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



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TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, the President and Congress. Can they ever work together to get something done for the country?

We'll go outside the beltway and bring in Mississippi's Republican governor Haley Barbour, Democratic governors Jennifer Granholm of Michigan and Ed Rendell of Pennsylvania, South Dakota's Republican Senator John Thune.

And we'll bring in Anne Kornblut of the Washington Post and Jim VandeHei of Politico for analysis.

Then I'll have a final thought on the age of miracles or maybe it's not.

ANNOUNCER: FACE THE NATION with CBS News chief Washington correspondent Bob Schieffer, and now from Washington, Bob Schieffer.

BOB SCHIEFFER: And good morning again from snowy Washington. Governor Granholm is in her home state of Michigan, Senator Thune is in South Dakota. With us inside the beltway-- inside the studio--Governor Barbour and Governor Rendell, in a place where they're not often-- here. Welcome to both of you.

I want to start this morning with something the President said on Friday. When he visited a conference of House Republicans and told them that all the tough talk and the partisan rhetoric is making it harder for the two sides to work together. Listen to what he said.

PRESIDENT BARACK OBAMA: I mean, we have got to be careful about what we say about each other sometimes. Because it boxes us in, in ways that makes it difficult for us to work together because our constituents start believing us. They don't know sometimes this is just politics what you guys, you know, or folks on my side do sometimes. So just a tone of civility instead of slash-and-burn would be helpful.

BOB SCHIEFFER: Well, Governor Barbour, what do you say to that?

GOVERNOR HALEY BARBOUR (R-Mississippi/Chairman, Republican Governors Association): Of course, that's right. We should be civil. Ed and I disagree a lot. But always civilly and try to do it productively. But it is often the President who is the person that says the people on the other side are bad. Anybody who is not for what I'm for, they've got bad motives. They're representing bad people.

The truth is this is about policy. And the American people and the Republicans think most of the policy that the Obama administration, the Democrat majorities have pushed are way too far to the left and are bad policy for the country. But should we disagree agreeably? Yes, sir. But that doesn't mean we ought to take bad policy that's bad for the future.

BOB SCHIEFFER: Well Governor Rendell, how would you respond?

GOV. ED RENDELL (D-Pennsylvania): Well I-- I think Haley is right about the tone. But it-- it's more than just the tone. It is a-- a- about policy and if you look at President Bush when he took

over in 2001, his major domestic initiatives, Bob, no child left behind, tax cuts, the senior pharm-
- pharmacy program got significant Democratic support. I mean, a ton of Democratic votes.

We've seen stonewalling by the Republicans. President in his State of the Union and on Friday carved out on jobs, on energy, and on holding down federal spending, carved out basic Republican principles. The ball is in their court now on policy. Let's see what they do.

BOB SCHIEFFER: Well for sure the President made it clear in both the State of the Union and in his presentation to the Republicans on Friday that the number one priority now is jobs. And the reason why is certainly obvious to everybody at-- here at this table and out there outside the beltway. The latest figures, unemployment nationally is still over or at ten percent and a lot worse in some places. In Governor Granholm's state of Michigan, for example, it's now 14.6 percent.

So Governor Granholm, I want to ask you, were you glad to see the President put the focus on jobs rather than on health care?

GOVERNOR JENNIFER GRANHOLM (D-Michigan): Well, health care is a jobs issue too. But for us I can tell you if you sit around the coffee tables of Michigan, jobs are the alpha and the omega. It is the beginning and the end. And so the real focus on direct-- direct emp-- emphasis on job creation is critical.

And let me just say quickly, you know, this issue of policy and all of that, if you ask people whether they're in Pennsylvania or Mississippi or South Dakota what their priority is. If you have to ask them is it jobs or the deficit? I think they'd say both are important. The deficit's important but jobs are urgent. And that's the way we feel in Michigan. The number one thing must be job creation. Of course, the deficit has to be handled. But if you have to triage, put your first effort in creating jobs.

