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CBS News

# FACE THE NATION

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**GUESTS:** Representative RAHM EMANUEL (D-IL)  
President-elect Obama's Chief of Staff

**Mr. JOHN HARRIS**  
Politico

**Mr. DAVID BROOKS**  
The New York Times

**MODERATOR/PANELIST:** Mr. Bob Schieffer – CBS News

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BOB SCHIEFFER, host:

Today on FACE THE NATION, the transition of Barack Obama. It's decision time for the president-elect, but the problems won't wait until he's sworn in January 20th. He must decide now what role he'll play in the coming lame-duck session of Congress, which is considering yet another rescue package for the economy. What about a bailout for the auto industry? How should he deal with the Bush White House? All questions for his new chief of staff, Congressman Rahm Emanuel. We'll get analysis from David Brooks of The New York Times and John Harris of Politico. Then I'll have a final word on how communicating sometimes means remaining silent.

But first, after the election, 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. Joining us this morning from Chicago, Illinois, Congressman Rahm Emanuel, who will be the new president's chief of staff at the White House.

Congressman, welcome to FACE THE NATION. I hope we'll see you many times along the way here.

Representative RAHM EMANUEL (Obama Chief of Staff): Good to see you, Bob. How are you?

SCHIEFFER: Well, let's get right to it.

Rep. EMANUEL: Mm-hmm.

SCHIEFFER: How soon is the president-elect going to get his economic team in place?

Rep. EMANUEL: Well, he is--President-elect Obama has, as you saw Friday, met with a group of economic advisers outside to talk about the economy and get a report from them and what they're seeing and hearing. He has been working tirelessly with the transition team on the development of his economic team. As you heard, he said Friday, Bob, which is he wants us to move with deliberate haste; emphasis on deliberate, as well as equal emphasis on haste. And he has been going through the names. The transition team has been developing those names earlier than the election, and so he has a good group of people that he's looking at. But you should know, one cautionary note, in past times there hasn't been announcements till December. But he has already been meeting, going through the names. He's already participated in a couple of meetings to review people for key economic...

SCHIEFFER: Yeah.

Rep. EMANUEL: ...slots.

SCHIEFFER: But in past times we haven't had this severe economic crisis.

Rep. EMANUEL: Correct.

SCHIEFFER: In past times we haven't had a lame-duck session of the Congress looming.

Rep. EMANUEL: Mm-hmm.

SCHIEFFER: Just give us a little time frame here. I'm not asking for a specific date. Do you think he's going to begin to make some announcements in the next week or so, or before December? I mean, just...

Rep. EMANUEL: Mm-hmm. Well, I'm not...

SCHIEFFER: ...a ballpark time.

Rep. EMANUEL: As the--as the chief of staff, I'm not going to get in front of the president, Bob. I think the--let's cue off of what he said Friday. He wants us to move with deliberate haste, equal emphasis on both deliberate and haste. He has those--he has names in front of him. He's been reviewing those names, he's known a number of the people. And he will be making the decisions. You'll be--obviously, when we're ready...

SCHIEFFER: OK, so...

Rep. EMANUEL: ...and he's ready, you'll hear about it.

SCHIEFFER: All right. All right, so we're not going to get an answer to that this morning.

Rep. EMANUEL: No.

SCHIEFFER: OK. The second thing, this lame-duck session of the Congress, which is quite unusual for a transition here...

Rep. EMANUEL: Uh-huh.

SCHIEFFER: ...is going to start Monday week. The Congress is going to be thinking about some sort of economic stimulus package. How will he insert himself in that? Is he going to come? He's obviously a member of the Senate, he'll be here. I assume he would vote on whatever the Senate comes up with. But is he going to take a leadership role in that?

Rep. EMANUEL: Well, listen. Obviously what you said, Bob, on the first question, which is about creating the economic team he wants. You--he has to--the president-elect has to, and what we're going to help him do, is set up his White House as well as his Cabinet. Second is he's asked, as he said Friday at the press conference, for the Washington now to begin to work on the economic recovery act that deals with the Friday unemployment numbers, that we have now 10 million Americans without work who are ready to work; the retail sales that show a decline in sales across the country, where there's a great deal of contraction; and the fact that people are losing--because they're losing jobs, losing health care.

