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



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TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, what is the State of the Union? And can we make it better?

PRESIDENT BARACK OBAMA: My number one focus is going to be making sure that we are competitive, that we are growing and we are creating jobs.

BOB SCHIEFFER: It is a new and more centrist focus on the economy and national unity to be sure, but can he carry it off? Will liberal Democrats go along? Are Republicans ready to compromise? Is there really a new mood in Washington? We'll hear from the President's opponent in the 2008 campaign, John McCain of Arizona. And key Senate Democrat Chuck Schumer of New York.

Then I'll have a final thought on why we seem to ask the wrong questions whenever a President speaks to the nation.

But first, Senators McCain and Schumer 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.

BOB SCHIEFFER: And, good morning again. And we begin this morning, welcoming back to FACE THE NATION, for the first time in exactly one year, Senator John McCain of Arizona, the person who by the way has been on this broadcast more than any other politician now in office.

Well, senator, you haven't been here in a year.

SENATOR JOHN MCCAIN (R-Arizona): Ah-- thanks--

BOB SCHIEFFER: What-- what were you doing?

SENATOR JOHN MCCAIN (overlapping): --thanks for--

BOB SCHIEFFER: Were you busy back in Arizona or what?

SENATOR JOHN MCCAIN: Busy. And thanks for having me back on. And I'm-- it's probably the longest absence in all these years too. So I'm glad to be back. Thanks for having me.

BOB SCHIEFFER: Well, we're-- we're-- we're very pleased to have you. Where are you going to sit Tuesday night when the President makes his State of the Union? Are you going to join those sitting with members of the opposite party or will you sit with the Democrats?

SENATOR JOHN MCCAIN: I'm going to sit with Tom Udall. And, hopefully, I think Mark Udall maybe sitting where I usually sit. And-- look, this-- this whole id-- thing is a good idea. I think it's been a bit overblown. But the fact is it's a good thing to do. Why not? The Udalls, for example, have been close friends with me and they're family for many, many years. So let's sit together. And-- and finally could I just mention, it might be nice, maybe we cut back a little bit on the-- all the jumping up and down, which I think frankly distracts from any President's speech when it's

interrupted every thirty seconds by people jumping up and down. Because the President isn't speaking to Congress, he's speaking to the American people.

BOB SCHIEFFER: Well, you know, that's interesting that you should bring that up because one House Republican, Paul Brown of Georgia, says this whole thing is a trap. He had said what the-- President Obama is trying to do is just to keep the Republicans from-- from leaping up and making noise.

SENATOR JOHN MCCAIN: Well, in all due respect, I-- I kind of thought we were there to get a message from the President. And, I-- frankly, I think the cheerleading side of it has-- detracts from the ability of any President, Republican or Democrat, to speak continuously to the American people without so many interruptions. I think there'll be plenty of interruptions and it doesn't matter where you sit. But it might be nice to have a few less.

BOB SCHIEFFER: Do you really believe that this could be a beginning of a change in atmosphere in Washington?

SENATOR JOHN MCCAIN: I do. Because I think the President has already changed a-- a great deal. Tomorrow night he's going to be talking about cutting spending. That's what the message of the November election was. They'll-- he'll be saying some things that we don't agree with. But obviously, with the new appointments, with an agenda where he wants Free Trade agreements passed. By the way, we need to have Columbia Free Trade Agreement and Panama Free Trade Agreement, right along with the South Korea trade-- free-- agree-- Free Trade Agreement, if you really want to create jobs. So I think there's going to be a number of areas that we can at least find common ground on.

BOB SCHIEFFER: You know you were a very complimentary of the speech--

SENATOR JOHN MCCAIN: Mm-Hm.

BOB SCHIEFFER: --that the President made after the Tucson tragedy. You wrote in an op-ed--

SENATOR JOHN MCCAIN: Mm-Hm.

BOB SCHIEFFER: --in the Washington Post, you called it a terrific speech. And I just want to put up on the screen some of the things that you said. You said, "I disagree with many of the President's policies but I believe he is a patriot seriously intent on using his time in office to advance our country's cause. I reject accusations that his policies and beliefs make him unworthy to lead America or opposed to its founding ideals." Who were you talking to when you-- when you wrote that piece, senator?

