that in May the Congress of the United States set out a very orderly way to do that. And it starts with, in September, a series of reports on where we are in Iraq, both from the government and outside the government.

SCHIEFFER: But...

Mr. HADLEY: And a report from the commander in the field and our ambassador

in the field, the guys who are charged with carrying out the existing strategy. That's the point.

SCHIEFFER: But, again--again, I say this with respect, they set out this policy, but it's not working, Mr. Hadley.

Mr. HADLEY: With all due respect, Bob, we think it is, and if you listen and observe the reports of what is happening on the security side, it is working. We are going into areas where al-Qaeda have had a safe haven, we are effective against them in disrupting their operation, and the political reconciliation, as the president said, is following in behind. You have tribal leaders in Sunni areas coming together, fighting against al-Qaeda, and beginning to put together local government structures. That is the element--you're--what we are counting on is progress on the bottom up to support the process top-down.

SCHIEFFER: Well, I will--I will give you one more--I'll give you a chance, because we have to end this, but do you think that, come September, the situation in Iraq is going to look any different than it looks right now?

Mr. HADLEY: I think it will. I think we will have had two additional months of our security strategy going forward. Now, since the last several weeks, with a full complement of forces, we think we will see progress on the security side. We hope we will see the bottom-up kind of reconciliation. But, the point is, the Congress set a schedule which basically said, 'We need to do a review in September.' Everybody agrees. 'We'd like to put our policy there in a different place.' Everybody agrees.

SCHIEFFER: All right.

Mr. HADLEY: Everybody also agrees the starting point is to hear from our commanders on the ground.

SCHIEFFER: Well, I'm not sure I would agree that everybody believes that that's the starting point, but I understand that's your position. Thank you very much, Mr. Hadley.

Mr. HADLEY: Thank you, sir.

SCHIEFFER: We'll be back with Senator Lamar Alexander in just one minute.

(Announcements)

SCHIEFFER: And with us now from Knoxville, Tennessee, Republican Senator Lamar Alexander. He is one of those Republicans who has joined with the Democrats, Senator Ken Salazar of Colorado, to push legislation that basically would put into law the suggestions that were made by the Baker-Hamilton Iraq Study Group. Suggestions--these would not be binding, but they would call on the administration to begin pulling American military out of fighting the war--fighting the war role into a training the Iraqis to fight the war role.

Senator, with that lengthy introduction, thank you for coming.

Senator LAMAR ALEXANDER (Republican, Tennessee): Thank you, Bob.

SCHIEFFER: I would just note what you just heard the president's national security adviser say, the strategy is working. Do you believe it's working?

Sen. ALEXANDER: The military strategy we're going to hear about in September, but no, I don't think the strategy's working. I think we need a new strategy. I think most senators do, and the country does, and I wouldn't be surprised if the president does. And what Senator Salazar and I and 14 other senators and 50 House members, by the way, about equally split between Democrat and Republican, are saying to the president, 'Mr. President, why don't you embrace the Baker-Hamilton recommendations now and give yourself to have a bipartisan approach toward a new policy in Iraq.'

You remember George Reedy, who was Lyndon Johnson's press secretary. He said the president's constitutional job is to set the agenda, but the rest of his job is to persuade at least half the people he's right. I'm afraid the president, whatever his new strategy is in September, won't be able to persuade enough people he's right to sustain it. Our legislation is his best chance, maybe his last chance, to have enough bipartisan support to do that.

SCHIEFFER: Well, another thing Mr. Hadley said is that he thinks Iraq will look a lot different in September. Do you see that? Or do you find many people who believe that in the Congress?

Sen. ALEXANDER: Well, of course I don't know what it will look like in September. But what our legislation says--our legislation wouldn't even be law, Bob, before September. So, basically, what the president could do is embrace this report, which was created, let's remember, in December by, not only Ed Meese and Republican leaders like Jim Baker and Larry Eagleburger, but also President Clinton's chief of staff and President Clinton's secretary of defense, and it was unanimous. He could embrace that, he could take the 14 of us, Democrats and Republicans in the Senate and the 50 in the House and say, 'Fine, we'll work together. And then, in September, I'll do what your legislation asks me to do. I'll begin to draw up a plan and the first person I'll sit down with is General Petraeus. And I'll have my plan to you in November.' I--if Harry Reid would play less politics and the president would be more flexible, we could have 60 votes in the Senate for the Baker-Hamilton recommendations, and the president could have a bipartisan strategy, and we could be sending a message to our troops, which is the most important message we could send, which is we are united in what we believe you're over there to do.

