BOB SCHIEFFER, host:

Today on FACE THE NATION, our correspondents gather around the table to talk about the year that was and what's ahead. And what a year. We'll talk about it with the people who covered this year's big stories: Lara Logan, who's just back from Iraq, White House correspondent John Roberts, Gloria Borger who covers politics in the Congress, Byron Pitts who covered Katrina, and national security correspondent David Martin. I'll have a final word on Christmas morning, but first, the stories of the year on FACE THE NATION.


SCHIEFFER: Well, good morning again.

And this is something that doesn't happen very often. A group of correspondents are usually at far-flown places, are here at the same table in the same place this morning and we really look forward to this conversation.

I want to start with Lara Logan who just got back from Baghdad where she was there for the trial of Saddam Hussein and also was there for the election.

And, Lara, you were telling me just a while ago there was so much fumes and so forth from explosives in the air in Baghdad that you were actually stopped at the airport here because they--you had some traces of explosives on you.

LARA LOGAN (CBS News; Foreign Correspondent): Yeah. These chemicals live in the air for some time. I mean, that's the kind of thing that people in Iraq are used to living with.

SCHIEFFER: Well, have you been intoxicated? Are we OK now?

LOGAN: Apparently.

SCHIEFFER: All right. Well, let's talk about it. You were there for this election. The president says this was a milestone or turning point. Do you think it was that significant?

LOGAN: It was certainly a milestone. I mean, Iraqis--you know, Sunnis and Shias came from both side of the divide and voted together and that was very, very significant. How this takes Iraq forward, though, depends on what happens in the next few months. It's much more important than the votes themselves. All the horse-trading now, the back-room dealing has all been negotiated for power: Who's actually going to get control of this government? And that will determine how Iraq's future looks, whether they go to descend into civil war and chaos as some of the main politicians there have warned or whether they will be able to start to become more peaceful.

SCHIEFFER: And while that's going on in the back room, what's going to be going on in the streets? The president kind of carefully slips in when he talks about how much better things are. He also says there's still going to be violence there.

LOGAN: Yeah. It's very important that people don't equate a successful election with a peaceful Iraq. There's no indication yet from the insurgents that that is their intention. Even those who consider themselves nationalist resistance fighters, they're not going to put down their weapons until the last US soldier leaves Iraq. And so people shouldn't expect to see that there's going to be any end to the bombings and the attacks.
SCHIEFFER: David Martin, our national security correspondent, of course, you have been to Iraq many times but you have watched also from the Pentagon. What's going to happen in Iraq this year?

DAVID MARTIN (CBS News; National Security Correspondent): You're going to see the beginning of significant withdrawals of American troops. We had about 160,000 there for the election. By the beginning of February, we'll be down to 138,000. And I think by this time next year, we'll be down at 100,000. And all that is predicated on the Iraqi army filling in for the American soldiers that have left.

And the theory here is, one, you not only draw down the troops, but you get them out of the cities and off the streets and that makes the Americans look less like an army of occupation and hopefully it reduces the casualties because you have Americans less exposed than before.

SCHIEFFER: But you're talking about like this is almost a certainty. The president, every time he's talked about it, he says, 'Well, it depends on conditions and what the commanders recommend.' Do you think it's going to happen.

MARTIN: Well, it is certainly the plan. Now if the insurgency comes back at an unexpected level, then obviously that plan could be delayed, but that is the plan. The military does things not by numbers of soldiers but by combat brigades and there are about 5,000 in combat brigade. And the plan is to go from 17 brigades down to 13 brigades by the end of 2006. And when you add in all those support units, that will get you down to about 100,000.

SCHIEFFER: John Roberts, over at the White House, does the Bush presidency, what's left of it, does the Bush legacy, does it all come down to what happens in Iraq?

JOHN ROBERTS (CBS News; Chief White House Correspondent): Well, there's three years left of it, let's not forget. But I think that Iraq really is the stone on which this White House is going to turn and the president will either be known for bringing democracy to Iraq, bringing some semblance of democracy to Iraq or losing the whole ball game. If you look at--in the buildup to Christmas, the program that he was undertaking to try to sell this thing, it's pretty clear that what the president forgot to do throughout much of 2005 was play politics in a town where politics is the only game.

So for the past few weeks, we've seen him really coming out there very strongly hitting on Iraq, the idea that he's made many mistakes for the very first time, did again in his press conference--on Monday where he said the biggest mistake was trying to train the Iraqi military force at the same time as the police force; the way that he is defending these NSA intercepts in terms of trying to further the cause in the war on terror. He started to--he's got the ball by the laces and he's throwing it hard now and I think that he needs to do that because this--really, it's for all the marbles, Iraq. And if it works, it's great and if it doesn't, it's terrible.