SENATOR JOHN MCCAIN: I-- I hope the majority of Americans. Um, there is a lack of respect in our dialogue. And as I mentioned, I've been guilty of it from time to time myself. Although, uh, from time to time, Ted Kennedy and I used to really go at it on the floor and maintain a close friendship. So we shouldn't mistake passion for advocacy. In other words, there-- passion is necessary in this debate that we're having. But we've got to make sure, we-- it doesn't spill over into personal attacks and impugning people's character or patriotism. And so, the President gave I think exactly the right speech in Tucson. And, by the way, it was important to the people in my state as well that he came and-- and gave that message in Tucson. And we grieve for those who were lost and where our prayers continue to be with Gabby Giffords, who, you know, is making a remarkable recovery so far.

BOB SCHIEFFER: Have you talked to the President since the shooting?

SENATOR JOHN MCCAIN: Yes, I did. And, uh, I talked to him. And we had a pleasant conversation. And, I did advance to him the idea that we should work together on enhanced rescissions. The line-item veto power that I think is going to be necessary for this and other presidents to be able to really curb the excessive spending and earmarking that unfortunately still might go on and-- or may have a resurgence over time.

BOB SCHIEFFER: Did you call him or did he call you?

SENATOR JOHN MCCAIN: He called me. And we had-- as I said, it was a pleasant conversation. And again, I was very grateful that he came to Tucson and at this time of profound grief in our state.

BOB SCHIEFFER: Uh, do you feel, I mean, you made a very gracious concession statement.

SENATOR JOHN MCCAIN: Mm-Hm.

BOB SCHIEFFER: After you lost the race for the presidency. But it's fair to say that you and the President had a fairly frosty relationship as it were since then. I wouldn't say you'd been--

SENATOR JOHN MCCAIN: Mm-Hm.

BOB SCHIEFFER: --you know--

SENATOR JOHN MCCAIN (overlapping): It was--

BOB SCHIEFFER: --cozy as it was.

SENATOR JOHN MCCAIN (overlapping): --it was frosty.

BOB SCHIEFFER: But is that changing? Do you feel that that has now changed?

SENATOR MCCAIN: I don't think it was so much frosty personally. I'd-- I just strongly disagreed with the spending. I strongly disagreed with the stimulus package. Yuma, Arizona, we've still got twenty-three percent unemployment. Nearly half the homes in Arizona are underwater. They're not worth less than the value of their mortgage. Look, people are hurting. We're-- we're at-- we're passed the stimulus package, unemployment will be eight percent maximum. We know it's still at 9.4. So and the-- and I not only didn't like what Obamacare or health care reform was about, but I really didn't like the way they did it. The-- this backroom dealing that they said would not happen anymore. But look, the President, I think has learned a lot in the last two years as any President does. He is a very intelligent man. I think he's doing a lot of the right things. This emphasis on cutting spending that we'll be talking about tonight was something that obviously was not talked about in the last two years. So I think there's common ground because I think the President realizes, as a result of the November elections that the American people have a different set of priorities and so we should seize that opportunity for the good of the country.

BOB SCHIEFFER: I'm going to go back to that in just a second.

SENATOR JOHN MCCAIN: Hm.

BOB SCHIEFFER: But first, this morning on Meet the Press, Republican leader Mitch McConnell said he is definitely going to try to force a vote on repealing health care reform. Even though, as most people and I'm sure you would agree, there is no chance that that's going to pass in the Senate.

SENATOR JOHN MCCAIN: Mm-Hm.

BOB SCHIEFFER: Do you think, Senator McCain, that that's a waste of time. That the time in the Senate could be better spent working on something it has a chance of passing?

SENATOR JOHN MCCAIN: One thing about the Senate, it is not the most efficient organization. And I don't think, we would be wasting-- we need to have a vote on it because we promised the people we would. Look, at the Nov-- the message-- we campaigned in November, in the last November elections that we would repeal and replace. And we have to have a vote on repeal so that everybody is on record why they want to repeal. And then, I think piece by piece we go through, quote, "replacing." Now I'm told already that the Democrats may agree with us on some changes. But there mean-- needs to be a lot more changes than what they're willing to agree to. And it has to be the subject of a national debate.

