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

CBS News

FACE THE NATION

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Victory 2008 Chair

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BOB SCHIEFFER, host:

Today on FACE THE NATION: It's only June, but the general election has begun in earnest with charges and countercharges from both campaigns.

First Senator McCain, the Republican, changed his position on offshore drilling; he's now for it. Then the Democrat, Barack Obama, changed his position on taking public financing for the presidential campaign; he won't take it nor will he accept the limits on spending that go with it. Both campaigns are fighting over who can deal best with terrorists. How is all this going to affect the campaigns? We'll hear from McCain adviser Carly Fiorina, who's becoming his most visible surrogate, and New Mexico Governor Bill Richardson, one of Barack Obama's top supporters. We'll analyze the week's political news with John Harris of Politico and I'll have a final word on Paris and what the French do best.

But first, the campaign has begun and how, 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.

SCHIEFFER: And good morning again. Well, joining us this morning from San Francisco, Carly Fiorina. She at one time was called the most powerful businesswoman in America when she was the head of Hewlett-Packard. And from Santa Fe, New Mexico, Governor Bill Richardson, one of the top advisers now to Barack Obama.

Welcome to both of you.

Well, summer's here. This is the season of flip-flops, but suddenly we're not talking about footwear, we're talking about politics. I want to talk first about Barack Obama and his decision, Governor Richardson, not to accept public financing for the general election. What that means is that he will not accept the limitations on spending that come with that. It would seem to me, Governor, that that decision goes against the very core of why Barack Obama decided to run for president. He was going to be the one who changed things in Washington. He was going to be the one who was for reform, for doing it a better and a different way. And suddenly here we go, he's saying, 'Look, I've got this great ability to raise money so I'm not going to take limits on campaign financing.' Why'd he do this?

Governor BILL RICHARDSON (Obama Supporter): Well, what Barack Obama has done is in the spirit of reform of the public financing system. Look at these statistics, Bob. He takes no money from...

SCHIEFFER: Well, that--I mean...

Gov. RICHARDSON: ...from--no, I mean this.

SCHIEFFER: He says, 'I'm not going to do it'...

Gov. RICHARDSON: He...

SCHIEFFER: ...and that's in the spirit of reform? Now, really, Governor.

Gov. RICHARDSON: Well, let me finish. Here's the point. He has 1.5 million contributors. Significantly--90 percent under--the average is \$88 per contributor, \$88. Here we have somebody that takes no money from registered lobbyists, from PACs. I mean, that's reform.

Now, what Barack said is that if it could be worked out with Senator McCain, public financing system guidelines for the fall, we would do it. But look at--look what Senator McCain has done. He started out with public financing in the primary, then he flip-flopped. Now he's back for public financing. And what we have now is he's had since February, nearly five months with the private finance system. I'd say that he is the flip-flopper.

SCHIEFFER: All right, well, I'm going to give Ms. Fiorina a chance to respond to that. But first, look, this is what Barack Obama said about seven weeks ago. Listen to this.

Senator BARACK OBAMA: (Courtesy: Fox News Sunday, 4/27/2008) I would be very interested in pursuing public financing, because I think not every candidate is going to be able to do what I've done in this campaign and I think it's important to think about future campaigns.

SCHIEFFER: So what he has done is directly the opposite of what he said he was going to do. Now, Senator McCain says this is a big deal, Ms. Fiorina. What--what's your response here?

Ms. CARLY FIORINA (Republican National Committee Victory 2008 Chair): Well, I think the record is pretty clear that Barack Obama has, in fact, said all along that he would accept public financing and now he's changed his mind. He certainly has the right to do that. But just speaking for myself, what I find a little disingenuous, I must say, is to blame that on the fact that, for example, there are 527s gearing up to attack him. The truth is there are more 527s gearing up and currently attacking John McCain than exist to attack Barack Obama. So I think the point is he raised a lot of money and he wants the opportunity to spend all that money. That's his right. But it clearly is a change in his position.

