

© 2010, CBS Broadcasting Inc. All Rights Reserved.
PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS CBS
TELEVISION PROGRAM TO "CBS NEWS' FACE THE NATION."



January 24, 2010 Transcript

GUESTS: SENATOR JOHN McCAIN
 Republican-Arizona

 SENATOR RICHARD DURBIN
 Democrat-Illinois

 NANCY CORDES
 CBS News Congressional Correspondent

 JAN CRAWFORD
 CBS News Chief Legal Correspondent

MODERATOR/
HOST: Mr. 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

TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, the week that was in American politics.

We'll talk to Republican John McCain, Democrat Dick Durbin, congressional correspondent Nancy Cordes, and chief legal correspondent Jan Crawford about the blowback from the Massachusetts Senate race, the Supreme Court ruling that could turn politics on its head, and the sudden opposition to the confirmation of Federal Reserve Chairman Ben Bernanke.

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.

Senator Durbin is in Springfield, Illinois, this morning. Senator McCain is with us in the studio. And we're going to begin here.

Senator McCain--just in case there were not enough news for us to deal with--now an audio tape of Osama bin Laden has popped up overnight, claiming responsibility for the Christmas bomber and promising more such attacks. You were very critical last week of how this whole Christmas bomber deal has been handled by the government. Are you satisfied that the government is doing enough on this?

SENATOR JOHN MCCAIN (R-Arizona): Well, I think that the events of last week and the way it was handled prove that were significant errors made both in anticipating the Christmas bomber and putting together all the-- the information that was obviously there. But the Obama-- Osama bin Laden tape, I'm sure, indicates that Osama bin Laden is still a motivating force for jihadists, Islamic extremists throughout the world. And so we have to stay after him.

But any chance of finding out Osama bin Laden's connection with this bombing vanished when the decision was made without consulting any of our intelligence heads by, apparently, the Justice Department with directions to low level of the FBI to give this individual civil-- a trial in civil court, which then gave him his Miranda rights and was lawyered up. He was cooperating until he got a lawyer.

Now that-- that makes it almost impossible for us to pursue the leads that the Christmas bomber might have. That, to me, is unbelievable.

BOB SCHIEFFER: As yet, the government has reviewed this. But we haven't seen anyone who has been held accountable yet?

SENATOR JOHN MCCAIN: No, no one has been held responsible. Apparently, it may be unfortunately the old Washington game, not invented with this administration. We're all responsible. So no one is responsible. The American people expect us to hold people accountable. And I intend as a member of the Homeland Security Committee to see if we can continue to find out who was responsible and hold them accountable.

BOB SCHIEFFER: Should they be dismissed, fired? Should heads roll here?

SENATOR JOHN MCCAIN: I-- I think that as the President said, there is responsibility, there was a failure, and as soon as we find out the depth of those failures, obviously, I think there should be changes made, otherwise we really are not addressing the personnel side of it. The other side of it is, is we ought to look at what we've done with the reorganization of government and m-- creation of massive new bureaucracies and whether we've actually improved our ability to stop these attacks from taking place.

BOB SCHIEFFER: Do you think creating the Department of Homeland Security on reflection was a good idea? Or was it just another level of bureaucracy?

SENATOR JOHN MCCAIN: I-- I think the 9/11 Commission clearly concluded and I agreed with them that there had to be a consolidation of intelligence assess-- assets and greater cooperation and sharing amongst the various agencies. Now whether the creation of that department has achieved that goal or not is in light of recent events is not absolutely clear.

BOB SCHIEFFER: Senator, a lot of unforeseen opposition suddenly cropped up last week to the confirmation of Ben Bernanke to be the chairman of the Federal Reserve. I now count some ten senators, five Republicans, five Democrats who say they're going to vote against him. Are you going to vote for him or against him?

SENATOR JOHN MCCAIN: I'm-- I'm very skeptical about his nomination. I'm worried that if his nomination is turned down the effect that it might have. But the fact is that Chairman Bernanke was in charge when we hit the iceberg and his policies were partially responsible for the meltdown that we experienced. I think that he should be held accountable.

BOB SCHIEFFER: Well, do you think he should withdraw his nomination?

SENATOR JOHN MCCAIN: No, I-- I-- I don't know because you know--

BOB SCHIEFFER: Well, I mean, are you going to vote against him or you're just concerned about it?