BOB SCHIEFFER: Let's get back to spending cuts. You've never been shy about spending cuts, especially when it comes to earmarks and those pet projects that members have. But the House Republicans are talking about the draconian cuts. That according to some liberal groups would mean a forty percent cut this year in such things as the national institutes of health and the FBI and federal prosecutors.

SENATOR JOHN MCCAIN: Mm-Hm.

BOB SCHIEFFER: Eric Cantor said this morning, on Meet the Press that even cancer research is on the table. Now you and I are cancer survivors.

SENATOR JOHN MCCAIN: Mm-Hm. Mm-Hm.

BOB SCHIEFFER: Do you think that's something where we can cut back?

SENATOR JOHN MCCAIN: I think there may be efficiencies there. And, frankly, cancer research I think is one of the last things that I would go after. But we've got to take on some of the sacred cows, Bob. Well, agriculture subsidies are outrageous today. Ethanol is a joke. And it's a multi-billion-dollar spending agri-- at all egg subsidies, sugar subsidies, all this thing. They have to examine. The post office, a model of inefficiency, horse and buggies and the days of-- of-- when internets and communications of-- basically are-- are replacing it more and more. We have to go after the sacred cows. And then we have to go after entitlements. And entitlements have to be on the table sooner rather than later. You and I could write the solution to Social Security problems on the back of an envelope. What we have to do is sit down together and go through those-- those remedies. Medicare is going to be much more difficult. But we have to go after the sacred cows and we have to go after entitlements. And the longer we wait, the worse the problem is going to be. We have saddled our kids and grandkids with a debt that is unconscionable and unsustainable and outrageous.

BOB SCHIEFFER: The Obama administration says it's going to increase the use of military commissions now to try to prosecute some of those Gitmo detainees. You were one of them--

SENATOR JOHN MCCAIN (overlapping): In Gitmo. Yes.

BOB SCHIEFFER: In Gitmo. You were one of the few who said we ought to close Gitmo. Is this a sign that you can't close Gitmo right now?

SENATOR JOHN MCCAIN (overlapping): Yeah. It can't be closed right now.

BOB SCHIEFFER (overlapping): It's not going to be closed?

SENATOR JOHN MCCAIN: They-- they've badly mishandled this entire issue from the beginning. But Lindsey Graham and I and Joe Lieberman will be coming forward with another package to try to solve this whole issue of what we do with detainees. To try them in New York City-- Khalid Sheik Mohammed in New York City, of course, was the nuttiest. And, yeah, I mean-- so it's good to have these trials convened. A military commissions and-- in Guantanamo and we'll be proposing a package that hopefully will work with the administration on that will give us clear path as to how to address these people. Bob, don't forget that nearly thirty percent of the detainees who have been returned to the country they came from have-- have reentered the fight. That's unacceptable.

BOB SCHIEFFER: All right. John McCain--

SENATOR JOHN MCCAIN: Thank you.

BOB SCHIEFFER: --welcome back. Glad to have you. Hope we'll have you more frequently than over the past year.

SENATOR JOHN MCCAIN: Thank you, my friend.

BOB SCHIEFFER: Nice to see you.

When we come back, we'll be talking to Chuck Schumer, one of the key Democrats in the Senate about a lot of this same thing.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And welkin-- welcome back. Joining us now is Senator Charles Schumer, the democratic senator from New York who is in New York this morning. And I should point out wearing his green tie, which I assume is support for the New York Jets.

SENATOR CHARLES SCHUMER (D-New York/
Chairman, Democratic Policy Committee): Go, Jets.

BOB SCHIEFFER: All right. Welcome, Senator. Well let's start where sort of where Senator McCain left off. He agreed, you heard him, with what Mitch McConnell said also this morning. There needs to be a vote on repealing health care. If the Republicans do force a vote, and I-- I would guess that about the only way they can get this done is just to add it on as an amendment to some other legislation. That seems most likely to me. But if they do that, Senator Schumer, what will be the democratic response?