BOB SCHIEFFER: Do you agree with that, Senator Thune?

SENATOR JOHN THUNE (R-South Dakota): I do, Bob. I think that the problem that we have run into and I-- I credit the President for going up and visiting with the House Republicans and the House Republicans for inviting him. I think that both benefited from that exchange.

The question is will there be meaningful cooperation on an agenda going forward? And I think that what we've seen with regard to jobs, everybody talks about jobs, but the best thing that we can do with respect to jobs is put that massive health care expansion on the shelf, work on measures that actually do reduce health care costs for small businesses, make it clear to small businesses that we're not going to raise their taxes in the middle-- middle of the recession.

Many of the proposals the administration has put forward are jobs killers. They have taken an agenda to the left. And I think what you saw in Massachusetts and-- and Virginia and New Jersey was the American people saying we don't like this hard shift to the left. We want to see the two sides work together but in a way on an agenda that it ac-- actually does help create jobs and doesn't create all this economic uncertainty--

BOB SCHIEFFER (overlapping): Let me--

SENATOR JOHN THUNE: --for small businesses.

BOB SCHIEFFER: --let me just ask you this, Senator Thune. Do you think the election of a Republican Scott Brown, does that make it harder to reach compromise now? Because, after all, people are saying he is the forty-first senator now. He can, you know, Republicans now have the ability to block anything. Do you think they will be more likely to block things?

SENATOR JOHN THUNE: I think a lot of it has to do, Bob, with-- with what things they put forward. If they come again to the middle and their agenda is one that you can get bipartisan support for, I don't care whether it's forty or forty-one. What we were reacting to, a lot of Republicans in Congress, is to an agenda that took the country way to the left.

GOVERNOR ED RENDELL (overlapping): Hey, Bob, I--

SENATOR JOHN THUNE (overlapping): And, in fact-- in fact, small businesses will tell you that. They want an agenda that is conducive to job creation, not one that creates the kind of economic uncertainty that kills jobs. And that's what we've seen from the administration.

BOB SCHIEFFER: All right, let me get Governor Rendell.

GOVERNOR ED RENDELL (overlapping): I--

BOB SCHIEFFER: He wants to respond.

GOVERNOR ED RENDELL: --I-- I'd like to ask Senator Thune a question, specifically on the jobs bill that President Obama has proposed, which has tax credits and small-- capital gains exemptions for small businesses, money for infrastructure, money for community banks to loan out to small businesses. Are you ready to support those basic principles? I mean, those sound like Republican principles to me, John.

SENATOR JOHN THUNE: Those are the things, Governor, that are. We'd like to see broad-based tax relief on income rates and cap gains and dividends and those sorts of things. And we would have liked to have seen that in the first stimulus bill. I think there would be--

GOVERNOR ED RENDELL (overlapping): So, you think--

SENATOR JOHN THUNE: --I think there would be Republican support if you were to redirect some of the stimulus bill, much of which hasn't been spent, towards small business tax relief. I think it will be hard to get small-- Republican support for some of those initiatives if they propose using the TARP fund to pay for it. That is not what TARP was intended to do. And that is what we understand to be their proposal.

GOVERNOR ED RENDELL: See, John, I think that's the weakness of your position. Everyone is for a jobs bill but nobody wants to pay for it. Governor Granholm is right. Right now we need a jobs bill. And you guys in Washington should pass it in the next four weeks.

GOVERNOR HALEY BARBOUR: You know it's interesting. While the American people have been saying from the day Barack Obama got sworn in, jobs are the biggest issue in the country, getting our economy back is one of the biggest issues of the country. But for the last eight months all I've heard about is the Democratic Party trying to ram health care down the country's throat. Now I am glad for this epiphany that Scott Brown calls about jobs. I mean, we should have been focused on jobs in June, not health care, in September, not health care, Christmas Eve, not health care.