SCHIEFFER: But...

Rep. EMANUEL: So he said there's not a time to waste for Washington now to get to work and do that--its work on helping the American people through these--through this basic contraction that's going on in the economy this recession. And it's time for them to get that going.

SCHIEFFER: Well...

Rep. EMANUEL: And he's--and he called for them to pass an economic recovery act.

SCHIEFFER: Well, I understand all that. But is he going to be on the Senate floor as a senator from Illinois, or will he stay in Chicago and work on his economic team?

Rep. EMANUEL: Well, I...

SCHIEFFER: I mean, surely you can give us a little detail or little insight into that?

Rep. EMANUEL: I--Bob, I think that the basic approach has been he's going to be here in Chicago setting up his economic--not only his economic team, but the policies he wants to outline for the country as soon as he gets sworn in, so we hit the ground running. And it's imperative that this time in Washington be used to deal with the type of reports that we just saw last week, just two different reports showing the type of constraints and strains that are being put on the economy, that Washington should get to work passing that immediate action to help the--both states provide the health care for those who are losing it, unemployment insurance for those who are losing their jobs. That--those are--that economic recovery act exists today in Washington. It should be worked with people from both parties to getting it done and getting it to the president's desk so we can help the American people who are hurting right now.

SCHIEFFER: So, do I take it he's going to leave the lame-duck session to the Senate and to the congressional leaders? He's not going to take any role in that?

Rep. EMANUEL: I--well, he called for action. And I think--you know, you--as you said, this is an unusual time.

SCHIEFFER: Yeah.

Rep. EMANUEL: And so we have--he's repeated, A, you have Washington ready to work, to get to work to help the American people. We have one president at a time that should work on--he's going to, as he did on Friday, encourage the Washington to move immediately because of what's happening to the economy, which means what's happening to the American people. And he will also do--because he doesn't want to waste a single day getting his Cabinet, his government and his policies in place to move forward on January 20, as soon as he is sworn in and the Cabinet is sworn in.

SCHIEFFER: Does he--does he intend to urge the White House and the members of Congress to help in some sort of a bailout plan for the auto industry? They say they got to have some help here.

Rep. EMANUEL: Right.

SCHIEFFER: I know he says they need to be part of any economic plan, but is he going to be for and will he advocate that the White House go along and the White House team go along with what Senator Reid and Senator--and Congresswoman Pelosi are advocating?

Rep. EMANUEL: Well, first of all, Bob, President-elect Obama has repeated that there's one president, one administration at a time, and so you don't want to get in front of that. Second, as it relates to the auto industry, he has said throughout the campaign, as recently as Friday, they are an essential part of our economy and our industrial base. Second, Washington needs to look at fast-forwarding the \$25 billion that has been provided for retooling the factories for basically a more fuel-efficient auto fleet. Third, there are existing authorities within the government today that the administration should tap to help the auto industry. Fourth, President-elect Obama has asked his economic team and advisers to come up with a series of proposals that would help the auto industry retool, restructure and refit with--all with an eye towards a future where you have a auto industry that's part of a strong economy and also focused on reducing America's dependence on foreign oil. So he--all four of those have been--he has called for, with the primary premise underscoring that you have--the auto industry is an essential component of our economy.

SCHIEFFER: Will he push for permanent tax cuts for the middle class as president? And would he consider postponing the tax increases on the upper income folk until we get past this economic crisis we're in right now?

Rep. EMANUEL: Let me take both of those questions. First of all, President-elect Obama's economic plan was developed on the premise that the middle class is working harder, earning less and paying more. Median household income has declined by \$2,000 while energy costs, health care costs as well as educational costs have all gone up \$4800. And the basic strategy was we need to deal with the stress and strains on the middle class. So his economic plan, not limited to but focused on the tax side, is to provide the middle class, working Americans, 95 percent of them, with \$1,000 tax cut. His tax plan is a net tax reduction. It was focused on the middle class. In addition to that, that we--because of the size and the scope of the crisis, we must deal with our educational reforms, our energy reforms, so we're not exporting \$700 billion of our wealth, that we reduce our dependence on foreign oil while increasing our investments in alternatives, deal with health care reform so we can both contain costs and expand coverage. All of those, not limited to that, as well as a tax reform package that is both progress--or is fair as well as simplified.