SENATOR CHARLES SCHUMER: Well, let me say Harry Reid has wisely said we should not-- he would not offer repeal on the floor because the American people want us to focus on jobs and the economy and stretching the middle-class paycheck. But Mitch McConnell has the right to offer an amendment. If he does, if the Republicans offer an amendment on the floor, then we will require them to vote on the individual protections in the bill that are very popular. And that even some of the new Republican House members have said they support. So in the end, their repeal bill is going to be so full of holes it looks like Swiss cheese. Let me give you some examples. Our Republicans going to vote no on a provision to maintain the Donut Hole benefits, so that seniors pay less for prescription drugs? Are they going to vote against the ability of twenty-one to twenty-six year olds to stay on their parents' health care? They're new in the job market. They often can't get it themselves. Are they going to vote to repeal the mandatory-- the - not the mandatory but the free check ups that seniors on Medicare get which saves billions of dollars in prevention. We all know early check ups work. So I think at the end of the day their effort to repeal is not going to work at all. And it shows something, Bob. There are places we can work together. Senators Klobuchar and Cantwell and Nelson wrote a letter to Boehner-- to sp-- Speaker Boehner saying we'll repeal the 1099 provisions that put burdens on small business. We certainly I agree with Senator McCain there's still a lot of waste in the inefficiencies in the Medicare program. And you can keep people's good benefits and still get rid of those. So we should work together to improve the bill but this idea of repeal is not going to work. And I think if they try it, they're going to learn that.

BOB SCHIEFFER: So in other words, you will vote on specifics. You will bring up votes on specific things--

SENATOR CHARLES SCHUMER: Right.

BOB SCHIEFFER: --in the bill. Let me ask you about one of those specifics, because I-- I know you brought with you this morning and we have a copy of it, a letter that you plan to send to Eric Cantor, who's part of the Republican leadership in the House. In that letter you say the following, "Repeal could force three million seniors to repay the government the two hundred and fifty dollars they received as a rebate last year." That, of course, refers to seniors in the so-called Donut Hole that is their medicine costs too much to be paid through Medicare but it didn't cost enough that they can qualify for catastrophic coverage.

SENATOR CHARLES SCHUMER (overlapping): Correct.

BOB SCHIEFFER: But senator, I-- I read-- you also go on to say in the letter, "they would have to return the funds," quote, "in theory." So would they or wouldn't they?

SENATOR CHARLES SCHUMER: Well, we're not sure. The actuary for CMS has said in a published report that they'd have to return them in theory. And obviously, this is something that would bother a whole lot of citizens. So we, Senator Menendez and I have sent a letter to Eric Cantor asking him to commit now unequivocally that if it should be found that they have to return, that seniors have to return the two hundred fifty dollars to help fill the Donut Hole that they got last year that he will recall his repeal bill. Again, it shows this, you know, rush to recall the entire bill which almost all Americans believe have good parts, even those who are for repeal. Only twenty percent are for full repeal and the rest say keep the good parts of it. So this rush to do it doesn't make sense. And we hope that Majority Leader Cantor will say today that if the two hundred fifty has to be returned, he will ask to bring back the bill that they passed, to recall it.

BOB SCHIEFFER: All right. In his preview of the State of the Union message at that the White House released last night, a kind of a video press release, here's one of the things that President Obama said. Take a listen.

PRESIDENT BARACK OBAMA (Organizing for America Video): We're also going to have to deal with our deficits and our debt in a responsible way. And we've got to reform government so that it's leaner and smarter for the 21st Century.

BOB SCHIEFFER: You know if I didn't know better and had my eyes closed I might have thought that was President Reagan talking. It sounded very much like a speech that a Republican co-- would make. Are Democrats really going to be serious about this, Senator Schumer?

SENATOR CHARLES SCHUMER: Yes.

BOB SCHIEFFER: And how is the left in your party going to take this idea of this new focus on cutting spending?

