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## **November 7, 2010 Transcript**

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## TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, can the two sides ever get together? Short answer--well, maybe. The President tells 60 MINUTES, he's willing to listen.

PRESIDENT BARACK OBAMA (60 MINUTES): Hopefully we can agree-- agree on a set of facts that-- that leads to a compromise.

SENATOR MITCH MCCONNELL (R-Kentucky/Republican Leader): Hey, I don't want the President to fail, I want him to change.

BOB SCHIEFFER: But how and how much? Today, in an exclusive interview, we'll ask the Senate Republican leader Mitch McConnell to elaborate. We'll have more from the President's 60 MINUTES interview. And with Nancy Pelosi now saying she'll try to stay on as leader of House Democrats, we'll have another exclusive with South Carolina Congressman James Clyburn, who's trying to move up in the House Democratic leadership.

I'll have some final thoughts on the backbone of American journalism--shoe-leather beat reporters.

But first, Senate Republican leader Mitch McConnell, on FACE THE NATION.

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

BOB SCHIEFFER: And good morning again. Well, the Senate Republican leader Mitch McConnell joins us today from Louisville, Kentucky. Senator, I want to start by giving you a chance to make some news here. You want to extend the bush tax cuts for all income levels that expire this year. You want to extend them permanently. The President's opposed extending those cuts for the richest Americans, but in an interview to be broadcast on 60 MINUTES tonight, Steve Kroft asked the President if he'd be interested in extending the Bush tax cuts for those upper-income Americans temporarily as say two years. Presumably, in order to extend the tax cuts that he wants for lower-income Americans. Let's just-- first listen to what President Obama said.

PRESIDENT BARACK OBAMA (60 MINUTES): Hopefully, we can agree-- agree on a set of facts that-- that leads to a compromise. But my number one priority coming into this is making sure that middle-class families don't see their-- their tax rates go up January 1st.

STEVE KROFT (60 MINUTES): Do you want to make a counterproposal to him right now?

PRESIDENT BARACK OBAMA (60 MINUTES): I think I've -- I've already invited them over to the White House.

BOB SCHIEFFER: All right, senator. Does that sound like a starting point for serious negotiations? Can you do some business with the President on the basis of that?

SENATOR MITCH MCCONNELL (R-Kentucky/Republican Leader): Sure. We hope to do business with the President on a number of things. I-- I think the issue here is whether you want to raise taxes on small businesses in the middle of what most Americans think is a recession. I

and all of my members, think it's a-- it's a bad idea to-- to do that. I do sense some flexibility on the President's part. And we're happy to talk to him about it. But let me make sure everybody understands what we're talking about here. These aren't tax cuts, these are tax increases. Tax increases in the middle of a recession. This so-called upper-income thing diverts people away from the following fact. If you do that, you raise taxes on seven hundred and fifty thousand of our most productive small businesses, which represents fifty percent of small business income and twenty-five percent of the work force, at a time when job creation is just bumping along. And we'd all like to get the private sector going again. We really think that's a bad idea. But look, we're happy to talk to the President about that and-- and all the other issues that he has on his mind.

BOB SCHIEFFER: Well-- well-- I-- I would just want to get back to what he said because what he seems to be suggesting is that he might go along if you do those upper-income tax cuts temporarily, say for a couple of years or so. Is that something that you-- that you would consider?

SENATOR MITCH MCCONNELL: We-- we don't raising taxes on small business is a good idea. And you can't do what he's suggesting you might do without having a small-business tax increase. Small business is the biggest job generator in America. But we can't negotiate it this morning. But our view is, don't raise taxes on small business. We would-- we would rather not do it at any time. In fact, I've introduced the only bill that would make the current tax rates permanent. But certainly you wouldn't want to do it--

BOB SCHIEFFER (overlapping): But you'd at least--

SENATOR MITCH MCCONNELL: --in the middle of an income slowdown.

BOB SCHIEFFER: From what he said, you'd at least be willing to start talking about that.

SENATOR MITCH MCCONNELL: Well, we're-- we're willing to start talking about getting an-- an extension of some kind--

BOB SCHIEFFER: Okay.