SCHIEFFER: OK.

Rep. EMANUEL: All of those are part of an economic strategy, not just one component, that take us both not only dealing with the immediate crisis we have, but it puts America on a long, sustained recovery and strengthens America for the long term economically.

SCHIEFFER: When he takes office, obviously all of the things that he promised to do in the campaign...

Rep. EMANUEL: Mm-hmm.

SCHIEFFER: ...he's not going to be able to do because of the pressure of this economic situation. During the debates, I asked both Senator Obama and Senator McCain to give us some priorities, because we asked people to run the numbers on all of the things that they promised.

Rep. EMANUEL: Mm-hmm.

SCHIEFFER: And when you add up all of the costs and the spending cuts, it came out that both of their programs would add at least \$200 billion to the current deficit. What are going to be his priorities? Obviously he can't do--or will he try to do everything at once, the big bang theory, as some are saying? Or is he going to put some things first and put them in some order? Give us some sense of that.

Rep. EMANUEL: Well, first of all, I would add--Bob, let me say this. There's a premise to the question that somehow the challenges we have require that you postpone things. I don't--look, we've had a health care crisis in this country for well over 30 or 40 years.

SCHIEFFER: Yes, but let me just interrupt here.

Rep. EMANUEL: But--yeah.

SCHIEFFER: That we are also facing what could be a trillion dollar deficit. That's different, Mr. Emanuel.

Rep. EMANUEL: Yeah. Bob, that's true. But let me then go at this point. Everybody--Democratic and Republican economists, as President-elect Obama has cited--agree we need a short-term economic recovery act that helps Americans both go to work by building our roads, our bridges, our schools and our water systems that have all basically been denied funds over the years. Second, it also includes a tax rebate for middle-class families who have had strain. Over the long term, you must have an economic strategy that reforms our education, our health care, our energy, our tax code, as well as putting fiscal discipline back in our economic tool kit. So you have an immediate problem as well as a long-term strategy for a sustained economic growth over the long term that strengthens America rather than weaken it. And here is where the philosophy, I think, is important: the most--the crisis we have today, as he has said, is an opportunity to finally do what Washington for years has postponed and kicked down the road. You--we have postponed dealing with an energy crisis since 1974. We had a crisis, we kicked it down the can, and now we are exporting \$700 billion of our wealth. We had a health care crisis. Health care costs were \$5,300 for a median--for a house--middle-class family. Today the premiums are \$12,000 for middle-class families.

These are--just taking those two examples, these are crises you can no longer afford to kick down the can. The crisis we have here, the American people know we have one and they are ready and willing to start to tackle those problems. You cannot afford now to kick those down the can any longer. We have a short-term need of getting the economy moving, which means getting Americans working.

SCHIEFFER: All right.

Rep. EMANUEL: And also a long-term objective of putting us on a sustained road for economic growth over the long term.

SCHIEFFER: All right. Well, perhaps we'll find out another day how he will line those up and what priorities he will set.

Rep. EMANUEL: OK.

SCHIEFFER: Thank you...

Rep. EMANUEL: Bob, thank you.

SCHIEFFER: ...Rahm Emanuel, hope to see you again.

Rep. EMANUEL: You will. Thanks.

SCHIEFFER: Back in a minute, and we'll do some analysis on all of this.

(Announcements)

SCHIEFFER: And we're back now with David Brooks of The New York Times, a columnist there; and John Harris, who is the editor of Politico.

Well, gentlemen, I have to preface this by saying I don't think we found out a lot this morning from Rahm Emanuel. But let me ask you this. The--kind of the thing that I found most interesting, he would not say what role Senator Obama is going to play in this coming lame-duck session of the Congress. Why was he being so coy about that, David?

