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



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TRANSCRIPT

HARRY SMITH: Today on FACE THE NATION, White House senior adviser David Axelrod and former House Speaker Newt Gingrich. President Obama makes an historic speech in Cairo, but will the two sides in the Middle East conflict come to the table? Can health care reform be completed by August? And what's the prognosis for the Supreme Court nomination of Sonia Sotomayor? Those issues and more for White House senior adviser David Axelrod.

Then we'll turn to former House Speaker Newt Gingrich to get his take on those topics and the future of the Republican Party.

But, first, White House adviser David Axelrod on FACE THE NATION.

ANNOUNCER: FACE THE NATION with CBS news chief Washington correspondent Bob Schieffer. And now, from Washington, substituting for Bob Schieffer, anchor of THE EARLY SHOW, Harry Smith.

HARRY SMITH: Welcome again to the broadcast. Bob Schieffer is off this morning.

Yesterday, we spoke with White House senior adviser David Axelrod, who was with President Obama in Paris. We asked him what made President Obama think that the Israelis were willing to stop building settlements and that Hamas would stop stockpiling rockets.

DAVID AXELROD (Senior White House Adviser): Well, that is the question, but the fact is that both sides have agreed in the past to take these steps. And it's obvious that the status quo can't hold.

And I-- I think one of the most heartening things about the speech was the kind of reaction that it got across the region, from-- from Arab leaders, from Israeli President Shimon Peres and others in Israel.

HARRY SMITH: (Overlapping) But not from--

DAVID AXELROD: I think people are hungry for progress.

HARRY SMITH: (Overlapping) --but not from-- but not from Bibi Netanyahu.

DAVID AXELROD: No, the government put out a supportive statement, and we were appreciative for that. But, look, there's no doubt, these are difficult issues, Harry. If they were not difficult, they would have been solved long ago.

HARRY SMITH: Right.

DAVID AXELROD: The President, though, is committed to pushing this process forward. And that's why he's invested so much energy in this, and -- and he'll continue to do so.

HARRY SMITH: Which is the question, then: How does the President force their hands? Because, right now, there really are no real signs, current signs that either side has exhibited that makes them look like they want to hammer out an agreement.

DAVID AXELROD: Well, I don't know that that's so, Harry. I think that there's no doubt that there's resistance on both sides to some of these difficult issues, but that's what negotiations are all about.

Senator Mitchell is returning to the region next week to meet with the parties again and others who might have influence. And -- and we hope through that will come -- come progress.

But one thing is clear--the President has talked to leaders in the region on this trip. He's talked to European leaders both in Germany and in France. And there's unanimity of opinion that-- that this process has to move forward. And-- and we're going to try and build on that momentum.

HARRY SMITH: One of the other things the President talked about in that speech, among many topics, was the notion that the war in Afghanistan was a war of necessity, that the war in Iraq was a war of choice, especially coming on this day of commemoration of-- of D-Day, the 65th anniversary of the-- the allied invasion.

Were the lives-- American lives lost in Iraq worth it? Were the Iraqi lives worth it?

DAVID AXELROD: Harry, I think any time someone serves their country it-- it is an honorable thing, a worthwhile thing. And I-- the President said in the speech that Iraq is better without the tyranny of Saddam Hussein. So, yes, the answer to that is yes.

Was that the right choice to make at the time given all the factors involved? The President's spoken on this. This has been a heated debate in our country, and I suspect it will be debated for some time.

We are now in the process of winding down that war. And-- and we want to focus on dealing with the situation in Afghanistan, which is where the threat against the United States emanated from in the first place on September 11th.

HARRY SMITH: Let's talk about a story in Saturday's New York Times about the notion that defendants in military tribunals, particularly those involved in the 9/11 attacks, be allowed to plead guilty, face the death penalty, and avoid trial. Is the White House pushing for this?

DAVID AXELROD: Harry, I saw that report. I wouldn't-- I wouldn't draw too many conclusions from that. I know the President hasn't any-- made any such decision; there are still discussions going on about how to proceed. And when the President makes his decision he will-- he will announce it. So, you know, I-- I would not go much farther than that.

HARRY SMITH: Is it a possibility?

DAVID AXELROD: I think there are grave concerns that have been raised before about this, giving people a chance to martyr themselves, essentially.

HARRY SMITH: Right.

DAVID AXELROD: But I'm not going to enter into that-- into that discussion. Let's wait and see what the President decides on this issue.

HARRY SMITH: All right. Health care reform, going back on the agenda, President talked about it in his weekend address. In order to make this work, will the federal government have to go into the insurance business?