SCHIEFFER: Yeah. When we saw, you know, this barrage of speeches and interviews and public appearances by the president, I thought it was sort of ironic in a way in that this is a president who says that he doesn't read the newspaper and he doesn't watch television. Well, he must think that somebody does out there because he really...

ROBERTS: Oh, well, if he doesn't, he's got lots of people telling him what's going on in the newspapers and on television and out there in America because they feel that they have lost a lot of ground to Democratic attacks that have gone unanswered. Even the Democrats who don't have a plan, all they have to do is just say, 'Well, this is going wrong. This is going wrong. This is going wrong.' And if the White House isn't reacting to it, their point gets made. So that's why you've seen him come out so strongly, I mean, the
language that he used in his press conference about the Patriot Act, saying that it was just irresponsible for them not to renew it. You know, he really is playing hard with Congress.

SCHIEFFER: Well...

ROBERTS: He needs to get his point made.

SCHIEFFER: ...does he need to, Gloria?

GLORIA BORGER (CBS News; National Political Correspondent): Oh, yeah. He really does, Bob. This is a president who's seen his approval ratings drop and he is having meetings with Republicans, particularly in the House but also in the Senate who are saying to him, 'Mr. President, if you remain at somewhere between 35 percent and 40 percent in the polls, we are in real trouble. We are up for re-election. You are not.' And this is a president who's always been concerned about his legacy, about the so-called "re-alignment" of the Republican Party, wanting to make sure that he keeps his majorities in Congress. And I think that the political shop has taken over at this point and is saying, 'You need to get out there because we haven't been fighting back against the Democrats. They may not have a plan. We need to point that out. And we need to tell the American public that, 'Yes, we're listening to them,' because the public can forgive you if they think you're wrong, but they don't forgive you if they think you're arrogant and they don't like you.

SCHIEFFER: Well, let me ask you this. Do Republican on the Hill think they might lose the majority in the House this time...

BORGER: ...you can always find worried Republicans everywhere you go these days, Bob. And I have and so there are some who say that, in fact, 70 or so seats could be up for grabs and that is a real problem. So, yes, they're very, very nervous. The president's approval rating has started to go up. It'll be interesting now to see after the holidays whether his approval rating continues to go up because he has finally been talking directing to the American public and that's very important and they're very happy about that, the Republicans are, on the Hill.

SCHIEFFER: Well, Byron Pitts, one of the things that--I don't think there's any question about it because the president's poll ratings to go down--was the bungling by the federal government...

BYRON PITTS (CBS News Correspondent): That's right.

SCHIEFFER: ...in '06?

BORGER: ...you can always find worried Republicans everywhere you go these days, Bob. And I have and so there are some who say that, in fact, 70 or so seats could be up for grabs and that is a real problem. So, yes, they're very, very nervous. The president's approval rating has started to go up. It'll be interesting now to see after the holidays whether his approval rating continues to go up because he has finally been talking directing to the American public and that's very important and they're very happy about that, the Republicans are, on the Hill.

SCHIEFFER: Well, Byron Pitts, one of the things that--I don't think there's any question about it because the president's poll ratings to go down--was the bungling by the federal government...

BYRON PITTS (CBS News Correspondent): That's right.

SCHIEFFER: ...in the wake of Hurricane Katrina. I mean, I personally believe it was a failure of government at every level--national, state and local. But the president has to take the hit on that at the national level. Did we learn anything during Katrina, do you think?

PITTS: Well, Bob, let's hope so. I think, you know, people in the US think that we're the greatest country in the world and, therefore, we can respond to things right away. Certainly I think America takes care of America, but the lesson I think from Katrina is we take care of America eventually. I think that one of the lessons learned is that people need to have their own disaster plan for the first 72 hours. It took two or three days before the federal government could begin to put the resources in place to get to New Orleans, to get to parts of Mississippi. So I think one of the things they talk about a lot now are, like, churches having disaster plans for their congregations, schools having disaster plans for their students. That exposed a real weakness in how the federal government functions.
Also I think talking to people in New Orleans--this crisis also exposed old issues of race and class in the US, that people there say it's no coincidence that the people who lost the most were those who had the least, people of color were impact in ways others weren't. The Ninth Ward, which is predominantly black, working-class section of New Orleans, that place is still empty as it was back in September. Right now about 70,000 people have returned to New Orleans, a city of 460,000. The expectation is: Is it best only a third of the population will return to live in New Orleans? So the old Big Easy, at best, will be the new Small Easy.

