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

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FACE THE NATION

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GUESTS: Senator JOHN McCain, (R-AZ)

**KAREN TUMULTY
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, from New York, the site of the Republican National Convention, an exclusive interview with the featured speaker at tomorrow's opening night session, Senator John McCain of Arizona.

When they came to New York four years ago, John McCain and George Bush were still bitter rivals in the Republican primary. Now they say their problems are behind them. McCain has a featured role at the convention. They're working together. But McCain still has differences with the president over those ads attacking John Kerry's war record, the constitutional amendment banning gay marriage and taxes. We'll ask him how he'll handle all that and where the campaign goes from here.

Karen Tumulty of Time magazine joins us, and this week's Flashback focuses on George Bush when he was just a presidential adviser. Then I'll have a final word on conventions. Are they really worth it anymore? But, first, John McCain on FACE THE NATION.

Announcer: FACE THE NATION with CBS News chief Washington correspondent Bob Schieffer. And now from the site of the 2004 Republican National Convention, Bob Schieffer.

SCHIEFFER: And good morning again from the floor of Madison Square Garden, the site of the convention. Senator John McCain is with us this morning. He'll be the featured speaker at the convention tomorrow night. Joining in the questioning this morning, Karen Tumulty of Time magazine.

Senator McCain, welcome.

Senator JOHN McCAIN (Republican, Arizona): Thank you.

SCHIEFFER: Big day.

Sen. McCAIN: Thank you.

SCHIEFFER: This is John McCain's birthday. So happy birthday, Senator McCain.

Sen. McCAIN: Thank you very much. I'd rather skip over that mentioning but I thank you anyway, but since you're close to the same advanced age I am, then it's good to mention.

SCHIEFFER: Oh, it's a happy day for me because from now until February 25th, you're one year older than I am, and it happens that way every year.

Sen. McCAIN: And, obviously, more mature.

SCHIEFFER: All right. Let's get on to business here. The campaign is still very close, Senator McCain.

Sen. McCAIN: Yes.

SCHIEFFER: Most polls show that, but they show that George Bush does seem to be moving up a bit in the last couple of weeks. Do you think that is because of these ads that the independent group is running challenging John Kerry's war record?

Sen. McCAIN: Well, I can think of no other reason. Obviously, they have dominated not just the advertising part of the media but have dominated the media for about three weeks. I've

never seen anything like in the 22 years that I've been active in politics.

SCHIEFFER: We see that a majority of the people who were surveyed in a recent poll say that they think it's just politics as usual, but one person in three says that they believe there is some truth to these ads. I mean, what do you make of that?

Sen. McCain: The saturation coverage, and when people see something often enough, after a while, they begin to believe it. And, again, the fascinating thing about this is you and I know and Karen knows that it's small buy. \$500,000 buy has now turned into--What?--\$20 million worth of free media. I've never seen anything like it.

SCHIEFFER: You have said that these ads are to be condemned, that they ought to be taken down. You've called on President Bush to do that.

Sen. McCain: Yes.

SCHIEFFER: He at this point has not done that but he said he wants to join with you in working to sue the Federal Election Commission or to ask a judge...

Sen. McCain: Yes.

SCHIEFFER: ...to do something to try to regulate these things.

Sen. McCain: Yeah. Or I'd like to...

SCHIEFFER: Is that enough for you or do you think President Bush needs to do more?

Sen. McCain: I wanted President Bush to condemn the ads specifically, but if we can get the Democrats to join us--and I hope they will--that we will force these 527s not to be banned, not to be outlawed but live under the same rules that everybody else does. In other words, they should be hard money contributions, the same campaign contribution limitations that all of us have. And for pundits to say, 'We're suppressing free speech,' speak all you want to but play by the same rules as everybody else has. And if we can't win in court, then we should act legislatively in September.

Ms. KAREN TUMULTY (Time): But what good does going to court do? The court almost certainly will not act before the November election. In the meantime, these Swift Boat Veterans have \$2 1/2 million they'll be putting on the air. George Soros has more than that.

Sen. McCain: Yeah. I say, 'Shame on you, Mr. Soros, and shame on all of the people who are funding these, both from the Republican side as well as the Democrat side. And we're not trying to shut you up. We're saying live by the same rules.' In other words, the hard money that funds my campaign.

And the thing that's bad about it, as you mentioned about court, we have a Federal Elections Commission which is disgraceful and despicable in its conduct. And, you know, we talk about a, quote, "commission." I'd like to give you a couple of names and faces. Ellen Weintrob, who has become a Democrat apparatchik, Bradley Smith who is so far right wing, he doesn't believe in campaign finance reform and should resign because he refuses to--they've refused to enforce the law. We've got to reform the Federal Elections Commission.