DAVID AXELROD: Well, I think that the President and many others believe that the availability of a public option alongside private options for people who need health care is-- is a positive thing. It will create the kind of additional competition that will help lower prices and give consumers a better-- a better deal.

So I think that he is-- he is going to promote that as part of his plan. These discussions are ongoing.

HARRY SMITH: And you know Republicans, by and large, absolutely opposed to this. Will health care reform happen without Republican participation?

DAVID AXELROD: Well, look, we want-- everyone should be interested in health care reform. Health care costs are crushing families, crushing businesses, and ultimately it will crush the federal-- the federal

budget. As we've seen, these costs are growing way above the rate of inflation and have been for a very long time.

So we need health reform. I think the American people know we need it. And I would hope the people in both parties would get together. I was encouraged by Senator Grassley's comments in the last few days suggesting that he thought we could get there.

So I think we'll-- we'll be able to build bipartisan support for it, but we have to move forward with it. I think it is a critical situation for the country and our economy and our future.

HARRY SMITH: Realistically, though, won't it end up costing money? The President doesn't want it to cost money, but some people say it will cost trillions, even over the short term.

Fed Chairman Ben Bernanke said this week--he told Congress it's time to restore fiscal responsibility. He's afraid that this growing U.S. debt will eventually overwhelm the economy. Can health care be done on the cheap? Can it be done without spending trillions of dollars?

DAVID AXELROD: Well, Harry, first of all, let's be clear. If we don't do health care reform, if we don't get costs under control, if we don't reform the system, then we will have a fiscal disaster in the future. And that's one of the reasons why the President feels so strongly about it.

There will be some front-end costs, but he's put cost savings on the table that will help offset some of those. And our goal in the long run is to bend down those deficits to reduce the costs and to make this deficit neutral through the process.

HARRY SMITH: Do you think this will get done this summer?

DAVID AXELROD: I really do. I think there's a sense of urgency about health care reform. As I said, every family knows. They've seen their premiums double in the last-- in the last decade. They've seen their deductibles grow. They're paying more for less. And-- and businesses are feeling it, particularly small businesses, but all businesses. And we see it in the government in the-- in these climbing deficits.

So I think that there is a consensus that something has to be done. And I think -- unlike 1993, Harry, when there was a solid opposition on the-- in the business community, in the insurance community, and so on, you don't see that now. You see coalitions, broad recognition for change. So I do think it will happen this summer.

HARRY SMITH: You have seen some cooperation, but the insurance industry does not want to see the federal government go into the insurance business.

I want to move on to Judge Sonia Sotomayor. Much of the criticism of her nomination has been based on the idea that she may represent a view that basically says, some Americans are more equal than others or are due better treatment based on past discrimination. Do you think she believes that?

DAVID AXELROD: I think what she believes, Harry, is that you-- that everyone is the product of their experiences and she's the product of hers. Have there been patterns of discrimination in the past? Of course there are-- there have been. We all-- we all know that. But Judge Sotomayor's story and her record is really a triumph. It's really a great American story. You know, she-- we all know it. She started in the south Bronx, didn't speak English as a young woman, ended up at the top of her class at Princeton, at Yale Law School, and ended up being a prosecutor, a very successful prosecutor in New York, a commercial litigator, a very successful commercial litigator, and then for seventeen years a judge--a trial judge, an appeals court judge.

No one has brought this measure of qualifications to the court before. And I think that's what people should look at in making this decision.

HARRY SMITH: So the criticism of her being a racist or even a reverse racist, unfair?

DAVID AXELROD: Well, I was gratified that Speaker Gingrich, who I gather is also on your show, withdrew that comment. I think it was an unfortunate comment. I think that it's so unfair and so unreflective of who she is.

And I think people should take a look at her record as a prosecutor and as a judge and then they can make their judgments about her. I think what they'll find is she's-- she's fair, she's thorough, and she's well suited for the court, as people from the conservative, moderate and liberal legal communities have all agreed.

HARRY SMITH: New jobless numbers came out this week. Economy is still hemorrhaging hundreds of thousands of jobs every month. Unemployment rate is now at the highest it's been in twenty years. Your critics will say that this shows that the stimulus has, in fact, not worked.

DAVID AXELROD: No, I don't think that's true, Harry. The President was very clear when he enacted the stimulus that it was going to take some time to work through the system and that unemployment was going to go up and go up for some time.