SCHIEFFER: Senator Warner, of course, and Senator Lugar are calling on the president in this--in this bill that they will present this week to at least come forward in October with a strategy. And basically what they're saying is start to work on it now so, when you get to the fall, you will be able to tell people what it is you intend to do. Mr. Hadley said on another broadcast this morning that the administration couldn't live with that. Why couldn't they live with that?

Sen. ALEXANDER: Well, I don't know. And those are two of the most respected senators. But the difference between that and our proposal is it would be the president's proposal. So far it's a Republican proposal. Ours is bipartisan, and it is comprehensive, and it is an existing strategy, and it's a strategy that the Democratic leadership applauded in January and the president has spoken warmly of. So the president has every right to wait till September, October, November to develop his strategy. But if he wants to sustain that strategy, I couldn't see in January, I can't see today why he doesn't borrow the prestige of the Democrats and the Republicans and write a plan based on these recommendations, which I think he would be comfortable with.

SCHIEFFER: Well, what--let's basically talk about what that would mean. It would mean, I suppose, taking American troops, number one, out of the middle of the line of fire here and pulling them back into more of a training capacity. They would also have a strike force, I guess, you could call it...

Sen. ALEXANDER: Well...

SCHIEFFER: ...to go after al-Qaeda and also to try to protect the integrity of Iraq's borders. In other words, to try to contain all of this. Do you think that would--does--would that work or would it at least have a chance to work? Do you--what would happen if we suddenly decided to do that, in your view, senator?

Sen. ALEXANDER: Well, I think it has our best chance to work. Secretary Baker and Lee Hamilton and the others unanimously said there were no good options, but this was their best option. They rejected a fixed deadline, they rejected getting out tomorrow, but they rejected the current strategy.

And what it would do is three things, and you mentioned one of them. It would move our troops out of the combat business, and into support, equipping and training missions over about a year, subject to unexpected developments on the ground, according to the president's own plans. Secondly, it would have--it would define a long-term limited mission in Iraq with considerable American presence in the Middle East and sufficient American forces there to guard our embassy, to go after al-Qaeda, to secure the bases, force protection. And finally, it would step up political and regional efforts to solve the problem.

SCHIEFFER: Let me ask you very quickly, because we're about out of time. But do you have the votes at this point, do you think, to pass this? How far are you from having the votes to do that, do you think?

Sen. ALEXANDER: Well, the answer is no, we don't. If Harry Reid would back off and the president would be more flexible, we could have 60 votes and he could have a bipartisan strategy.

SCHIEFFER: All right.

Sen. ALEXANDER: But if they stick to their guns, we'll have a lot fewer than that.

SCHIEFFER: All right.

Sen. ALEXANDER: It's still the right course of action, and senators are actually re-reading the Baker-Hamilton Report on both sides of the aisle because they're so interested in it.

SCHIEFFER: All right. Thank you.

Sen. ALEXANDER: Thank you, Bob.

SCHIEFFER: Thank you so much for joining us, Senator. We'll be back in a moment with our political roundtable.

(Announcements)

SCHIEFFER: And with us now, Karen Tumulty of Time magazine and Dan Balz of The Washington Post. They've both been out on the campaign trail.

Both of you were with Senator McCain. What has happened here? Here, you know, six months ago he was the front-runner for the Republican nomination, now he is out of money, and people are really asking the question, and asking it seriously, is he going to make it to the first primary?

What do you think, Karen?

Ms. KAREN TUMULTY (TIME Magazine): I--this is, Bob, one of the more spectacular political meltdowns, I think, that we've ever seen. And you're right, the money is the immediate problem. They have essentially, you know, blown through something like \$24 million and have nothing to show for it. Not an ad on the air, basically nothing. I think the bigger problem, though, was that John McCain, who has had an entire career as a--as somebody who runs against the system, was trying to run as the establishment's choice, the establishment front-runner. It was a campaign style that didn't fit him, and it ran him into trouble on two particular issues: the Iraq war, which alienated those independent and swing voters that have always found him so attractive; and then the immigration issue, which turned out to be one apostasy too many for the Republican base.

SCHIEFFER: Well, that's--that is the great irony here, because always, when things are in a mess, it is the candidate that is seen as the agent of change who does best. And here you have the most famous maverick of the last half of the 20th century is--finds himself of being in the position of the defender of the status quo.

Mr. DAN BALZ (The Washington Post): Well, the great--the great irony, Bob, is that he was, of course, George Bush's nemesis for so long after the terrible battles of the 2000 campaign and the bitterness that existed then. He made a bet in, sometime in 2004, to become a partner with Bush, a partner in which he would help Bush get re-elected by supporting him on the war, and in which he hoped that some of that would then transfer to this presidential campaign of 2008.