SCHIEFFER: Do you think--well, you say it'll be the Small Easy, that's the question I have. What is it? There are only, like, 100,000 people in New Orleans...

PITTS: Right.

SCHIEFFER: ...now and this was a city of a half-million people.

PITTS: Right.

SCHIEFFER: Do you think that a lot of those people simply won't come back?

PITTS: Bob, they won't come back. They can't come back. And there is an element in New Orleans who says perhaps they shouldn't come back. I've talked to businesspeople there who see this as a wonderful opportunity to rebuild New Orleans. As one man told me, 'It can be the Las Vegas of the South,' that as he said in the Ninth Ward where there are $50,000 homes, 'We can tear those down now and make half-million dollar homes.' So I think the face of New Orleans will change. Absolutely.

SCHIEFFER: All right. Well, let's take a little break here. And when we come back, we'll continue this conversation, touching on some of these subjects and some others as well.

(Announcements)

SCHIEFFER: And so we're back with our correspondents talking about the big stories of the year and what to expect in the coming year.

Lara Logan, David Martin says he believes there's going to be a definite draw down of troops. What do you think the impact of that will be?

LOGAN: All the signs are there for a draw down of troops. When you talk to the commanders on the ground, you know, in private they're absolutely wringing their hands. They don't have enough troops now to do the job that they need. They don't have enough troops to hold ground. We hear from the president: clear, hold and build. That's the strategy, because for the last two years in Iraq, we've gone into towns, cleared them of insurgents, and the moment we've left, they've been taken over by insurgents again. Now they're trying to hold on to their ground and put Iraqi security forces in place. They can't do that at the moment with the numbers that they have.

And the whole theory behind reducing your troop numbers is so that you don't look like an occupying force. But that doesn't help you if you don't have enough soldiers on the ground to ensure their security, which is exactly what's been happening for almost three years.

MARTIN: I saw General Casey, the senior commander of Iraq, said just the other day that if we were to pull out of Ramadi today, within 60 days, it would be the new Fallujah.
LOGAN: Within six hours, it would be the new Fallujah.

MARTIN: So there are obviously places where it is still a US occupation. But don't you think that getting 60,000 troops out of there is going to somehow reduce the sense that this is an army of occupation?

LOGAN: Who takes the ground that the US soldiers let go of as they withdraw?

MARTIN: Well...

LOGAN: In theory, it's the Iraqi security forces. Security forces that are loyal to the Badr organization which is a Shia militia that is backed by Iran, Jamiat, the Iranian intelligence service that they have occupying the south. The insurgents have infiltrated those security forces. There is Muqtada al-Sadr, the most prominent controversial Shiite politician at the moment. His forces have infiltrated the security forces. Who gets control of them? I mean, no one in Iraq has got those answers right now and the government--I'm getting calls from Shiite militia commanders asking me, 'If we need to get out of the country, would you be able to help us?' And there's a real sense that the tide is turning, that the allies that we have in power now that are being the central government are not the people that we want in the next government. And how the US is going to stop those people having as much power as they have had is exactly what's going on right now.

MARTIN: Don't you think we're headed in the direction of creating a country that looks a lot like Lebanon?

LOGAN: I mean, quite possibly. It all depends. I think a lot rides on Dr. Ayad Allawi who is the US hope for this election. He is going to be basically a milder Saddam Hussein. And when you talk to--especially the Sunnis, of course, because they stand to gain the most, he wants a secular Iraq, he wants to keep Iraq together. It's people like that that the US is now backing. They're giving him all the money he wants. He's buying up every independent candidate he can lay his hands on right now in order to rest as much power as they can away from the Shiites.

SCHIEFFER: Well, let's talk a little bit about things closer to home. Gloria, what's going to happen on this Supreme Court?

BORGER: Well...

SCHIEFFER: The president nominates his best friend and he has to draw that nomination down. Speaking of drawdowns, now we have another nomination. Is Alito going to be confirmed?

BORGER: Well, I'm not quite sure, Bob. Samuel Alito is somebody who's been quite controversial, even though we really haven't heard a peep from him yet. He has 3,000 cases we can look at. He has an awful lots of writings and it's very clear that this is someone who is anti-abortion rights and there are lots of moderate Republicans in the Senate who are very nervous about that and I think public opinion polls show that the American public is not quite convinced about Samuel Alito. And by the way, don't forget, 22 Democrats voted for John Roberts. So they can, with all credibility now, say, 'Wait a minute. We gave you John Roberts. But we really'--the other John Roberts--'object to Samuel Alito for these reasons.' So they do have credibility if they vote against...