SENATOR JOHN MCCAIN: I'm both concerned and leaning against.

BOB SCHIEFFER: Leaning against--

SENATOR JOHN MCCAIN (overlapping): Yes.

BOB SCHIEFFER: --voting for him.

Let's talk about this Supreme Court ruling this week which really blew the lid off putting limits on money in politics. You've been a leader in trying to limit the impact of money in politics. Now we're seeing a-- a Supreme Court ruling that says corporations can just go right in there. If-- if somebody comes out, for example, against Wall Street bonuses, a corporation can say, buddy, you're doing it at your own risk because we're going to buy some attack ads and run them against you. What do you plan? Do you plan to do anything in response to this?

SENATOR JOHN MCCAIN: I don't think there's much that can be done to tell you the truth, Bob. I was over-- I was not surprised at the Supreme Court decision. I went over to observe the oral arguments. It was clear that Justice Roberts, Alito and Scalia--by their very skeptical and even sarcastic comments--were very much opposed to BCRA. I think that it was interesting that they

have had no experience in the political arena. I was reminded of the story of Lyndon Johnson when he was vice president, was told about President Kennedy's appointments of all these brilliant people. And he said, you know, I wish one of them had run for county sheriff. We are going to see a-- now a-- inundation of special interest money into political campaigns. I think that diminishes the influence of-- of average citizens. By the way, I would point out that both Justice Rehnquist and Justice O'Connor, who had taken a different position on this issue both had significant political experience. Justices Roberts, Alito, and Scalia have none. But it is what it is.

BOB SCHIEFFER: So you will-- you're not intending to try to introduce any legislation. You just don't think it's possible.

SENATOR JOHN MCCAIN (overlapping): The Supreme Court-- yeah, the Supreme Court has spoken on-- on an issue of constitution-- on a constitutional basis.

BOB SCHIEFFER: But reform is dead?

SENATOR JOHN MCCAIN: Oh, I think so. I-- I-- you know, I-- I wo-- I think that there's going to be over time a backlash because when you see the amounts of union and corporate money that's going to go into political campaigns. But in the short term, the Supreme Court has spoken. I respect their decision.

BOB SCHIEFFER: Well, we had this (LAUGHING) thunderbolt in Massachusetts, where Republican gets elected to Ted Kennedy's seat. I think it's fair to say that it has stalled the drive toward health care reform in the Senate. The Democrats no longer, for one thing, have enough votes to filibuster fi-- health care. Where do you think this ought to go now? What should Republicans do in response to this?

SENATOR JOHN MCCAIN: Do what we've done and say we'd be willing to sit down and start over from the beginning. With genuine negotiations, there are things we can agree on, whether it be medical malpractice reform or whether it be across state lines, people can purchase insurance policies that suits them best, outcome-based treatment, even to refundable tax credits for people to be able to purchase health insurance on their own. There-- there are many things we could do, but we also have to reject this process. People in my state are as angry about the process of bribery and extortion, the-- the Louisiana purchase, the Cornhusker kickback, the-- all of these unsavory deals that were made behind closed doors. This is a President who promised to have it on C-SPAN and now they did all these deals--

BOB SCHIEFFER (overlapping): Would you be willing--

SENATOR JOHN MCCAIN: --at the expense of other-- other states.

BOB SCHIEFFER: Do you think you could get other Republicans to sit down at a table with Democrats and say, look, let's just go over what we can agree on here and then go out and pass that and let that be a starter?

SENATOR JOHN MCCAIN: As long as we start from the beginning. But we categorically reject much of what the Democrats have passed on a party-line vote continuously.

BOB SCHIEFFER: I want to ask you one--

SENATOR JOHN MCCAIN (overlapping): Sure.

BOB SCHIEFFER: --other question about Guantanamo. You and the President agreed it ought to be closed. The deadline he set for closing it came and went last week. What do you do now? Should it still be closed?

SENATOR JOHN MCCAIN: Yes, but you have to have developed a policy to address the issues--particularly the enemy combatants, who kept and must be kept but-- and can't be released and-- and what you do with them. In other words, the President's mistake was announcing the closure within a year without having all the policies in place to achieve that. So Guantanamo Bay must remain open until such time as we have a coherent, comprehensive policy addressing the detainees. And many of them cannot be released, especially to some of the countries that have-- they've been released to and they've gone back into the fight.

BOB SCHIEFFER: John McCain, thank you so much.