GOVERNOR JENNIFER GRANHOLM (overlapping): Bob, can I--

GOVERNOR HALEY BARBOUR: As a wise person told me the other day, the only Democrat who took any time off before Christmas was Martha Coakley. And what-- what happened they were trying to drive health care reform down the country's throat that the country didn't want. Now the question is--is this bill left-wing playbook, a fake up the middle and run far left? I hope not. But, if it's moderate stuff, I know Republican governors will support it and support it publicly.

BOB SCHIEFFER: Well, let's see what Jennifer Granholm is saying out there, because I see her shaking her head way out there in Michigan.

GOVERNOR JENNIFER GRANHOLM: Well, the reason I'm shaking my head is obviously the first thing the Obama administration did was to put a huge stimulus package which was focused on jobs on the table, a third of that was tax cuts. And in Michigan, I can just tell you, just in the past two quarters it's meant forty-two thousand jobs. I think you got to give this thing a chance to work. But we know when he came into office they were losing seven hundred thousand jobs per month. As he said on Friday before the Republican caucus, he can't be blamed for what had happened before. His wasn't the TARP agenda. That wasn't his bill. But, give it a chance to work. And now we see over three million jobs being created by the stimulus.

And just quickly, one of the things that's unique to Michigan, and maybe to some other states who have our problem with the loss of manufacturing jobs, what he has done is given us hope to transform and diversify. We're getting the ability now to have an auto industry that produces electric vehicles with batteries that will product-- propel those. Well, those batteries instead of being made in Asia are going to be made in the United States by U.S. workers. For us that's a huge opportunity. Not just to put people back to work but to transform our economy as well.

BOB SCHIEFFER: Let me-- let me just shift slightly here and go back to something that all of you have mentioned, and that was this election of Scott Brown. What do you think that means for Republicans, Senator Barbour? After all, this is not Re-- Mississippi-style Republican they've got elected. He's fairly liberal on some issues.

GOVERNOR HALEY BARBOUR: Well, he's a very-- very much a moderate Republican. And I think it's a reminder to Republicans that-- that we don't need purity. We need to elect the best people we can elect, and Scott Brown is-- is the best senator for Massachusetts. But you're right. He-- he's certainly is not as conservative as I am. And that's healthy and good. What does it mean? I think-- I hope what it means is since the Democrats can't get sixty votes on a partisan basis in the Senate, they will quit trying to ram stuff down the country's throat on a sixty-vote partisan vote. I hope that's what it means. If it does, it really will not only have been a volcano in terms of politics, it would have been really good for public policy in America.

BOB SCHIEFFER: What do you think, Governor Rendell?

GOVERNOR ED RENDELL: Well, we'll see. I-- I think the President did a real good job, both in the State of the Union on Friday in saying to the Republican Party, okay, here are core Republican principles on jobs, on energy, on fiscal restraint, now let's see if we're going to work together or are we going to make this year, just an election year of political fiasco.

And Bob, what was most discouraging about Friday, is after the invitation, after the President laid out these olive branches on nuclear power, offshore drilling. In thirty minutes, the

Republicans put out a press release ripping the President--the House Republican Caucus, that's not the way to get things done.

BOB SCHIEFFER: Let me ask all of you and I'll start with you Senator Thune, this whole business of anger out in the country of-- that we see the tea party business and all of that. Are those of us here in Washington, have we overestimated that? It-- are we making more of it than it is? What-- what do you make of it? And I'd like to hear from senator-- I mean Governor Granholm as well.

SENATOR JOHN THUNE: I think, Bob, that listening-- if-- if you're listening to the people in New Jersey, Virginia, and Massachusetts, that angst out there is real. And coming back to what Massachusetts was about, I think there are different interpretations of that. The administration says, well, we just need to retool our message. I think the message was we want to change directions. This thing is moving too fast toward more government. It wasn't a referendum on health care. It was about debt. And-- you know Governor Rendell mentioned the jobs bill that's paid for out of TARP. TARP is what it is. It's just more borrowing authority. People in this country are uncomfortable with the borrowing, the spending, and the taxing and the growth of government in Washington. And that's being reflected in the tea party movement and it's-- it was reflected, I think, in those elections in those three states.