The-- the hopeful thing about those numbers was that the job loss in the last month was considerably less than it had been in previous months and considerably less than had been expected. So hopefully this momentum is slowing down and will begin to turn those numbers around. There are signs of progress.

But until we get those numbers turned around, we're-- we're going to work as hard as we can. The stimulus itself has produced hundreds of thousands of jobs and-- and projects all over this country. And it is just gaining momentum now. So I believe that it will be part of that solution as we-- as we proceed through the next few months.

HARRY SMITH: All right, final question. In the weeks or days to come, will the President have to go back to Congress for more stimulus money?

DAVID AXELROD: Well, let's see how this stimulus-- again, a lot of the stimulus money is now working its way through the system. So I wouldn't prejudge that at all. I think that the full impact of this stimulus is yet to be-- is yet to be felt.

And, again, there are signs that the economy is improving. We're not in any way satisfied with where we are. And, you know, it took years to get to the situation that we're in. It's going to take more than a few months to turn it around. But at least it's beginning to show some-- show some signs of turning around. And I think the stimulus we have now, again, will help promote that progress.

HARRY SMITH: David Axelrod from Paris. Thank you very, very much for taking the time to speak with us.

DAVID AXELROD: Good to be with you. Thank you.

HARRY SMITH: We'll be back with Newt Gingrich in a moment.

(ANNOUNCEMENTS)

HARRY SMITH: With us now in the studio, former House Speaker Newt Gingrich.

Good morning.

NEWT GINGRICH (Former House Speaker): Good to be with you.

HARRY SMITH: Let's talk about Sonia Sotomayor and what you said about her. You rescinded.

NEWT GINGRICH: Well, I reframed it. When I did a Twitter about her, having read what she said, I said that was racist, but I applied it to her as a person. The truth is I don't know her as a person.

It's clear that what she said was racist, and it's clear--or as somebody wrote recently--racialist, if you prefer. And it's clear that she didn't just say it once.

And I think one of the challenges for the administration is, having first chided me for language, then having said she didn't mean it, and then having said she ought to restate it, now they face the fact that she has said this, written about it four or five times.

HARRY SMITH: So her -- so her language is racist?

NEWT GINGRICH: The language she used-- well, if you say, "People of this ethnic background are superior to people of this ethnic background," just take out her language and put in the word "white."

SMITH: Right.

GINGRICH: Put in "white male" where she had "Latina," and that person would be-- frankly, be disqualified from the court. It also would be disqualified as a-- as a juror.

HARRY SMITH: If you went on and read the rest of what her comments were in that -- in that same speech, she also said, "We must not deny the differences resulting from experience and heritage."

NEWT GINGRICH: Right.

HARRY SMITH: Would you agree about that? But attempt, as the Supreme Court suggests, to continuously judge when those sympathies and prejudices are appropriate.

NEWT GINGRICH: Right. But if you read the total document and you read other things she's written at Duke and elsewhere, she consistently says, one--

HARRY SMITH (Overlapping): Do you think this disqualifies her?

Newt GINGRICH: I think that it's-- it's very doubtful, because-- I think she was a good prosecutor. I think she was an acceptable district court judge.

But, remember, but lower levels, judges aren't in a position to live out whatever their prejudices are because they're bound by the Supreme Court. If she's one of nine people with a lifetime appointment-- and you read what she said. She said the court should be radical, the court should-- should, in effect, rewrite law. "The courts are where policy is made," that's a direct quote. I'm not very comfortable having somebody at that level with that level of power as a Supreme Court justice.

HARRY SMITH: There's this growing, even preponderance of opinion, though, from people who are conservative and moderate, who have served in court with her, lawyers, even other judges, who say her opinions basically are without bias.

NEWT GINGRICH: Her opinions at lower-court levels are bounded by the Supreme Court. The question is-- I mean, maybe she didn't mean anything she wrote, in which case you have to wonder why she wrote it.

But in article after article and speech after speech, she has said policy should be made by the court, the court should radically rewrite legislation and modernize the Constitution, judges have to intervene on social policy. And she has said on four or five occasions that the experience of one group of Americans is superior to the experience of other Americans.

HARRY SMITH: Well, the court in its history has always had a place for-- eventually there was a Catholic seat, there was a Jewish seat, there were seats for different kinds of people. Should people be denied places on the-- on the court?

NEWT GINGRICH: Well, had-- had the first Catholic nominee said, "Being Catholic--

HARRY SMITH: (Overlapping) I hear what you're saying, right.

NEWT GINGRICH: --is a superior experience, and therefore a Catholic judge is superior to a Protestant judge."