SENATOR CHARLES SCHUMER: Well, let me say this. First, we are serious and we'll continue to be. We passed last year in our appropriations measures something called McCaskill-Sessions, Claire McCaskill, Democrat; Jeff Sessions, Republican. That cut back on spending. We know that has to happen but it has to be done in a smart way. And another thing the President is going to talk about is not cutting back on investments that will help us grow in the future. Things like education and infrastructure and scientific research. In fact, I think, the President's message is going to be one of-- of-- of hope, of the future, and of growth. He is going to focus like a laser on the middle class and helping them grow their paychecks if they have a job, growing jobs, growing the economy both in the short term and the long term. And so, yes we have to cut. And there's a lot of waste in the government. We will join with our colleagues and with the President to do it. But certain key investments we will keep. And the bottom line is this. The American people want an optimistic future-oriented pro-growth platform. This dour sour everything is wrong, no one can do anything right. That's not going to work. That's not what the American people want. So I think the President's speech is going to be well received by Democrats in the Congress, in the country but by all Americans more importantly.

BOB SCHIEFFER: Ah, Eric Cantor said this morning under hard questioning, I should add, that yes indeed cancer research would also be on the table when you talk about cutting spending. Can you envision cuts in cancer research?

SENATOR CHARLES SCHUMER: Well, you know, the proposal that the Republican Study Committee made focuses on only one part of the budget. And because they have to get all their reductions out of that one part, they do things that most Americans wouldn't want, such as cut cancer research. But for instance, they leave the military totally out. Now I'm for a strong military and I've always supported it. But everyone knows there's waste and inefficiency in the military budget. Defense Secretary Gates has proposed cutting a hundred fifty billion dollars out of it. And if you want to be fair, if you want to be-- convince people that you're really for cutting you have to cut the waste across the board. Waste in the military is no better than waste in domestic programs. And it seems that it's a little political.

BOB SCHIEFFER (overlapping): All right, we're--

SENATOR CHARLES SCHUMER: You know just focus on one area-- areas that Republicans don't like. We should try to eliminate the waste and inefficiency across the board.

BOB SCHIEFFER: About thirty seconds left.

SENATOR CHARLES SCHUMER: Sorry.

BOB SCHIEFFER: Where are you going to sit at the President's State of the Union?

SENATOR CHARLES SCHUMER: Yeah.

BOB SCHIEFFER: Will you be with the Republican--

SENATOR CHARLES SCHUMER: Yes.

BOB SCHIEFFER: --or will you sit with Democrats?

SENATOR CHARLES SCHUMER: I've already asked Tom Coburn, who is a very conservative Republican. We don't agree on that many things, but we're friends to sit next to me. He's graciously agreed. And I think, if Coburn and Schumer can sit next to each other, then probably just about everybody can. And I would urge others to do it. Mark Udall had this idea. It spread like wildfire. It's true, it's symbolic. But let's not forget, often times in history symbols influence reality and the lame duck session, which was bipartisan. The President's gracious address, John McCain's gracious response means that maybe we can come together to solve America's problems.

BOB SCHIEFFER (overlapping): All right.

SENATOR CHARLES SCHUMER: And I hope that'll happen.

BOB SCHIEFFER: All right. Well, we'll end it right there. Thank you so much, senator. And I'll be back with some final thoughts of my own in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally today, I was almost sorry to see the President go up in the polls after the speech he made about Tucson, not because I don't wish him well, I do. I wish the best for all our presidents. But what bothers me is that every time something like this happens, Washington's first question is, wonder how this will play in the polls? The President went up in the polls and that was news, but the right question still-- should-- still should have been, what impact will the President's words have on the country? Not what the impact will they have on him? The important thing was that the President saw the Tucson tragedy threatening to drive us further apart, not bring us together as such things usually do. So he told us what we needed to hear, that we needed to dial back on the rhetoric and tone down our hatefulness to one another. Mainly, he told us we could be better. And we may see the beginning of a change for the better Tuesday night, when the President delivers his State of the Union speech. For the first time in years, many of the elected officials there to hear him will sit with those of the opposite party. Rather than divide along party lines. It's a small thing to be sure, but in a town where partisanship has become so fierce, many politicians are uncomfortable just being in the same room with members of the other party. It is a start. How long can it last? We'll see. But we can

be better, as the President reminded us. Lately, I wonder sometimes if we have somehow forgotten that.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And that's our broadcast. We'll see you right here next week.

ANNOUNCER: This broadcast was produced by CBS News, which is solely responsible for the selection of today's guest and topics. It originated in Washington, DC.