SENATOR JOHN MCCAIN (overlapping): Thank you, Bob.

BOB SCHIEFFER: We asked for some news this morning. I think you brought us some.

SENATOR JOHN MCCAIN: Thank you.

BOB SCHIEFFER: I want to go now to Dick Durbin, who is number two in the Democratic leadership in the Senate. He's in Springfield as we said a while ago. Let's pick up on that health care-- those remarks by Senator McCain on health care. Senator Durbin, what are Democrats going to do now?

SENATOR RICHARD DURBIN (D-Illinois/Assistant Majority Leader): Well, we are now considering our strategy. We have talked to the Speaker of the House of Representatives, Nancy Pelosi, about an avenue that we can follow. But for those who say start over, let's-- let's start at the beginning, let's do a little bit, let's, maybe, do nothing, some say. I would just tell them if we do nothing, the Medicare trust fund would be exhausted in seven years. The plan we have before the Senate would extend the life of Medicare for nine more years. If we do nothing, there'll be fifty-seven million Americans uninsured instead of forty-seven million in just a few years--

BOB SCHIEFFER (overlapping): Well--

SENATOR RICHARD DURBIN: --and the cost of the average health insurance plan for the average family of four will double in the next ten years if we do nothing.

BOB SCHIEFFER (overlapping): Well, let-- let me--

SENATOR RICHARD DURBIN: That's why we think this is a serious issue.

BOB SCHIEFFER: Well, I don't think anybody would-- would argue that it is not a serious issue, Senator Durbin. But-- but let me just ask you this, what Senator McCain said. He said he is willing to try to get some Republicans to sit down with Democrats and see what you agree on. What would be wrong with that just saying--

SENATOR RICHARD DURBIN (overlapping): There's--

BOB SCHIEFFER: --here is what's out there? We agree with this. We don't agree with that and then just go pass what you agree on. Wouldn't that be a start?

SENATOR RICHARD DURBIN: There's nothing wrong with it. But-- but, Bob, for the record, President Obama met personally with the Republican leaders in the House and Senate before this began and engaged them and asked them, be part of it. We brought them into the committee hearings. A hundred and seventy Republican amendments were accepted as part of this process in both the Senate committees. We have kept the door open. We waited for months in the hopes of bringing across three Republican Senators who expressed an early interest. To-- so to suggest that we have closed the door to them and haven't engaged them is really not a proper statement of what's happened.

BOB SCHIEFFER: Well, clearly, you're not going to get it done by the President's State of the Union speech next week, which was the original goal. When would you expect, Senator, that Democrats will be ready to bring something to the floor?

SENATOR RICHARD DURBIN: I can't-- I'm not going to give you a deadline. I've seen too many of those that predicted and failed.

BOB SCHIEFFER (overlapping): Well, I mean, do you think weeks, month? Some people say if you wait six weeks like some are suggesting, you might as well just kiss the whole thing good-bye. But you--

SENATOR RICHARD DURBIN (overlapping): Well, I think what we have to do is honestly sit down with our membership and decide the best course of action to move forward. The door is always open on the Republican side. We're still reaching out to try to find those who will support this.

But we have-- have to accept the obvious. This problem that we face with health care in America is one of the greatest threats to the future of our economy, not just as a nation but as businesses and families. If we ignore this and walk away from it for whatever reason, we are going to face a crisis much, much worse in the near future. The President understands that. We would not even be in this position of taking this seriously if he hadn't shown the courage to lead us into this debate.

BOB SCHIEFFER: Let me ask you about Ben Bernanke. Do you have the voa-- votes to get him confirmed, Senator? I know you're one of the vote counters.

SENATOR RICHARD DURBIN: Well, I'm going to vote for Chairman Bernanke. I have some misgivings about Fed policy and economic policy. But I really do have to say this man guided us through the worst economic crisis this nation has seen since the Great Depression. And we are in much better shape today because of his guidance and leadership. I still have unanswered questions and many colleagues do. We will need Republican support to make certain that we pass the cloture vote, which is the sixty-vote requirement when it's taken up this next week.

I think that we're going to have the votes to make sure that he is reconfirmed as chairman of the Federal Reserve.

BOB SCHIEFFER: You think but you're not sure at this point.

SENATOR RICHARD DURBIN: Well, any whip who gives you that kind of prediction this far in advance isn't-- hasn't been on the job very long. And I've been there for a while.