BOB SCHIEFFER: Do you have any tea party people out in your state, Governor Granholm?

GOVERNOR JENNIFER GRANHOLM (D-Michigan): Oh, sure. I'm going to give my State of the State on Wednesday. They've already got a permit for their protest, but honestly there-- there's no doubt that the anger is real and it's white hot, and it's especially hot in places that have a hugely high unemployment rate but it's hot because of the jobs issue. It's not so much hot because of deficits.

Again if you ask people to rank what's most important to their lives it's having a job. Yes, the deficit is important, but having a job is much more important.

BOB SCHIEFFER: Governor Barbour.

GOVERNOR HALEY BARBOUR (R-Mississippi): Well, I do think that jobs, it is the most important thing. And as I say, I think a lot of people got angrier and angrier because they felt like Washington was focused on other things.

BOB SCHIEFFER (overlapping): But while you're talking about too much emphasis on purity, it-- I take it, you're not too happy about these tea party folks.

GOVERNOR HALEY BARBOUR: No actually, I am. They remind me of the Perot people in the early '90s who were disgusted with both parties. And our party has given people some things to be disgusted with, particularly in the areas of spending and deficits. I see these people as a catalyst for Republicans to get settled where they need to be. And I also see them as our allies. I think we as Republicans need to make sure they understand that we see them as our allies, that they're welcome in our party. And that's what the Republicans are doing and certainly should be doing everywhere in the United States with these tea party folks who are good folks.

BOB SCHIEFFER: I'll give Governor Rendell the last word here. What do you think--is this anger overstated?

GOVERNOR ED RENDELL: No, I don't think it's overstated but I agree with Governor Granholm. I think any time you've got an economy like ours and it may be the worst since the Great Depression, people are going to be angry. And that anger is going to be targeted to people who are in. So, I would say respectfully to Senator Thune, the guy who is sitting there and has been unemployed for eight months, he thanks President Obama for extending the unemployment benefits and stimulus. That's something you don't hear so much about stimulus, but he wants to know where his job is coming from, not what the deficit is going to be.

BOB SCHIEFFER: We could talk all afternoon and I'd love to, but we have to call a halt here. Thanks to all of you for being with us this morning.

We'll have more analysis in just a minute. And, in fact, we got a little unexpected analysis yesterday from the President himself when he took in the Georgetown-Duke basketball game here. And CBS play-by-play man Verne Lundquist had a question for him.

VERNE LUNDQUIST: You obviously are a left-hander.

PRESIDENT BARACK OBAMA: Yeah.

VERNE LUNDQUIST: Do you have any problems at all going to your right?

PRESIDENT BARACK OBAMA: You know, I went to the Republican House Caucus just yesterday to prove that I could go to my right once in a while.

VERNE LUNDQUIST: Thank you.

PRESIDENT BARACK OBAMA: But there's no doubt that I've got a stronger left hand. Listen--

(ANNOUNCEMENTS)

BOB SCHIEFFER: And we're back now with Anne Kornblut of the Washington Post who is author of the new book about the eighty-- or the 2008 campaign, Notes from the Cracked Ceiling; and Jim Vandehei, our old friend from Politico. You heard these governors. You heard the Senator. Boy, they seem happy, all of them, that the focus has shifted to jobs.

ANNE KORNBLUT (Washington Post): No-- no question about it. And I mean what we hear from the Democrats is really, I think, trying to make lemonade out of lemons from the Scott Brown race. They're saying we're going to put it back on Republicans. Now they have to cooperate. They're part of this governing process, and what we heard Governor Rendell do that I thought was so interesting was to really pick apart the jobs bill and say point by point, what exactly do you oppose in what we're talking about. And you know, we heard Senator Thune respond, well it's a question of funding and that might get a little confusing in the talking points. This is something that Democrats, I think, now in hindsight, wish they'd done on the health care bill, which was to explain it point by point, really call Republicans to account and say why are you against this. They're going to try it with the jobs bill now.