SCHIEFFER: Well, other John Roberts, let me ask you: What's the White House going to do? Are they doing anything differently this time? Do they think this is in trouble or do they feel good about it?
ROBERTS: I think that they're feeling pretty good about it. I talked with Arlen Specter a couple of weeks ago and he seems to think that the hearings are going to go well and he's pretty confident that Alito is going to get confirmed. Most of what they've been doing lately is behind the scenes. There hasn't been a big public push. They've been trying to keep the Supreme Court battle out of the headlines because they want Iraq in the headlines. But no question, behind the scenes, they're working very hard on getting ready for these hearings and they know that a lot of issues are going to come up, particularly surrounding his views on abortion. But I think that their bet is is that he's going to make it through, maybe by a much slimmer margin than Roberts, but I think they think he's going to get confirmed.

SCHIEFFER: Well, before we get off Capitol Hill, let's talk a little bit about this Patriot Act. The president says he's got to have it. He says it's inexcusable that the Congress is not passing the Patriot Act when we're at war here. What do you two think's going to happen on that?

BORGER: You first.

ROBERTS: Well, I mean, if they bow to presidential embarrassment, then they will re-authorize it. I mean, look at what the president said at his press conference on Monday. I mean, he was ripping the Democrats up one side and down the other, saying, 'You voted for it three years ago. Now you don't want to vote for it. We've got laws on the books that help us to fight drug dealers and gangs. But I can't have the same laws to fight terrorists? That's inexcusable.' I mean, he was tougher on this than he has been on anything that I've seen him in the last few months, with maybe the exception of calling the person who leaked the story about the NSA intercepts shameful. I mean, he is willing to fight this, do whatever it takes.

SCHIEFFER: Do you think we're going to have...

ROBERTS: He's in full political mode.

SCHIEFFER: ...a rough time here, those of us in the news media, Gloria?

BORGER: A rough time on--to...

SCHIEFFER: Well, I mean, with the president. I mean, he's playing hardball now.

BORGER: Oh, he is.

SCHIEFFER: He's talking about it's shameful that The New York Times ran that story.

BORGER: I think we are going to have a rough time. I think we've had a very rough time this year given the CIA leak investigation and the president is saying this information should not have been leaked, although he also made it clear that somebody was going to try and get to the bottom of it, how this eavesdropping story got leaked.

But I also believe the president--getting back to the Patriot Act for a moment--has problems on his own side because there are very conservative libertarian Republicans who agree with liberal Democrats that you have to pay attention to civil liberties and balance that with national security. That's very tough to do. It's--and maybe they would just extend this act for a short period of time until they can figure out how they really feel, Bob. But I think this is going to continue to be a tension in our national politics for as long as we're at war.

ROBERTS: But here's the bottom line. I mean, even though he will not stand for re-election, the president is in full campaign mode now on this issue of Iraq and the war on terror. And we all know that when he's in that full campaign mode, he usually gets what he's looking for.
SCHIEFFER: I want to go just a little bit back to Iraq because the one thing we haven't talked about--and, Byron, you were there--is the American soldier. What did you--how did you feel about the soldiers? You went out with a lot of them, with a lot of Marines. We don't--you know, most people now, because we have an all-volunteer Army, many people don't even know anybody in the military anymore. When I was growing up in World War II, everybody had a connection to the military. We don't have that much anymore.

PITTS: Yeah. Two things I was struck by, Bob, with the people I met. I'm sure Lara the same. One, that--many of them are world-class athletes. We sort of forget that. Because of the kind of work they have to do, they're in incredible shape, they do incredible things. And they're also a very bright group, despite the urban legend that people in the service because they have no other options. Certainly that's the case for many people. But you'll meet someone whose parents were in the service, grandparents were in the service. So there's this great sense of pride; a number of people who were moved by 9/11 who enlisted. There was a young man we profiled in a piece recently who was killed in Iraq. 9/11 happened, he joined the service three days later. Incredibly brave.

I know everyone who's been there has their stories. I remember I was in a firefight the day Baghdad fell, and a young Marine, 19-year-old kid from Mississippi, fell down. He ran to me. He jumped on my back. And he said, 'Mr. Pitts, are you OK?' I says, 'I'm fine.' He says, 'Sir, you won't die here or you won't die alone.' A kid, a child.