BOB SCHIEFFER: Senator, why do you think Scott Brown won the race in Massachusetts?

SENATOR RICHARD DURBIN: Variety of reasons. Some went right to the candidates and the campaigns, others to much larger issues. I think the independent voters, in particular, in Massachusetts told us, focus on the economy, focus on creating jobs, let's see more action and more commitment in Washington than we have. I accept that verdict of history and that message.

Secondly, they are frustrated by the fact that we haven't passed health care reform. Remember, Massachusetts is a state which under a Republican governor, Mitt Romney, with the support of then State Senator Scott Brown put a mandate in for health insurance. Ninety-seven to ninety-eight percent of the people in Massachusetts have health insurance. Some of them were concerned that our health care reform would diminish their state benefits, so it was a complex issue within the state of Massachusetts.

But I think more than anything, the voters there said get busy in Washington, do something about the economy.

BOB SCHIEFFER: And campaign finance. You just heard Senator McCain say that this ruling by the Supreme Court pretty much blows the lid off a reform. He sees nothing that can really be done from here on in.

SENATOR RICHARD DURBIN: I joined with John McCain and Russ Feingold in supporting their campaign finance reform. It was good law. And I'm glad we did it. But banning soft money from campaigns was small in comparison to what the Supreme Court did to America this last week.

I can't wait to see my Republican and conservative friends who stood up and preached against judicial activism explain this decision, which overturned sixty to a hundred years of American precedent, a precedent which basically said we want to keep big business out of our campaigns in America. And now in the name of giving free speech, this Supreme Court has allowed political extortion by big business, big oil, big banks.

Think about this for a minute, Bob. We're considering a tax on the multimillion-dollar bonuses of the executives at banks who receive bailout money. Those banks can now come and say to senators and congressmen, incidentally we want you to vote against this tax and we're going to be big players in the next election. We're going to spend millions of dollars and reward our friends and punish our enemies. That's exactly what this Supreme Court has invited.

Now what can we do? We can demand disclosure. We can demand that those who belong to labor unions and shareholders vote before the money is spent on any political campaigns. And even more important, I'd say to John McCain, join me in a public financing effort. I've got the bill in with John Larson of Connecticut. Let's really take the reform on that many states already have started, including the State of Arizona to make sure that every candidate of modest means has a chance to run and win.

BOB SCHIEFFER: All right. Dick Durbin of Illinois. Thank you so much, Senator. Hope to see you again.

SENATOR RICHARD DURBIN: Thanks, Bob.

BOB SCHIEFFER: Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And to talk about all of what we just heard and the we-- events of last week, congressional correspondent, Nancy Cordes; our chief legal correspondent, Jan Crawford.

Nancy, the campaign reform decision that came down from the court and this blowback from this election in Massachusetts and it hit Capitol Hill like a thunderbolt.

NANCY CORDES (Congressional Correspondent): It sure did. And it is a great thing for Republicans because they were having a really tough time raising money before this ruling came down. A lot of corporations were feeling a bit nervous about donating to Republicans and going against the majority party in the fall. Now that Scott Brown has won, these companies see, oh, Republicans actually do have a better shot in the fall and now they have unlimited resources they can spend on defeating them.

BOB SCHIEFFER: Scott Brown came to Capitol Hill. You interviewed him out in the corridor. He-- he was greeted like a rock star.

NANCY CORDES: He really was. He's definitely the new Republican superstar. Watch out, Sarah Palin. But it's very interesting. He is in many ways a true Republican moderate, New England moderate. He's pro abortion rights. He thinks that all Americans should get health care coverage. And so, if he stays down the middle in the Senate, and as you know moderates are a real dying breed there, it's possible that he could make being a moderate cool again in the Senate. And you might start to see more cooperation between the parties than we have all year.

BOB SCHIEFFER: Well, I saw one conservative commentator this week, Jan, saying, "Well, we're sure glad to have him in the Senate. But we're going to have to watch him on those Supreme Court nominations when they come up." Jan, what do you think the impact of this ruling on campaign finance is going to be?

JAN CRAWFORD (Chief Legal Correspondent): You know I think it's too soon to-- to really say what the fallout, you know, from this bomb is-- is going to be. But, remember, it's not just corporations that can kind of play ball now. It's unions and outside groups. It's the Sierra Club, the National Rifle Association.