SCHIEFFER: Well, so how do you respond to that, Governor? Because the fact is he did raise a lot more than John McCain. He's now talking about raising as much as \$200 million for the fall campaign. He raised 265 million during the primaries, McCain only raised 96. Hasn't he just suddenly realized, for whatever he said in the past, that he's got a big advantage over John McCain and he's going to try to do that?

Gov. RICHARDSON: No. Bob, you and I have been around a long time and you know that when we started these efforts to reform public financing the objectives were get the PACs, the special interests, out of the system; secondly, get the registered lobbyists out of the system. Go after small donations, go after individuals in a large quantity. This is what Obama has done. He's a phenomenon in this respect. Nearly two million contributors, many through the Internet. Donations--average donation \$88, 91 percent under \$100. No registered lobbyists. He's also said he's discouraging what Ms. Fiorina mentioned, the 527s, the--those nebulous groups that raise money and have no limitations. Senator McCain is still taking that money. He's still taking lobbyist money, he's taking PAC money. The Republican National Committee is flush in that kind of...

SCHIEFFER: Well...

Gov. RICHARDSON: ...in that kind of resources. But also, he's encouraging these 527 groups to go after Senator Obama and basically wink at him and say, 'Look, go after his record. I'm not going to do it. I'm going to be the good guy.'

SCHIEFFER: That--now, is...

Gov. RICHARDSON: That's not reform.

SCHIEFFER: Ms. Fiorina, is that the case? Is he encouraging 527s, these groups--these independent groups to go after Barack Obama?

Ms. FIORINA: No, it's not the case. The facts are completely different than Governor Richardson is describing them. In fact, John McCain is on the record as having asked a couple of 527s to stand down. And it's been well documented just in the last week that there are far more 527s gearing up and already announcing, for example, they're going to spend \$53 million to attack John McCain. Moveon.org is the one I reference. The reality is that Barack Obama made this decision because he's raised a lot of money from all kinds of sources and he wants the opportunity to spend all that money. That's fine, that's his right to do so. But I really--I'll go back to my original point. I think it's disingenuous to say that he's doing so in the spirit of reform. No one has invested more in reforming public finance than John McCain. He was a co-author and co-sponsor of McCain-Feingold; not a perfect bill by any stretch of the imagination, but John McCain is a man who has a long track record of reaching his hand across the aisle and focusing on reform.

SCHIEFFER: All right. Well, let's shift to John McCain and what he did last week, and that was John McCain has always been against drilling offshore for oil, suddenly he's now for it. That's kind of a flip-flop, too, isn't it, Ms. Fiorina?

Ms. FIORINA: Well, you know, I think a good leader is influenced by the facts on the ground, whether those facts are in Iraq or whether those facts are right here in the United States. And the reality is we have never before faced a situation where a gallon of gas is over \$4 and is likely to remain over \$4. We've never before faced a situation where the price of a barrel of oil has doubled in the last 12 months. And so what John McCain has said is that we now need to take control of our own energy future. And that involves, among other things, tapping our own resources, whether that's clean coal or natural gas--Barack Obama would tax coal and natural gas--or whether it's approaching the subject of offshore drilling in a sensible way. He would continue to maintain that ANWR is a pristine wilderness that shouldn't be touched. But we have very sizeable reserves of oil off our shores and now is the time for us to take control of our own energy future. We must. It's a matter of economic security, national security and environmental security as well.

SCHIEFFER: All right. Let's give Governor Richardson a chance to respond to that.

Gov. RICHARDSON: Well, I was energy secretary and I can tell you that every bipartisan administration has opposed offshore drilling for pristine reasons, the ecosystem, but also the fact that you're not going to get any of this oil out offshore for the next 10 years and prices won't go

down till the year 2030 according to the Energy Information Agency, which is part of the Department of Energy.