SCHIEFFER: Lara, you know, those of us who went to Vietnam, I think this is the most dangerous war for the combatants that I know about. Do you find it so? I mean, is there any safe place anymore in Baghdad? Or...

LOGAN: There aren't any safe places left in Baghdad and--no, that's certainly true. But--I mean, I think that when you talk about this being not safe for combatants, the significant thing to note about that is the sophistication of the enemy. That's what the commanders talk about all the time. We are dealing with a new generation of al-Qaida terrorists that have watched how the US operates. They know our tactics. They know our procedures from how we carry out attacks to how we deal with the quick reaction force that goes in afterwards. They know what we have. They know everything about us. They know more about us now than they ever have because they've been able to watch us every single day. It's in their training manuals. It's in their training videos. It's in the way they operate. And that is what is, I think, going to the new year very, very scary about this. We face a much more sophisticated terrorist than we did before this war.

SCHIEFFER: Well, you know, that is an interesting point and it's not an original thought with me, but we talk about how we need to train these Iraqi troops and get them up and running. Who's training these insurgents, David?

MARTIN: Who's training the insurgents? Well, you have--first, the largest group of insurgents are the former Ba'athists.

LOGAN: Who are already trained...

MARTIN: Yeah. Exactly. These...

LOGAN: ...you know, who we'd be benefiting from their training if we hadn't disbanded the army.

MARTIN: This is the army we disbanded.
LOGAN: Who now they're bringing back. The 10th Mountain Division just told me about 200 former Ba'athist soldiers that they put straight back on to the streets. Didn't need to take them through any training, put them through one day and said, 'OK. We don't need to train you guys. You get out there and do this,' which is what we should have done in the first place.

MARTIN: That decision to disband the army is going to be debated for a long time, but there is certainly a good argument to be made that that was a colossal misstate.

ROBERTS: But whenever you hear the White House tell it, they always say there's no way that we could have earned the trust of the Iraqi people had we left the military...

SCHIEFFER: All right. Let's--we're about...

ROBERTS: ...intact.

SCHIEFFER: ...at the end here. Let's go around the table, just a sentence. What do you think is going to be the most important thing that happens on Capitol Hill, Gloria, next year?

BORGER: The most important thing that happens on Capitol Hill next year actually I think will be the question of Iraq.

SCHIEFFER: Iraq.

BORGER: I think Iraq.

SCHIEFFER: David, at the Pentagon.

MARTIN: The most important thing will be the beginning of a reduction of the number of American troops in Iraq.

SCHIEFFER: Lara?

LOGAN: Let's not pretend the first troops coming back are a withdrawal. There were extra troops sent in for the elections. Let's see what they really mean about this withdrawal. Retreat with dignity seems to be the exit strategy at the moment.

SCHIEFFER: Byron?

PITTS: I think Katrina may prove, Bob, to be a pregame. I think as we'll have more natural disasters and we'll see how well the US responds, I think most people on the ground say, 'We're still not ready for a major disaster in this country.'

LOGAN: And terrorism.

PITTS: Yes.

ROBERTS: Two things: politically Iraq. It's all about Iraq for President Bush. The other thing is protecting the homeland because if America gets hit with another terrorist attack, it's going to change everything.
SCHIEFFER: All right. Well, I thank all of you. A fascinating conversation, at least for me, this morning. Thanks to all of you.

We'll be back with a final word in just a second.

(Announcements)

SCHIEFFER: And finally today, a little Christmas poem.

It is Christmas morn, so long for wished but soon it will be gone. As we prepare our Christmas feast, let's sing a Christmas song. Peace on Earth, good will to all. The families around the tree; Santa came, he said he would, which filled the kids with glee. Dolls and sweaters, Dad's new ties unveiled to 'aahs' and 'oohs.' We're knee-deep now in Christmas toys, shiny paper, velvet bows.

Soon we'll eat more than we should, two helpings if we please, followed by a Christmas nap to put us all at ease. Then as it is with all good things, it's gone before we know it. Dirty dishes, all that trash, workers needed, not just poets. Take down the tree and haul it out, get out that carpet clean. New Year's near, there's work to do in this week that's in between.

It's Christmas morn, so long for wished. Yes, finally it is here. Now may the love that this day brings stay with us through the year.

To all of you who celebrate Christmas, I hope this was your best ever, and to those who don't, I wish you joy in the wonderful new year. Let us never forget we are all God's children and all in this together.

We'll see you next year right here on FACE THE NATION.