SENATOR MITCH MCCONNELL: --so that taxes don't go up on anybody.

BOB SCHIEFFER: All right. Let me move to something else. House Republicans want to ban earmarks. And this morning on television, on NBC, I think it was. Your Senate colleague Jim DeMint, who is the champion of the Tea Party, said he wants to put a ban on earmarks. The House Republicans want to do that. But you said in the past you don't think that's a good idea.

SENATOR MITCH MCCONNELL: Well, here's the problem. The-- the President of course endorsed the-- the DeMint proposal in his press conference the other day as well--

BOB SCHIEFFER: Mm-Hm.

SENATOR MITCH MCCONNELL: --which is not surprising because every president would like for us to appropriate all the money and send it to them and let them spend it in any way they want to. The earmark issue is about discretion-- about an argument between the Executive branch and the Legislative branch over how funds should be spent. And so, it has generated some level of controversy within our conference. There are many members of my conference

who said I don't want the President to make all the decisions about how the funds are spent that might be allocated to my state. Other members have said, I think we need to get rid of earmarks. We ought to deal the Executive branch earmarks, the stimulus bill that passed last year that almost-- a trillion-dollar-stimulus bill was riddled with Executive branch earmarks. As you can see it's a lot more com--

BOB SCHIEFFER (overlapping): Yeah.

SENATOR MITCH MCCONNELL: --complicated than it appears. And we're going to be discussing that issue, a week after next.

BOB SCHIEFFER: Well, let me just try to simplify it then. Would you be for or against a moratorium on earmarks?

SENATOR MITCH MCCONNELL: Well, I have voted for that on the floor of the Senate, a couple of times because it would apply to the entire Senate. We'll have a debate about whether or not we want to apply something only to Republicans and not to-- to Democrats as you can see it's a lot more complicated--

BOB SCHIEFFER (overlapping): Yeah.

SENATOR MITCH MCCONNELL: --than it-- than it appears.

BOB SCHIEFFER: But I mean, if-- if it was for everybody, if it was for all-- members of all parties, let's just stop earmarks, you would be for that or against it?

SENATOR MITCH MCCONNELL: I would be willing to consider it. The problem is it doesn't save any money. It's an argument about discretion. What we really need to do Bob, is to concentrate on reducing spending and reducing debt. And this debate doesn't save any money which is why it's kind of exasperating to go some of us who really want to cut spending and get the federal government's discretionary accounts under control.

BOB SCHIEFFER: All right. Well, let's talk about another way to save some money. House Republicans and I think several other Republicans this morning are saying on television that they realize you can't repeal health care reform immediately. But they say in the meantime what they would like to do is stop funding for some of the health care proposals. And in that way dry it up. For-- for example, they said one of the House Republicans says, they will propose limiting money and personnel to the internal revenue service so that that agency will be unable to enforce provisions that require people to obtain health insurance and employers to help pay for it. Would you be willing to do that?

SENATOR MITCH MCCONNELL: Let me tell you what I do think we owe the American people. This was a huge, huge issue in the election last Tuesday. The vast majority of Americans feel very, very uncomfortable with this new bill. People who supported us political independents want it repealed and replaced with something else. I think we owe it to them to try. Admittedly, it will be difficult with him in the White House. But I-- if we can put a full repeal on his desk and replace it with a kind of commonsense reforms that we were advocating during the debate to reduce spending, we owe it to the American people to do that. If that fails, then we're willing to look at all of the various pieces of this as they become effective and how we might impact trying to carry out our commitment to the American people to keep this awful twenty-seven-hundred-page monstrosity that took over one-sixth of our economy from going into effect.

BOB SCHIEFFER: Well, you know as well as I do, it'll be-- it will take more votes to repeal it than it-- than it did to-- to pass it, because he's obviously going to veto it, if-- if you repeal it, which means you'll need more votes to pass it.

SENATOR MITCH MCCONNELL: Correct.

BOB SCHIEFFER: So in the meantime you are willing to back these Republicans who want to defund it, as it were, to cut off funds to some of these government agencies?