BOB SCHIEFFER: But-- but you know, Jim, I thought that Governor Barbour made quite an interesting point right at the beginning when we played the sound bite of the President saying, "Let's tone down the rhetoric. If we don't watch it, people will start believing this rhetoric."

JIM VANDEHEI (Politico Executive Editor): Right.

BOB SCHIEFFER: And he sort of made the point, well, President Obama talked about a lot of things, and there was a lot of rhetoric and his inference was, but-- but he didn't deliver on the rhetoric. And that's one of the things that has people upset right now.

JIM VANDEHEI: Right. And, I mean, let's be blunt here. There's no way that Republicans want to work with Obama on anything right now. They feel like they have political momentum that they haven't had in years. They feel that the polls are behind them. They look at Virginia, New Jersey, and then what we saw in Massachusetts, and they see that independents in almost every one of those races went two-thirds against-- against the Democrats.

They want to capture that. They want to be able to continue to draw clear lines between themselves and Obama and Democrats because they think they can realistically win back the House right now.

So even if they come out of that-- that meeting on Friday which I thought was one of the most fascinating political events we've seen in some time where Obama was-- was in there taking questions from House Republicans. Even if they come out and say, "Yeah, you know, we're willing to work together on a couple of issues," privately they say, "No way. We want to defeat them on each and every single issue, because that's our-- that's our passage back to power."

BOB SCHIEFFER: Well, let me ask you this, Anne. Do you think on the other hand that the Democrats really want to work with the Republicans? That they want to work with them on anything?

ANNE KORNBLUT: Well, I think they definitely want to be able to point to some more achievements going into 2010. I don't think they want to be able to be accused June or July of this year of having done nothing since the start of the year, since the State of the Union.

What was interesting in the polling, we saw in our Washington Post poll coming out of the Massachusetts race, is that voters were against what's going on but they still want government to do something. They don't want it to do nothing. And I think, excuse me, I think what we see now, the Democratic Party and Obama doing in that fascinating, you're right, absolutely fascinating visit to the Republicans on Friday and taking questions and saying, "I'm going to lacer you. You are in this with me. And you have to do something."

BOB SCHIEFFER: Well, if I recall your poll, sixty-five percent of the people who voted for Obama-- I mean for-- for Scott Brown--

ANNE KORNBLUT (overlapping): For Scott Brown.

BOB SCHIEFFER: --said they wanted him to work with Democrats to put Republican ideas in the legislation. Why wouldn't Republicans pick up on that and say, well, hey, maybe there's something in this for us here?

JIM VANDEHEI: Because they feel like, listen, we-- we're-- we're going to defeat him on health care which has been their rallying cry for the last year. And they want to continue to build off of that. I mean, this health care defeat that Massachusetts race to me was unbelievable. I've never seen such a shift in tone and body posture as we did after that race. You suddenly saw the White House rattled, Democrats rattled. You saw finger pointing. You saw everyone trying to cover their own back on this.

And now health care, which three weeks ago seemed inevitable, there was nobody in this town that wouldn't have bet a lot of money, if you were a bet man, that they would-- we'd have a health care bill. Now it seems virtually certain we're not going to have a health care bill that looks anything like the one that would have been signed into law a couple of weeks ago.

BOB SCHIEFFER: Do you-- do you think the heal scare-- health care, as we know it, I mean, the Senate bill is dead?

ANNE KORNBLUT: That would be a couple of weeks I think of discussion between the House and the senate about what they can do, which pieces of it they can do through reconciliation, it risky. But, at this point, the administration wants to move on to jobs. And I think that's the surest sign that that's what they're going to do.

BOB SCHIEFFER: Well--

JIM VANDEHEI (overlapping): Well, yes, there is on that bill-- there are a lot of negotiations still going on between Pelosi and Reid. They don't want-- they really don't want people to talk about it right now because they want temperatures to cool. And they still think there is an outside chance. The problem is and-- and Anne just hit on this, is that when you start to look at the procedures--how do you actually tactically get to that objective, it's virtually impossible to come up with the votes.