Now, secondly, what we have here is Senator McCain is basically following the policies of George Bush: drill, drill, drill. Now, the oil companies have millions of acres of leases in America and continental US that they need to drill in, but we lead a long-term solution and face the facts, and that is renewable energy, that is fuel conservation, 50 miles per gallon fuel efficiency. We need dramatic efforts to promote conservation, we need dramatic efforts to generate new technology in the areas of solar wind and biomass. The solution is not drill, drill. Look at the price of oil, \$140 per barrel. I was just in Europe, where they estimate that the president of Gazprom, the Russian natural gas agency, says it could go to \$250 a barrel. So we need to shift away from this drill, drill, drill philosophy into new sources of energy, conservation, fuel efficiency, dramatic efforts to develop new sources of energy: natural gas, maybe even look at nuclear, find ways that we can have carbon clean coal technology. But not just drill into pristine areas like ANWR in Alaska, like offshore in California and Texas. Ask the people in those states if they're for that. They're not.

SCHIEFFER: All right. A quick response, Ms. Fiorina?

Ms. FIORINA: Well, first of all, John McCain believes it is the state's decision. Secondly, the 2005 energy bill which gave oil companies lots of breaks, Barack Obama voted for it, John McCain voted against it. And finally, I completely agree, we need short-term, medium-term and long-term solutions. John McCain has been an ardent advocate of nuclear power, green technology. He has a bipartisan bill on cap and trade because for five long years he has said global warming is a threat to the planet and America needs to take a leadership role. But we also have to be realistic. We cannot take control of our own energy future by only relying on these new technologies. Although we must very much motivate investment in those new technologies, we also must rely on nuclear, we must rely on clean coal, we must rely on natural gas and, yes, we must rely on our own reserves of oil as well.

SCHIEFFER: All right. We're going to take a quick break here and continue this conversation in one minute. We'll be back.

(Announcements)

SCHIEFFER: Back now with Carly Fiorina and Governor Bill Richardson.

I want to ask both of you about this proposal Senator McCain made for a series of town hall meetings around the country, just Barack Obama and John McCain. Ms. Fiorina, where is that right now? Do you think that's going to happen?

Ms. FIORINA: Well, at this point that ball is in Barack Obama's court. John McCain will continue to hold a venue once a week. He proposed doing this once a week for 10 weeks. There has been a lot of support this--for this idea across the editorial pages of the great newspapers in America, as well as the American citizens. The idea is basically for these two people who are running for president of the United States to speak to the American people directly without any, you know, moderators or canned questions; just to take questions from the audience and respond.

SCHIEFFER: We'll, let's...

Ms. FIORINA: So we'll see what Barack Obama chooses to do with that proposal.

SCHIEFFER: What is he going to do, Governor? Have you heard anything on that?

Gov. RICHARDSON: Well, I think Senator Obama has said he's very well disposed toward doing this. Town hall meetings--you know, he's had more town hall meetings himself than any candidate in history. He believes in the give and take. He and Senator McCain have a good relationship personally. I think it's the kind of event that the American people would benefit from, other than those very stodgy debates that we seem to have that are well canned. I think these are the kind of events that should happen. The differences are this: Senator McCain came out and said, 'We're going to have four, they're going to be in these cities on these topics.' I think this is something that needs to be negotiated among the campaigns. But I think you'll see a series of town hall meetings in some fashion. But, you know, this is not something that Senator McCain should dictate. It should be jointly agreed to by the campaigns.

SCHIEFFER: Let me ask both of you about a problem that both these candidates seem to have, and that is women and are they going to support these candidates? Barack Obama had a little problem in the primaries, Senator Richardson. What can he do now to get women to swing behind him the way they did for Hillary Clinton? Can we expect anything new and different on that front?

Gov. RICHARDSON: Well, obviously there's a very strong rapprochement that has taken place with Senator Clinton. I think you saw many of those women--this was a historic candidacy of Senator Clinton. They very much moved in that direction, I think, as the campaigns worked together. But, you know, Senator Obama has a long record in terms of women business advancement. He's for choice. And, you know, Carly Fiorina just last week in Newsweek said that John McCain was overturn Roe vs. Wade, yet a year ago John McCain said differently to The New York Times in February of '07. Maybe Ms. Fiorina can explain that flip-flop. But I think you're going to see Senator Obama across the board reach out to women voters, talk about his tax cuts for working women, talk about his tax cuts to promote women businesses, talk about his efforts to...