Ms. TUMULTY: But the...

Sen. McCain: The soft money loophole that was open in 1988 had nothing to do with a

court decision or a law. It had everything to do with a corrupt Federal Elections Commission.

Ms. TUMULTY: But the FEC is not going to act. The courts are not going to act to stop these ads. Isn't it going to take a specific denunciation of them on the part of President Bush?

Sen. McCAIN: I'm not even sure that a specific denunciation by President Bush would stop them. I mean, I don't know what. The only thing that will stop these things, as I say, is a court order or legislatively. We're going back...

Ms. TUMULTY: Neither of which is going to happen.

Sen. McCAIN: Well, in September I hope so. If the Democrats will join us, we can get it--we can pass legislation in September.

SCHIEFFER: I want to just make sure--when you mentioned the names...

Sen. McCAIN: But I agree with you that the chances are not good.

SCHIEFFER: When you mentioned the names of those two people...

Sen. McCAIN: Yes. Yes.

SCHIEFFER: ...they are members of the Federal Elections Commission.

Sen. McCAIN: They are members of the Federal Election Commission. One is the chairman and the other is the vice chairman. And both of them have been leading. There's a couple of pretty good ones and there's a couple of mediocre ones. But when Ms. Weintraub says that it's too confusing to enforce the law. This--they--for three years they were supposed to enforce the law against 527s. Why? Because the law says any organization that engages in partisan political activity shall be governed by the same campaign finance laws. They refuse to enforce that.

Ms. TUMULTY: Did John Kerry ask for this by making his entire convention about something that happened 35 years ago?

Sen. McCAIN: You know, Karen, I'm sure it opened the door for it and made it much more legitimate to question his service. But I know for a fact that when combat takes place, it's a most confusing and controversial situation. Nobody ever remembers exactly what's happened--what happens in combat. That's why they call it the fog of war. And for us to be opening the wounds of a war that was over more than 30 years ago, that I've spent the last 30 years trying to heal the wounds up, while today probably, unfortunately, tragically, some young American may die in Iraq, so we're trying to go back and fight a war that we can't do anything about when there's a war going on where young American lives are being sacrificed as we speak. I don't get it.

SCHIEFFER: Does it bother you, as a veteran, as a man who was decorated for bravery, that when this kind of thing comes out, it sort of devalues the medals that everybody got because, let's say that these ads were correct, let's say they were handing out medals like popcorn. If that's the case, then nobody's medal is worth anything.

Sen. McCAIN: I think that's a good point, Bob, because men and women have literally sacrificed their lives for some of these medals. And for us to now go back and say, 'OK, what exactly happened here? Did this one deserve it? Did this one not deserve it?' I would point out in the case of John Kerry's medals, Admiral Zumwalt, who was the head of the rivering

force in those days, personally gave him those medals and, when the Weld-Kerry campaign was going on, came to Boston and said, 'He earned these medals.'

Now I just--you know, I also would like to say that what happened in combat is one thing. Now what people do afterwards, John Kerry's activities, anti-war activities, just like any other political activities, that's open to criticism, open to anything. But his behavior in combat, I'm very angered that we should do this. And it borders a little bit back on your previous comment. Are we going to reopen the wounds of this conflict, which was so hard for these 18-, 19- and 20-year-old kids who served, to come all the way home because of the divisiveness of the war? Are we going to start all over that again? We need to honor these men for their service and we ought to say that chapter is over and we're never going to let it happen again.

Ms. TUMULTY: But does it, in fact--do his activities after the war make John Kerry less fit to be commander in chief? Is he fit to be commander in chief?

Sen. McCAIN: Every American is entitled to protest the policies of their government. That's a sacred right of ours. Now whether John Kerry did that appropriately or correctly, I think, is a legitimate debate and discussion. I did not approve of throwing medals on the steps of the Capitol. John Kerry is still a friend of mine, and we work together on many issues. People have to make their own judgments on that and it is legitimate. What happened in combat--I think that we ought to have left that alone.

SCHIEFFER: Do you still talk to John Kerry?

Sen. McCAIN: Yes. I talked to him yesterday.

SCHIEFFER: Oh, really?

Sen. McCAIN: Yes.

SCHIEFFER: What do you talk about?

Sen. McCAIN: How are you doing? You know, in the words of Chairman Mao, it's always darkest before it's totally black. No, I just had a relatively casual conversation with John. He calls me on occasion.

SCHIEFFER: Let's shift gears here...

Sen. McCAIN: And by the way, he did not ask me for anything.

SCHIEFFER: He did not.

Sen. McCAIN: No, he did not ask.