SENATOR MITCH MCCONNELL: Yeah, what we're doing and my office is looking for the various parts of it that are subject to funding. And we will be revisiting this issue time after time. The American people expect us to. This was a terrible bill. We've got an obligation to those who gave us more authority in the Congress than we had last Congress to try. It will be difficult with the President there. I know he feels that this was his signature accomplishment.

BOB SCHIEFFER: Mm-Hm.

SENATOR MITCH MCCONNELL: But I don't think we can simply ignore the commitments we made to the American people to try to repeal it and replace this.

BOB SCHIEFFER: Rand Paul, your newly-elected colleague to the Senate from your home state of Kentucky, who you opposed in the Republican primary, says on ABC this morning, he wants a five percent across-the-board cut in everything. He also says he wants to cut military spending. He wants a freeze on federal hiring. And he said, you should also consider cutting the salaries of federal workers. How much of that do you favor?

SENATOR MITCH MCCONNELL: Well, you know, he's going to have an oppo-- opportunity in the Senate to-- to offer all of those ideas. We'll get votes on them. I-- I think he's an exciting new member of the Senate. We worked closely together in his general election campaign. He's coming here with a lot of enthusiasm and new ideas. And we'll be happy to consider them in the Senate. And I'm sure they'll be considered in the House as well.

BOB SCHIEFFER: Well, I mean, considering them and being for them. Are you for those things?

SENATOR MITCH MCCONNELL: Some of those things I may well be for. I may end up being for all of them. We'll have to see.

BOB SCHIEFFER: You-- you have argued that one of the main purposes and other Republicans say the same thing is to reduce the deficit. But I have to ask you, Senator McConnell, when you're talking about extending those tax cuts for upper-income Americans, the estimates are that will cost seven hundred billion dollars over the next ten years. I mean, if you take all the tax cuts together you're talking about four trillion dollars.

SENATOR MITCH MCCONNELL: Mm-Hm.

BOB SCHIEFFER: How do you intend to pay for those tax cuts?

SENATOR MITCH MCCONNELL: Bob, it only costs seven hundred billion dollars if you consider it the government's money. This is our money. This has been the tax rate for almost a

decade, almost a decade. The federal government doesn't have this problem because it taxes too little. It's got it because it spends too much. We don't have a revenue problem. We have a spending problem. So the-- the whole nomenclature surrounding this that somehow we're doing people a favor by giving them their-- their own money back, I just don't accept. The government is too big. It needs to be strong. We can do that by targeting the annual discretionary spending which we, by the way, have already begun to do in this Congress. We're going to be able to do more of it, in the next Congress. And then I'm hoping that the President's deficit reduction commission which is supposed to report on December 1st, is going to have some recommendations with regard to our long-term debt problems which are quite severe that people like me and my Republican colleagues can support.

BOB SCHIEFFER: Let me play you another excerpt from the 60 MINUTES interview. The President admitted that maybe he let the-- the rhetoric get out of hand every once in a while over the last couple of years. Listen to this.

PRESIDENT BARACK OBAMA (60 MINUTES): I reflect on the fact that part of my promise to the American people, when I was elected was to maintain the kind of tone that says we can disagree without being disagreeable. And I think over the course of two years there have been times where I've slipped on that commitment. And-- and that's something that I've got to make sure that I'm checking on an ongoing basis, making sure that my rhetoric matches up with my expectations for myself and the expectations of my supporters.

BOB SCHIEFFER: So from your side of it, do you think you let the tone sort of get out of hand too, Republican senator? And do you look for a better atmosphere from here on in, or-- or a worse one?