SCHIEFFER: OK.

Gov. RICHARDSON: ...have substantial number of women in his administration.

SCHIEFFER: Let's give Ms. Fiorina a chance to respond to both those questions. And why should women vote for John McCain, anyway?

Ms. FIORINA: Well, first let me just say that neither candidate should take a woman's vote for granted. Women represent 52 percent of the voting public. Women start businesses at twice the rate of men and small business is the engine of growth in this economy, it produces about 70 percent of the economy's jobs. So no one should take a woman's vote for granted.

Secondly, I would say that John McCain will talk to women about the issues that matter to women, whether that is the economic health of this nation, whether it's energy, whether it's health

care, whether it's education. I know a lot of women who are pro-choice who support John McCain, I know a lot of women who are pro-life who support John McCain, because women are not single-issue voters. They are going to vote based upon who they think will make the best leader for this nation. There are a lot of women who are concerned about these two candidates' positions on the Middle East, on the war in Iraq. So I think we have an opportunity to speak to women. And John McCain and those of us who support him will be speaking to as many women as we can over the coming months.

SCHIEFFER: Let me just ask you this. Do you think, Ms. Fiorina, that he would consider putting a woman on the ticket? Because you're showing up in a lot of places and getting a lot of exposure. People are starting to say--would you be interested in being on the ticket? Do you think you're being considered?

Ms. FIORINA: Well, first, anyone would be honored to serve John McCain and I would as well, but he will have a long list of highly qualified people to choose from. I am out advocating for John McCain because I think he is the best person for the job and I truly believe that if we are striving for a gender-blind, color-blind society, which I think is the highest level of democracy that we can achieve, then we should put the best person in the job. I think Hillary Clinton and Barack Obama are both historical figures. I am proud as an American that they achieved this level of success in politics. But I think John McCain will make a better president and I hope that I can convince many people, women included, of that case.

SCHIEFFER: All right. Well, thank you both very much for being with us this morning. We'll see you later on down the campaign trail.

We'll be back in just a minute now with our campaign quick check and John Harris of Politico.

Ms. FIORINA: Nice to be with you both.

(Announcements)

SCHIEFFER: With us now for a campaign quick check: John Harris, the editor in chief of Politico.

Well, John, what did you think? We had two potential vice presidential running mates there.

Mr. JOHN HARRIS (Editor-in-Chief, Politico): They seemed to squirm around that question a little bit.

SCHIEFFER: Yes.

Mr. HARRIS: Obviously, I think they both would be very interested. Bill Richardson, no question about it.

SCHIEFFER: Mm-hmm.

Mr. HARRIS: Carly Fiorina, we're seeing a lot more of here in a political context...

SCHIEFFER: Mm-hmm.

Mr. HARRIS: ...the last couple of weeks. She's really become one of the top Republican proxies.

SCHIEFFER: Mm-hmm.

Mr. HARRIS: She'd be a very interesting choice if John McCain is looking to think outside the box. The one shadow on that is, of course, her record at HP was shadowed by controversy and some people said a very mixed performance.

SCHIEFFER: Mm-hmm.

Mr. HARRIS: But if John McCain is looking to not follow the conventional course, I'd say she would be on that--on that list.

SCHIEFFER: Who else do you think he's thinking about?

Mr. HARRIS: We're still in the power game mode of this, you know, because really, who the heck knows? There's really only two people that honestly know what they're thinking.