So, you know, corporations kind of tend to be leery about getting involved in the process. They've got shareholders to answer to. They've got a public that they kind of want to look good in front of.

So we may now see, I think, in the short term, the rise of some of these outside groups that are already established like I said the Sierra Club, Americans for Responsible Health Care, you know, the National Rifle Association, taking a lot of that money and funneling it into the process while the corporations may kind of stand back and wait a while let-- let some of those outside groups do it.

BOB SCHIEFFER: We were all waiting for this decision. Were you surprised that the court issued a-- a decision that was as broad as it was?

JAN CRAWFORD: No, not at all. Like Senator McCain said, we sat through that argument. You could see the skepticism from the justices. Remember, though this is not just that we have a new Supreme Court. Moderate Anthony Kennedy wrote this decision. And the government took the extraordinary position during the argument that this law allows the government to ban political books that are, you know, funded by these outside groups up to, you know, the Election Day. The justices really took issue with that.

You know-- and I've got to say just listening kind of to some of this debate and hearing what Senator Durbin said, you know, kind of about how now the court has just authorized political extortion. I mean that is really, I think, the public is going to find that to be a real stretch because you've got a Senate, you know, that's really selling votes in the Senate chamber to authorize health care reform. You've got a Gallup poll showing that nine percent last year of Americans think that Congress is an honest and ethical job. And now you've got senators saying this paves the way for extortion. If you're saying that I mean that reminds me of what, you know, Winston Churchill said, "You know, we've already established what you are. You know, now we're just haggling over the price."

BOB SCHIEFFER: What about this Bernanke? Is he going to be confirmed, Nancy?

NANCY CORDES: Well, it's a great question after this seismic election in Massachusetts there are a lot of Democrats who are feeling very vulnerable and feeling like they need to take a tough stand on the economy. This would be a very easy way for them to do it as to go ahead and vote against him.

Right now, you've got a small handful of Democrats who are saying they're going to vote against him, a small handful of Republicans. You heard Senator McCain say he is leaning against it. If it stays a handful, he'll be fine. If this snowballs, he could be in trouble and it would be the first time that a President could not get his nomination for Fed chair passed.

BOB SCHIEFFER: What do you think the impact, Jan, of Scott Brown's election was?

JAN CRAWFORD: Well, I think if you looked at the polls, and the Washington Post had a really fascinating poll this weekend. Seventy-five percent of Scott Brown's voters say they sent him to Washington to work with Democrats and get Republican ideas into legislation.

So there's a lesson for Republicans here, too. You know we don't want obstruction, obstruction. We want to see things get done. And if you look at those polls, the people who voted against-- I mean who voted for Scott Brown say health care was the number one reason, but not because of the substance. It was because of the backdoor dealings and the lack of bipartisanship. The second reason they gave was because the way things in Washington aren't working. That's a huge lesson to be learned there. There is a big lesson for President Obama--get out of the campaign mode, start governing. We don't want to see the confetti falling down right now. We want people to get to work together.

BOB SCHIEFFER: I want to say a little something about that in just a minute in my final thoughts. We'll be back with that in just a second.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally today, figuring out what Scott Brown's victory meant has set off a fiercer debate than trying to divine the meaning of the Book of Job. We were all certain it meant something profound, we just weren't sure what. Well, a Washington Post poll yesterday provided some clues. Sixty-three percent of Massachusetts voters thought the country had gone off course and the big part of them voted for Brown. That's pretty simple actually.

But here's the interesting part: Three-fourths of those voters--Massachusetts voters, mind you--said they wanted Brown to work with Democrats to get Republican ideas into legislation. Let me say that again: Three-fourths of his voters said they wanted him to work with the other side.

My own take is the vote for Brown was not so much a vote for or against policy or party, as it was a vote against the process itself. People don't like the political games, and they've lost confidence in a bumbling bureaucracy that since Katrina can't seem to get out of its own way. Why trust the government with a complicated health care proposal, when it can't catch a terrorist whose own father tried to turn him in. It will take the perseverance of Job and a lot of political courage, but if the two sides could somehow pay less attention to the voices on the fringes of the left and the right, take the Massachusetts voters' advice, sit down together and see what they can agree on, who knows? They might get something done. They couldn't do worse. They might even like it, and I don't need a poll to tell me the rest of us surely would.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And thanks for watching FACE THE NATION. We'll be right here next week. See you then.

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