HARRY SMITH: (Overlapping) Let me just -- right, let me...

NEWT GINGRICH: I think they would have been withdrawn as a nominee.

HARRY SMITH: All right, well, let me jump to this then. Is this a fight the Republicans should take and take all the way to the walls?

NEWT GINGRICH: This is-- this is a solemn obligation of one hundred senators in both parties to render judgment on whether a lifetime appointment to be one of the nine people who interprets the Constitution should go to this person. I think-- it's not yes or no in terms of picking a fight. It's, you have to decide on the Ricci case, for example, where people who had taken a year of their life to study--

HARRY SMITH: (Overlapping) This New Haven firemen's case, right.

NEWT GINGRICH: --the New Haven firemen, who did everything according to the rules, and then she accepted the fact that, for-- for clearly racial quota reasons, they shouldn't be promoted.

HARRY SMITH: Well, and some people would say, well, that's the appellate court's job is to-- you either say yea or nay. And some people would say that was the appropriate response to that lower court.

NEWT GINGRICH: And I think that's an important national debate.

HARRY SMITH: Lots of other things to talk about this morning, if you will. A story in the Times on Saturday about giving certain detainees the option of pleading guilty, especially in terms of the death penalty, to-- to the capital crimes of like 9/11. Should these people be given the opportunity of pleading guilty and ba-- basically foregoing a tribunal?

NEWT GINGRICH: Well, if somebody walks in and pleads guilty I'm not quite sure how you avoid-- I mean, at that point, what-- what is that we try him for.

HARRY SMITH: Well, it ends up avoiding the trial.

NEWT GINGRICH: But what is it -- if somebody says, "I am guilty. Go ahead and sentence me,"--

HARRY SMITH: (Overlapping) Right, well, they also get--

NEWT GINGRICH: (Overlapping) I'm not sure what-- I'm not a lawyer, so maybe I'm missing the--

HARRY SMITH: All right. They also then obtain martyrdom.

NEWT GINGRICH: Somebody who's desperate to be a martyr probably can achieve that. I mean, you know, the truth is-- and this is what people who worry about Guantanamo don't want to accept-- if we let them go, they'll go back to obtaining martyrdom by trying to be suicide bombers.

HARRY SMITH: Let's move on to some other things. White House this morning is apparently contemplating putting North Korea back on the terrorist list. Short of further sanctions, what can be done about this country?

NEWT GINGRICH: Well, and I actually think that's a good step in the right direction. And I-- I was delighted to see that they are responding to North Korean threats with a serious proposal.

In the long run we're going to have to find a strategy that uses diplomatic and economic means to replace the current dictatorship. I mean, this is-- this is an inevitably terrifying dictatorship that is desperately trying to get enough nuclear weapons--

HARRY SMITH: (Overlapping) Right, they have missiles. They have--

NEWT GINGRICH: --to blackmail the region.

HARRY SMITH: And they have historically sold to whatever-- whoever has the cash to buy them.

NEWT GINGRICH: Well, and they may use them. I mean, remember, this guy is totally-- Kim Jong-il is about as isolated from reality as anyone on the planet.

HARRY SMITH: And this country, could-- could it be any more isolated? Is there anything beyond these sanctions?

NEWT GINGRICH: Oh, the Chinese can coerce them any morning they want to. The Chinese provide the food. The Chinese provide the heating oil. The Chinese are sustaining them. The Chinese like them as a way of dividing Korea and threatening Japan. No one should kid themselves.

HARRY SMITH: So China is the key? If you get China on board.

NEWT GINGRICH: The morning China decides to do something about North Korea, they will change overnight.

HARRY SMITH: Let's talk about the future of the Republican Party a little bit. A lot-- that's been a subject of magazine covers and a lot of conversation for the last couple of months. Who's the most real Republican, you, Dick Cheney, Sarah Palin, Colin Powell, Rush Limbaugh?

NEWT GINGRICH: Oh, all of us are. So is Mitt Romney. So is Bobby Jindal. So is Governor Lindle-- Lingle of Hawaii. So, I mean, look--

HARRY SMITH: (Overlapping) Is there room for moderates in the Republican Party?

NEWT GINGRICH: Yes. I am-- I am a Reagan Republican. Reagan believed in a very broad base. He always talked about "my fellow Republicans" and those independents and Democrats who want a better future. A third of his vote were Democrats.