I think one way we have to look at this is if John McCain says, 'Look, by playing it safe, just relying on traditional advantages that Republicans have in the electoral college, I can win,' then you're looking at some conventional, some might even say boring, choices. Tim Pawlenty from Minnesota, very conventional, probably pretty safe choice. Two white guys on the ticket, that's a very familiar formula. If he says, 'Wait a minute, the Republican brand is in such tatters and there's such concerns'--frankly, his age is proving to be a big liability in the polls--he says, 'I got to shake it up, I've got to do something different,' then I think you would be looking at unconventional choices. Maybe he would go to Joe Lieberman, you know, who's--is popular with independents and has proven that. Maybe he would look to somebody like Mike Bloomberg, if Bloomberg could ever be persuaded to get in the race, or Ms. Fiorina. So conventional vs. unconventional is one choice for McCain.

I think there's an equivalent of that, Bob, with Obama. Is he looking to sort of reassure people, say, 'Look, the top of the ticket is challenging enough for people, so let's play it safe'? Then you might go to somebody like Evan Bayh; governor, senator, pretty conventional, probably pretty safe pick. Or would he be also looking to mix it up and maybe go to a Republican like Chuck Hagel of Nebraska, or somebody like Kathleen Sebelius, a governor--Democratic governor from Kansas? That would be truly an unconventional ticket.

SCHIEFFER: You haven't mentioned Hillary Clinton.

Mr. HARRIS: I don't think that's--I mean, again, we're in the power game season here, so we might as well throw her name up there. As a practical matter, I don't think it's realistic. I think that they are--came out of the primary with a complicated enough relationship. I'd be surprised, but why not?

SCHIEFFER: She is going to campaign for him this week.

Mr. HARRIS: She's going to be out on the--out on the road. People are going to be watching that like hawks. Where do they go, so what kind of message are they trying to send based on where they travel? They haven't announced the travel schedule yet as of Sunday morning. It's going to tell you something about where Obama thinks that he's weak with voters. And people are also going to be watching Hillary Clinton. Does she really mean it? Is this a full-throated endorsement? Obviously, there was a lot of ill will.

SCHIEFFER: What--well, quickly, what about this business of Barack Obama just doing truly a flip-flop on campaign finance? Will that hurt him?

Mr. HARRIS: Right. He tried to dress it up and spray it with perfume. It was a flat--a flip-flop. He decided to--look, it just--he needed the money rather than the points with editorial writers. Does it hurt him with voters? Probably not. Does it hurt him with editorial writers, good government types? Yes, it does. Did he tell us something about himself? I think he did.

SCHIEFFER: What about John McCain, quickly, on 'Now let's drill for oil offshore?'

Mr. HARRIS: I think he says, 'Look, the gas issue is going to be a huge factor. I'm going to--I'm willing to make that risk.' By doing so, it puts Florida in possible risk for him...

SCHIEFFER: All right.

Mr. HARRIS: ...which should be a strong McCain state.

SCHIEFFER: Thank you very much, John.

Mr. HARRIS: Sure thing, Bob.

SCHIEFFER: Back with the final word in just a minute.

(Announcements)

SCHIEFFER: Finally today, I'm just back from two weeks in France. I hadn't been there in a while and I'd forgotten just how beautiful Paris can be. But there was a little culture shock and it took me a day or two to figure it out. Then it hit me. I was seeing something on the boulevards of Paris that I hadn't seen lately in America, at least not in the Northeast: couples. Boys and girls paired off, men and women holding hands, strolling, talking, sitting in sidewalk cafes, immersed in each other as the world passed by. Stroll down an American street in the early evening and what you see are not couples, but groups of young women going off to see "Sex and the City" or some such and then gangs of guys heading for sports bars. Late in the evening, or so I'm told, they eventually meet up at clubs and other gathering places where everyone, for want of a better word, gets plastered.

Long ago I moved from participant to consultant observer status in such matters and it is none of my business, of course, but based on my boulevard observations here is my thought on all this. American guys would do well to start talking to the ladies much earlier in the evening, before the drinking starts. Those French guys seemed fascinated with what their dates were saying and from what I could tell things were moving along just fine. I love Paris.

That's it for us. See you next week right here on FACE THE NATION.