SENATOR MITCH MCCONNELL: Look, I-- you know, there are things we can do together. The President said he's in favor of nuclear power. We're in favor of nuclear power. He said he's in favor of electric cars. We're in favor of electric cars. He said he's in favor of clean coal technology. He and I just this week, Bob, talked about the Korea Free Trade Agreement. And there's also a Columbia Free Trade Agreement and a Panama Free Trade Agreement. There are things we're going to be able to do. The notion that we're at each other's throats all the time is simply not correct. I've had two conversations with him this week about the way forward. We anticipate being able to do the people's business in those areas where we agree. I think the President believes that somehow he didn't-- his product was good but he just didn't sell it well. I think he's a good salesman. I think his problem was not his sales job. It was the product. The American people simply did not like what the President and this Congress were doing substantively. They didn't like the spending. They didn't like the debt. They didn't like the health care bill. And they wanted to have a mid-course correction. And that's what they voted for.

BOB SCHIEFFER: All right. Mitch McConnell. Thank you so much, senator, for being with us. Hope you'll be back soon and we'll be back in a minute with the number three Democrat in the House, Congressman James Clyburn.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And we're back now with Congressman James Clyburn, who holds the number three post in the House Democratic Leadership. He's in Eastover, South Carolina this morning. Congressman, welcome. Last week, after House Speaker--

REPRESENTATIVE JAMES CLYBURN (D-South Carolina/Majority Whip): How do you do?

BOB SCHIEFFER: --Nancy Pelosi announced that she would ask House Democrats to re-elect her as their leader, you announced you wanted to run for the number two leadership post. Now that's currently held by Steny Hoyer. And, he, from all indications is going to seek that post too. So we're going to have a contested election here for House leadership in a caucus of House Democrats. It's already-- I've got to say, kind of at-- at the worst in-- in disarray. At best I suppose you could say in a holding pattern. Were you happy that Nancy Pelosi decided to-- that she wants to stay on as leader of the Democrats in the House?

REPRESENTATIVE JAMES CLYBURN: Well, Bob, thank you so much for having me first of all. But let me say this. I think you laid it out not exactly right. I am currently the Democratic Whip.

BOB SCHIEFFER: Mm-Hm.

REPRESENTATIVE JAMES CLYBURN: And what I announced was I was going to be running for that position again.

BOB SCHIEFFER: Mm-Hm.

REPRESENTATIVE JAMES CLYBURN: And, fortunately, between the-- when you are in the minority, the top two positions are-- are leader and the whip. And we will see how that works out. I am perfectly satisfied with Nancy Pelosi's leadership. And I don't have any problems with that. But I'm also satisfied with the record that I've laid out as whip. I think that every measurement that is used to determine success in this position, I've not only exceeded it, I've doubled it in-- in many areas. And so, as I talk to the members of our caucus, they are very satisfied with the way that I have been conducting myself as whip. When I talk to those people, our constituents out there, they say to me that I was a very effective spokesperson for our party and for the policies we laid out. And I want to continue in that position. We'll get all this worked out in the coming days. And I suspect that it will be resolved in such a way that our caucus will be very satisfied--

BOB SCHIEFFER (overlapping): Well, you will--

REPRESENTATIVE JAMES CLYBURN: --with the leadership team, going forward.

BOB SCHIEFFER: Well, you will be running against Steny Hoyer, who currently is the number two person in the leadership. And then, let me just ask you this, Mister-- Mister Clyburn. I have had a number of House Democrats who are not all that happy that Nancy Pelosi is going to stay on, because they say she is sort of the face of-- of-- of the defeat that she was seen as all of the things that some people think are wrong with the Democratic Party--too liberal, too big government and so on and so on. And-- and what they say is that if you are elected to the number two post, it will make House leadership look even more liberal than it was. And that will make it more difficult for you to do business with the Republicans. What-- what's your response to that?

REPRESENTATIVE JAMES CLYBURN: Well, I have two responses to that. First of all, I'm not in that number that's been expressed. And I've read some of those things. But secondly, I would say to this, I would ask anybody to look at my record of eighteen years, look at my record here in South Carolina and tell me why you classify me as being liberal or conservative. I've heard myself classified in many, many different ways but I-- I suspect that people are not looking at their record, looking at the service, looking at what I did out on the campaign trail. The fact of

the matter is I campaigned at the request of more Blue Dogs in their districts than I did in what we would call progressive districts. So everybody tells me it's very hard to pinpoint exactly where I am on the political spectrum. And-- and I think that people are doing that by making some assumptions because of the way that I look.