Here's my simple test for Republicans. In California, a state which voted sixty one percent for Obama, two weeks ago, sixty four percent of the state voted against higher taxes and more spending in Sacramento. Not a single county voted for it, which means a majority of San Francisco voted against higher spending and more taxes. Now, are Republicans--

HARRY SMITH: (Overlapping) Well, I don't know if that's--

NEWT GINGRICH: (Overlapping) No, but my point--

HARRY SMITH: And you have a Republican governor who is sitting there saying, "I have a budget of some billions and billions and billions of dollars that I can't even begin to figure out how to-- how to compensate for."

NEWT GINGRICH: Right, which is a sign of how bankrupt Sacramento is. My point is this, though. If you're thinking about a future Republican majority, you now have sixty four percent of California that's potentially your ally. But that would mean you'd actually go to San Francisco and have a happy, positive meeting focused on taxes and spending. Now, I think Republicans--

HARRY SMITH: (Overlapping) This is -- this is the Pollyanna in you. But just the fact is, is that this-- there's a brand-new Gallup poll that Mostly white, older, very religious, just almost demographically the future of the party can't just be based in those folks.

NEWT GINGRICH: But I just said, I'm happy to say, let's base it on sixty four percent of Californians, many of whom are younger minorities, would represent a very diverse party overnight. And -- and -- and go back and look at Reagan in '79: 21 percent of the country was Republican in 1979. Reagan defeated Carter decisively a year later because he was open to everybody who was unhappy.

HARRY SMITH: Well, but you also have a voice of ideological purity out there that, unless people kowtow to--

NEWT GINGRICH: Yes, shrug them off.

HARRY SMITH: Shrug them off?

NEWT GINGRICH: None of them-- Reagan shrugged them off. Reagan was frequently attacked. I talked to Michael Reagan the other night, you know--

HARRY SMITH: (Overlapping) Right.

NEWT GINGRICH: --Governor-- President Reagan's son, who pointed out that Reagan had done all sorts of things that were deviances from the conservative purity, but people knew in general he was a conservative and people accepted that he was as a conservative. And he built a very broad coalition.

HARRY SMITH: So your advice to other Republicans is shrug off Rush Limbaugh?

NEWT GINGRICH: My-- my advice is that-- that Colin Powell is a great American. I'm proud that he's Republican. And, you know, Dick Cheney is a great American. I'm proud he's Republican. I'm glad both of them are Republicans.

HARRY SMITH: There you go. Very quickly, health care coming soon to a neighborhood near you.

NEWT GINGRICH: Well, the New York Times let out the cat this morning. A health ward to ration health care so the government will decide whether or not you live, and very severe restrictions on health care, and a government plan so the government can not only take over and run the whole system. If you think the government can't run General Motors, why would you think they can run health care?

HARRY SMITH: And a government-sponsored insurance company, too.

NEWT GINGRICH: It's just the first step towards a national health system. I mean, they will absolutely use that model to get to a-- to destroy all the insurance companies and get to a national health system.

HARRY SMITH: Is that-- is it inevitable?

NEWT GINGRICH: No, I don't think so.

HARRY SMITH: Well, there certainly are Republicans-- are there enough Republican votes to-- to stop it?

NEWT GINGRICH: No, I think-- but I think when the average American looks at the idea that we're going to have a government bureaucrat decide whether you get, or your daughter, or your granddaughter gets the treatment you need, if you look at the death rate from breast cancer in Great Britain and the death rate from breast cancer here, I don't think that's a model we're going to accept.

HARRY SMITH: You have said that you will decide whether or not to run for president in 2011. What would be the most important factors in that decision?

NEWT GINGRICH: The first factor would be whether Calista and my daughters and son-in-laws and my two grandchildren agreed. The second big factor would be, is it practical? Is it realistic? And the third would be, do we have a message that unifies the country and that enables you to offer an alternative vision of a successful America?

HARRY SMITH: You know better than anybody it's one thing to run, it's another thing to govern.

NEWT GINGRICH: Absolutely.

HARRY SMITH: Would the running be worth it?

NEWT GINGRICH: I wouldn't run unless I thought we could govern. I mean, I -- I founded American Solutions because I think you've got-- there are five hundred and fourteen thousand elected officials in America. And I think unless you can get a wave of change that the President by himself or herself can't effect the scale of change we need to compete with China and India.

HARRY SMITH: All right, Newt Gingrich, thank you very much. Good to see you.

NEWT GINGRICH: Good to be with you.

HARRY SMITH: We'll be back in a moment.

(ANNOUNCEMENTS)

HARRY SMITH: That's our broadcast. Bob Schieffer will be back next Sunday. I'll see you tomorrow morning on THE EARLY SHOW.

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