Mr. DAVID BROOKS (The New York Times): Suddenly the new coy Rahm Emanuel. You know, next thing he'll be "Mr. Peaceful."

Yeah, he's been reading the history books. And FDR faced this exact problem in 1932: He was elected, people wanted him to get immediately involved before the inauguration and soften the crisis. And he held back, and he took a lot of political hits for it. Because he said on Inauguration Day, 'I want that to be the clean break, not Election Day. And I want to be able to come in on Inauguration Day totally fresh.' So that's what Obama's going to do, I guess. I think he'll take some more hits, because people are so excited right now. They want something to change right away. And if he's mister, 'No, no, no, I'm not going to Washington, I'm staying back,' I think he'll take some political hits over it.

SCHIEFFER: Well, did you take it from that--and I'll go to you, too, John, to get your answer on this--from that, that Barack Obama's not coming here for this special session? I mean, I didn't know what to make of that.

Mr. JOHN HARRIS (Politico): I didn't hear an answer to that, so I'm assuming that it sounds like he's going to stay away or maybe coming only at the last minute. I think what--as David described is exactly right and also smart for Obama, whatever hits he takes. The last thing he wants as a president-elect is accountability without power. So if he gets in the middle of this,

he'll have accountability without the actual power. And I think also there's a question of atmospherics. He wants the nation--and I think the nation is ready to start seeing him as a president, and so to be down there on the Senate floor haggling over deals, he does not want to be seen as a legislative figure or a deal making figure.

SCHIEFFER: So what are we going to see in these next months, David? And what is going to happen here?

Mr. BROOKS: Well, there's a huge debate going on in Democratic circle and the Congress as a whole, how do you deal--how do you--what--how fast do you go? And you mentioned in your commentary with him and--with Rahm, and I got the impression from him they want to do everything at once. They want, as you called it, the big bang theory. I think that's a disastrous mistake. You're going to tell me you're going to solve an incredibly difficult economic crisis at the same time you're going to raise--reorganizing 14 percent of the American economy, health care? I think that would be a gigantic overreach. And there are other people on the other side who say you do this in two stages. The first stage of your administration is stimulus and building faith in Washington, and that includes energy and tax cuts for the middle class. That's your first. And then after a few months where you've built some faith in Washington, then you tackle the other stuff. The health care plan is going to cost at least \$100 billion a year, probably way more than that. So if you pile all this together in the first few months, in my opinion, you're going to freak out the country.

Mr. HARRIS: The only way he could pursue the big bang theory is if all the talk about wanting to create a bipartisan tone in Washington, he's willing to sacrifice that. Because it would only be on a--on an all-Democratic basis that you would get an agenda that ambitious done.

I do think there's sort of two theories of presidential power at stake here. One says you're never more powerful than on January 21st, the day after inauguration. And you spend down that account and you'd better get as much as you can, because it's going down. The other, as David suggests, there's a slow but steady approach that says a president can, by doing modest things first--getting them done, being effective--build up reservoirs and so that you can actually have more leverage, more power in year two, three and four than you do in year one. And we are really looking for clues as to what--which theory Obama believes.

SCHIEFFER: You know, I always remember what Lyndon Johnson used to say. He said, 'A president has a year.' He said, 'Whatever a president's going to do, he has to do it in the first year because,' he said, 'the second year the Congress starts thinking about itself, starts thinking about getting re-elected.'

Mr. HARRIS: Bill Clinton believed that, and there was a lot of overreach in that first year...

Mr. BROOKS: Mm-hmm.

Mr. HARRIS: ...where they did try to do too much, and his popularity went down and down and down. He was actually more--had more power after he got his clock cleaned in 1994.

SCHIEFFER: Mm-hmm.



Mr. HARRIS: Barack Obama, at every turn, wants to avoid Bill Clinton's experience in the first few years.

Mr. BROOKS: And...(unintelligible).

SCHIEFFER: Well, Clinton got off on gays in the military...

Mr. BROOKS: Right.

Mr. HARRIS: Right.

SCHIEFFER: ...as his first issue.

Mr. HARRIS: Right. Even in the transition he got in trouble.