BOB SCHIEFFER: Let me-- let me-- let's talk a little bit about the Republicans. Maybe you'll be-- it will be easier for you to talk about that. You heard what some of these Republicans were saying last week and what some of them were saying on the talk shows this morning, talking about this health care reform. They're talking about trying to starve it by controlling the power of the purse. Talking about doing things like trying to cut off funds to the internal revenue service so they can't enforce some of the provisions of the new health care reform. How as Democrats do you intend to deal with that?

REPRESENTATIVE JAMES CLYBURN: Well, I think that those people who are saying those things are really flying in the face of history. As I study history, though I was around at the time, a little bit too young to really experience, a lot of members lost their seats because of Social Security. A lot of members lost their seats, the Democrats lost its place in the South because of the Voting Rights Act of 1965. And I remember, a senior citizen, Strom Thurmond that you talked about earlier. I remember Strom Thurmond going back to Washington after 1968 saying we are going to repeal the Voting Rights Act. Well, the fact of the matter is what we did with health care is to make that a fundamental right of every citizen. And I would like to see which one of those Republicans would propose that we take away a-- a-- a person's-- family's right to have their child born with diabetes come off their insurance policies. Tell a woman with a breast cancer, or man with prostate cancer that we're going to allow the insurance companies to drop you after you paid your premiums on time for thirty years and now that you got sick, what you've been guarding against that we're going to allow them to drop you. I don't think they're going to be able to do that. They had some good campaign rhetoric out here. But the fact of the matter is this health care plan, when people know what it is as opposed to what Republicans say that it is we didn't have enough money to defend the plan on television. They had a whole lot of money to misrepresent what the plan really is.

BOB SCHIEFFER: You heard-- you heard Senator McConnell. He said Democrats keep talking about it was a miscommunication. They didn't sell. They weren't good salesman. He said it wasn't a repudiation of the sales presentation. It was a repudiation of policies. Do you think-- well, how do you come down on that?

REPRESENTATIVE JAMES CLYBURN: Well, I think that what we did, we lost, seeing this basic on that issue. Because what we did in this plan was to really expand, extend the life of Medicare by squeezing out of it all of the fraud that was taking place in Medicare. We read the headlines every day about how much fraud is taking place in Medicare. So you took that money out of it. You extended the life of Medicare. It got rip-- represented to the-- to seniors that we were cutting Medicare. We were not cutting their services. We were cutting in those areas where there was so much fraud in existence. And so, that's why I say that when you get into what we really did and the American people understand what we really did, I think this health care plan is going to be with-- with us for a long, long time. And it's something we'll build upon.

BOB SCHIEFFER: All right. Congressman, I'm very sorry we're out of time. Thank you so much and good luck down the road.

Back with some final thoughts in just a second.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally today, I lost one of my closest friends this week and journalism lost one of its best--Phil Record of the Fort Worth, Star-Telegram. Unless, you read the Star-Telegram or were a part of our profession the name Phil Record won't ring a bell. But when I was very young and Phil was promoted to night city editor at the paper. He took a chance on me. He convinced his boss to hire me to replace him on the night police beat. He taught me everything I know about being a reporter and a lot of what I know about life. And we were friends for more than half a century. Phil rose to the highest ranks at the paper and was later national president of the Society of Professional Journalists. And after four decades at the paper, taught ethics to generations of journalism students at TSU. There was nothing fancy about Phil, he was just an old-fashioned beat reporter who loved the news, took nothing for granted. And never wrote a story unless he was absolutely sure he had it right. TV personalities and well-known bylines come and go. But reporters like Phil Record at newspapers across our country are the reason journalism evolved into what it became in modern America--the crucial source of independently-gathered, accurate information that citizens can compare to the government's version of events. We can no more have Democracy without that, than we can have it without the right to vote. I'll miss my friend but I'll never forget what he taught me and the values that made him who he was.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: That's it for today. Be sure to tune in tonight to 60 MINUTES for Steve Kroft's exclusive interview with President Obama. We'll be here next week.