SCHIEFFER: OK. Well, I know you also talked to President Bush.

Sen. McCAIN: Yes.

SCHIEFFER: And...

Sen. McCAIN: The president was very happy that he proposed going to court with these 527s and a legislative effort to try and cure it. And I want to say again we're not trying to stop them. That was the thing, shut down 527s. We're not trying to shut them down. We're

trying to make them live by the same rules that every other political organization and candidate has to live under.

SCHIEFFER: Senator, let's shift a little bit and go to some other things here. What do you think has to come out of this convention, Senator McCain? What should be the message that comes out of this convention?

Sen. McCAIN: My message, and I think the overriding message, is that the issue of our time is the war on terrorism. We face a greater threat to our very existence than we have faced perhaps in any time in our history, given the nature of this threat we're facing, and that President Bush, by his leadership, his clarity and his strength has deserved, has earned the right and the endorsement of the American people and their support for this re-election.

SCHIEFFER: Do you think the fact that the convention is featuring all the moderates of the Republican Party--I mean, President Bush's base, it seems to me, up until now has been the conservative side of the party, but here's John McCain, who's differed with him on taxes and tactics in the war, Arnold Schwarzenegger, who is very pro-gay. You yourself are against the proposed amendment on gay marriage. Governor Giuliani, who--I mean former Mayor Giuliani, who, of course, is pro-choice. This seems to be kind of a parade of moderates here. Is that a mistake or is that designed to appeal to a certain segment out there that they haven't reached thus far?

Sen. McCAIN: I think that's part of it, but in a little straight talk, I think it's also a strong effort to keep people from punching the channel changer. Arnold Schwarzenegger is a popular figure. Rudy Giuliani is a national hero. I mean, his performance after 9/11, you know, has earned the admiration of every American. And obviously I say, with mammoth ego, I have some people out there that would like to see me talk, also. And I'm very happy to be in their company. So I think it's more of let's get people to watch what we're doing and get our message more than whether it's moderate or conservative or not, I think.

Ms. TUMULTY: Well, on one of those hot button issues, gay marriage, you said a few months ago that you thought a constitutional amendment to ban gay marriage was, in fact, antithetical to the core philosophy of the Republican Party. Last week we heard Vice President Cheney having some moderate-sounding words about gay marriage. And yet, there's been a plank put in this platform that would not only ban gay marriage, but deprive gay couples of domestic partnership rights that are available to other couples. What exactly is the message that your party is trying to send here on gay marriage?

Sen. McCAIN: I hope that we are trying to send a marriage of inclusion and tolerance in our party. I oppose the constitutional amendment to ban gay marriages because we had not declared the Defense of Marriage Act unconstitutional, not done that. And second of all, I do believe that the states should decide. I strongly support the sanctity of heterosexual marriage and will support an amendment that would allow my state to make that decision.

I think that, Everett Dirksen--Was it?--that said the platform is something you stand on during the convention and run away from during the campaign. I'm not sure if that's absolutely true. I don't know of a living American who has read the platform. Maybe you have, Karen, but...

Ms. TUMULTY: I'm waiting for the movie.

Sen. McCAIN: ...but I think it's for the party faithful. And I understand that. But what the American people are going to pay attention to is President Bush's vision for the future of America much more so than whatever is written in our platform.

SCHIEFFER: Will abortion be an issue in this campaign, do you think, Senator?

Sen. McCain: Strangely enough, it doesn't seem to be. It doesn't seem to have nearly as much of the emotional aspects of it. This--maybe the gay marriage issue has become more transcended. But I haven't heard very much about that. I think stem cell research is kind of out there. I've heard from a lot of people on that issue. There's a lot of unhappiness about that issue, but I haven't--abortion doesn't seem...

SCHIEFFER: Where do you come down on that?

Sen. McCain: I agree with--may I say Mrs. Reagan--I think we ought to do more research into it and make decisions based on the results of research. I understand--I think it's an issue that we need to re-evaluate and probably expand it in more ways. But on that issue, I am not real smart on, but I do listen to a lot of people like--again, like Nancy Reagan and others. And this is so poignant to some people. I have loved ones who have Alzheimer's or Parkinson's, you know, this is a pretty emotional issue.

SCHIEFFER: I was thinking of the irony of hearing you're the featured speaker at this convention this time; and I was thinking back to when you and George Bush came to New York the last time. It was a very bitter Republican primary. I think this is probably where you said, 'Tell your sleazy friends back in Texas to lay off,' because there were some independent ads being run back in those days. Are you really past that, Senator McCain?