SCHIEFFER: And the interesting thing, he, in the beginning, was one of the big critics of the war.

Mr. BALZ: He was.

SCHIEFFER: Not that he was against going there, but he didn't like the way we were doing it. Not enough troops, and so on and so on and so on.

Mr. BALZ: He made this comment yesterday, when we were with him in New Hampshire, he said, 'One of the ironies I see is that I have been one of the most vociferous critics of the way this war has been managed,' and once again yesterday he described former Secretary Rumsfeld as probably the worst secretary of defense in history. He said, 'Now I'm the person who's seen as the person who's responsible for all of this.' He's having trouble moving to a different place, and I think it's going to be very, very difficult.

SCHIEFFER: So what happens? I mean, it--does McCain survive this? And what does this do for the rest of the field?

Ms. TUMULTY: Well, of course, you never say never in politics. But the real question here, at least for me, is where does any new support for John McCain come from? And where does any new money come from? Who is really going to want to be writing checks to this campaign that has shown that, you know, all they can do is waste money? And I think that what's interesting is how little this has seemed to affect the rest of the field. Mitt Romney is down in the national polls, but everywhere you go in those early states, people tell you he's running the best campaign on the ground.

SCHIEFFER: Mm-hmm.

Ms. TUMULTY: Rudy Giuliani remains a pretty formidable name nationally. I don't see a lot of change because of John McCain's troubles.

Mr. BALZ: Well, we've seen remarkable comebacks. I mean, Bill Clinton was given up for dead in January of 1992 and came back to be the nominee and the president. John Kerry was given up for dead, he came back to be the nominee.

SCHIEFFER: Ronald Reagan.

Mr. BALZ: And Ronald Reagan. So you can't say this can't happen. But I think, when you look at the course of this campaign, this would be one of the most remarkable comebacks. I think he's got to essentially disappear for the next 40 or 45 days, burrow into places like New Hampshire and Iowa, but do it quietly. Let the other--let the attention go elsewhere, and hope that when he comes up for air in the fall, he's got some money, that they've got the base of support in places like New Hampshire that they can begin to build on, and hope that events turn their way. Their view is that this is still an unstable Republican race, and it is. But boy, they've got such problems.

SCHIEFFER: Is it also underlined that Iraq is still the issue out there?

Ms. TUMULTY: It's not only the issue, but everywhere you go you're seeing slippage among Republicans on Iraq. So the original idea was that the Republican base was going to find McCain's steadfastness on the war appealing. And he's running on his foreign policy credentials, on his ability to go into the job day one and be the commander in chief. But this kind of steadfastness, I think, given what we've seen in the White House, is not quite the selling point that it was before George Bush.

Mr. BALZ: We have one other event yet to happen, which is the arrival of Fred Thompson as an active candidate. He has put off his entry into the race later than had been expected, but he's going to come on the scene some time later this summer or at the beginning of the fall. That will create a new moment in this race, a different dynamic. McCain again has to hope that all of that eventually comes back to him, and that people, after they've looked at all of these candidates, say, 'Well, there's still something about McCain that we like.' But it's tough.

SCHIEFFER: It seems to me that the Republican nomination is still very much up for grabs, and no one at this point could make an informed prediction on who's going to get it. Thanks to both of you.

Back with a final word in just a minute.

(Announcements)

SCHIEFFER: Finally today, I am still not sure that I believe it. The Iraqi parliament is going on vacation during the month of August, and the White House offers the lame excuse that, after all, Baghdad is hot in August, sometimes 130 degrees. May I ask a follow-up? How much hotter do you suppose it is if you are wearing a helmet, full body armor, carrying ammunition and walking foot patrols through Baghdad? Which, the last I heard, is how American troops are spending their August in Iraq. For me, this does it. God help the Iraqi people, because there is not much America can do to help a government that leaves Americans dying in the streets while the parliament escapes to cooler climes. Does this mean we should pull out immediately? No. A sudden withdrawal could set the entire region aflame. The truth is there are no good options left. But from here on, we need to put aside the dream of building a democracy in Iraq and focus solely on what is in our national interest. It won't be pretty, but, for all our good intentions, about all we can do now is try to contain this mess, pull our troops back from the middle of this civil war, and concentrate instead on the terrorist threat that this country faces around the world. As for what kind of government Iraq needs, let their parliament figure it out. They can get right on it when the Baghdad weather turns cooler.

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