So I think what they'll end up doing is coming back and maybe trying to do this piece by piece, because if-- and Rendell got at this in his comments earlier, if you take the individual pieces, a lot of them are popular including with folks at the Chamber of Commerce and inside the Republican Party. It's when you put them together and you see what a monstrosity that can be that you start to see a lot of opposition. So, I-- pretty likely I think that they'll try to do some of the stuff in smaller pieces.

BOB SCHIEFFER: A-- and that's what I think people beyond the beltway find so hard to believe. Why can't you find the things that they agree on and pass that into legislation? But somehow it never seems to happen.

I want to shift to this trial of Sheik Khalid Mohammed. It was-- everybody thought it would be in New York, in Lower Manhattan just a short distance from ground zero. The mayor of New York said bring them on, he was happy to have it. And then all of a sudden now the administration is saying, well, maybe not so. And you've got even people like Chuck Schumer saying maybe New York is not the place to put this. Well, what's going on with that, Anne?

ANNE KORNBLUT: Well, it's been a fascinating unraveling. Back in November when Attorney General Holder made the announcement that they were going to do the trial here. You're right, it seemed like why not? This is the perfect place. They will bring him to justice--the self-confessed mastermind of the 9/11 attacks to justice here in New York. Very favorable for prosecutors to do it there of course.

But community groups, business leaders started to join in opposition. The governor of New York opposed it from the outset. And over the weeks there has been this opposition building really kind of a neighborhood grass roots effort that made its way up to the mayor who finally turned on it this past week. All along there have been Republicans who said, "No we shouldn't do this

in New York. We shouldn't be doing it in a civilian trial at all. There should be a military tribunal or we should be doing it in Guantanamo.”

So, you add those two forces together and there is nobody left saying we should do it in New York. Now, the administration insists no decision has been made, but it's almost impossible to see how the political forces could shift now.

BOB SCHIEFFER: I think it's fair to say, don't you, Jim, that maybe they haven't decided where they're going to put it because they don't know who they can get to take the thing but the fact is it won't be in New York.

JIM VANDEHEI: There's no chance it's happening in New York. And I think it's going to be difficult to do it in any other state because there will be a similar rebellion from lawmakers from every other state that doesn't want to have this circus and--

BOB SCHIEFFER (overlapping): Maybe they'll have to find some heavily-fortified island off the coast of Florida. Maybe that's where it will be.

We'll be back in a moment with some final thoughts.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally, there's been so much wonder expressed about the election of Scott Brown, I'm beginning to think that if it had happened in ancient times it might have been included in the Bible.

For sure, back then people were always looking for signs, and the politicians saw Brown's victory as more than just a sign. It gave them Old Testament-level shivers worse than Moses felt when he realized that burning bush was talking directly to him.

But was it more than that? I wondered. Did it herald a new Age of Miracles? Utter Brown's name and the waters part? Think about it.

Republicans tried for a year to kill health care reform. If Brown's victory didn't kill it in a second for sure it shoved it to the back burner.

And with great fanfare and the blessing of New York Mayor Michael Bloomberg, the administration planned to try the 9/11 mastermind Khalid Sheik Mohammed in lower Manhattan. But Brown railed against civilian trials for terrorists, and in an epiphany worthy of the road to Damascus, the mayor of New York suddenly wanted no part of the trial--too expensive.

The heavens also parted for the administration: No backdown on civilian trials yet, but it looks like the proceedings will be moved.

And when the President went to Baltimore and had a very adult debate on issues with Republicans--a debate that did both sides proud--I thought, stars above, maybe they are ready to work together. Well, silly me. An hour later that the partisan sniping and nastiness was going again full bore.

It's going to take a real miracle to stop that. But, we can hope.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And, we'll be back next week from the Super Bowl in Miami when we'll talk to the NFL commissioner Roger Goodell. Be sure to join us.