Sen. McCain: Sure, Bob. I was past it two months after the election. You've got to go past it. You cannot hold a grudge in politics. You cannot look back in anger because then you're not serving your constituency. You have got to be shaped by working for what's best for America. President Bush and I have a very friendly relationship. We get along very well together. Was I angry at the time? Sure, but you've got to get over it. I have to--I would hate for my legacy as--in politics in America, 'Well, he was angry for four years after something that happened in a political campaign.' You just simply can't do that.

Ms. TUMULTY: Are you finding anything ironic, however, in the fact that the president seems to have found religion on these 527s now that he has felt the other end of them?

Sen. McCain: I have always been a great--particularly because of my own life--I've been a great believer in redemption.

SCHIEFFER: Are you finding that this puts it to the test?

Sen. McCain: Yeah, probably so. No, I think the president stated for a long time that he was angered by the 527s. The first attacks were very bitter and vicious attacks at the president of the United States. I think he has very legitimate complaint.

SCHIEFFER: What about the Senate? How do you evaluate what's going on there now? Do you think Republicans are gonna be able to hold the Senate?

Sen. McCain: I think so. I think we could be up late, and I think it's still too early because these undecideds will not only affect the presidential campaign but some of these Senate races. But I believe that one of the things that tends to make me optimistic is a lot of the states where we have very close Senate races, President Bush will carry it rather handily. And I think that coattail effect may have some beneficial effect.

Ms. TUMULTY: So what's John McCain's future after November? Is it in the Senate or

would you be open to a spot in another Bush administration, or will you be back on the bus, the Straight Talk Express in 2008?

Sen. McCain: Emperor has always appealed to me. I'm running for re-election to the Senate from Arizona. I am confident of victory. I don't think that I should in any way take that for granted. I want the people of Arizona to send me back to the Senate so I can continue to serve. There's no reason to speculate beyond that as far as any other ambitions are concerned and I'm very pleased to have the opportunity to remain in the Senate.

SCHIEFFER: John McCain, always a pleasure to have you. Good luck.

Sen. McCain: Thank you, Bob.

SCHIEFFER: Good luck on your speech...

Sen. McCain: Thank you, Karen.

SCHIEFFER: ...tomorrow night.

We'll be back with another FACE THE NATION Flashback in just a moment.

(Announcements)

SCHIEFFER: President Bush is sometimes criticized for garble syntax, but back when he was just an adviser to his dad, he was the chief defender of his dad's syntax. Our Flashback goes back to the 1988 Republican convention in New Orleans when he announced the Texas delegation's choice for president.

Mr. GEORGE W. BUSH: (From August 14, 1988) Texas casts all its votes for her favorite son and the best father in America, George Bush.

SCHIEFFER: The Republican convention was under way in New Orleans and Republican candidate George H.W. Bush was being criticized for garbled syntax and getting his tongue twisted.

Mr. GEORGE H.W. BUSH: I do have perspicacity, but then I'm a perspicacious kind of person and I don't see why that should come as a surprise.

Mr. GEORGE W. BUSH: I find it very refreshing a way. I really do, that he is not so programmed and so mechanical that he's got aides writing every little script line and that there's this rigidity about him. And when he is your president and he makes a gaffe, the good thing is the ability to run the country and to keep this country on the right track and keep the world at peace is going to be far more important than some, you know, some little misslip of a word.

SCHIEFFER: The senior Bush would win the presidency, of course, as would his senior adviser 12 years later.

Another FACE THE NATION 50th anniversary Flashback.

And I'll be back with a final word.

(Announcements)

SCHIEFFER: This is my 19th convention and I love them. To me, conventions are part of our long democratic tradition, part of what makes America what it is. But when I got to Boston a month ago and saw businesses being forced to close, highways and train lines being shut down, and millions of tax dollars being spent all in the name of making the city safe, I wondered aloud: If hosting the Democratic convention is first prize, what do you get for second? And the answer, at least to most New Yorkers, seems to be hosting the Republican convention.

As unbelievable as it sounds, a CBS News-New York Times poll conducted last week showed a majority of New Yorkers--52 percent--believe the convention should have been held somewhere else. And who can blame them? New York is being locked down tighter than Boston was. The threat of terrorist attacks hangs over everything, and a quarter of a million demonstrators who have come to protest who knows what want to tramp all over the new grass in Central Park, which the city just re-sodded at the cost of \$18 million.

I suppose conventions really lost their reason for being once the parties began selecting candidates beforehand in the primaries, but they've hung on because of tradition and the enormous pressure from big metropolitan governments, which wanted the money and the publicity that conventions brought in. But knowing what they now entail, you have to wonder if any city will welcome these gatherings four years from now. I never thought I'd say it, but these conventions may be becoming more trouble than they're worth.

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