SCHIEFFER: And sort of bogged down in that...

Mr. BROOKS: Right.

SCHIEFFER: ...and really never recovered, and went on to lose the Congress...

Mr. BROOKS: Yeah.

SCHIEFFER: ...in two years.

Mr. BROOKS: Obama, I think, will avoid that mistake. But there are only 24 hours in a day. The economic plan is going to be phenomenally complicated. We've thrown 300 billion in stimulus at it this year, we've got a \$750--billion dollar bailout. So far there's little evidence that any of that has worked. Banks are not lending. So you've got to solve that problem. That's huge. Then the energy problem. If we could solve the energy problem easily, we would've done it for 30 years. That's incredibly complicated. And then health care. That's incredibly complicated. You're going to do all that at once? I just find it mind-boggling that they would try that.

SCHIEFFER: Let's talk about the other party, the Republicans. This is like after the '64 election, when Lyndon Johnson beat Barry Goldwater. People said this is the end of the Republican Party. Of course, it wasn't. Where does the Republican Party go from there?

Mr. BROOKS: World of pain. A generation of pain. Sixty-four, it was so much better than now. In '64, they have coherent belief system. They lost, they didn't persuade the American people about it, but they understood where they wanted to take the country. Now it's just a circular firing squad with everybody attacking each other and no coherent belief system, no leaders. You got half the party waiting for Sarah Palin to come rescue them. The other half waiting for Bobby Jindal, the Louisiana governor, to come rescue them. But no set of beliefs, really a decayed conservative infrastructure. It's just a world of pain.

SCHIEFFER: John?

Mr. HARRIS: The Republicans have got to decide, are they looking for another Ronald Reagan to carry them out of the wilderness? By the way, that takes often--took Reagan years, a full generation to do that. Or are they looking for a Republican version of Bill Clinton? You've basically got--with respect to a new administration, Obama--a "hell, no" wing of the party and a "yes, but." The "hell no" is going to fight him every step of the way in order to make an ideological--to get that message that David says is lacking. The other will say, 'Yes, we agree with a lot of his objectives. We want to do it a somewhat different way.' It's really, I think, goes right to a tactical and a philosophical fault line in the Republican line.

SCHIEFFER: Well, is Sarah Palin--is she to be taken seriously, do you think, David?

Mr. BROOKS: Well, the "hell, no" part--group is rallying around her. It depends on who she is. And this past week I don't think it's been particularly flattering to her, the McCain people, and the whole thing has been a complete disaster. But they've attacked her for her lack of human capital or for being a diva. I'm not sure it's all fair, but one would not say she has spent her life preparing for an intellectual revolution to lead the party out of the wilderness. Let's put it that way. And I'm with the "yes, but." You know, this is where the American people are.

And fundamentally, the conservative movement failed--and I've been in it my entire life--because it hasn't addressed the problems of today: the rise of China and Russia, the rise of inequality, energy, health care. It's great to worry about Reagan, I loved Reagan, but those days are over.

SCHIEFFER: All right. Well, gentlemen, thank you very much.

I'll be back with a final thought in just a minute.

(Announcements)

SCHIEFFER: Finally today, seeing the television picture of that crowd in Grant Park that had come to celebrate Barack Obama's victory was a sight I will never forget. But I was disappointed at first in Obama's speech. I was expecting another of those rousing old-time, "Yes, we can" orations that had electrified crowds during the campaign. He made a fine speech, I thought, but why didn't he ramp it up as he had so many times before? Where was the punch line for this one?

Well, the next day I read something in the paper that helped me understand that wasn't what he had in mind Tuesday night. I read that his campaign had planned a big fireworks display, but Obama had said no. He understood that the rally that night would speak for itself. There was no need to gild the moment with fireworks, nor would a stem-winding speech that rubbed victory in his opponent's face have been appropriate. Tuesday, in his mind, was the night to say thank you, not gloat. The faces in the crowd would tell the story.

That restraint--Obama's understanding of how it would all look, an ability so often lacking in today's politicians--may well be what brought him to victory. Time and again in a hard fought campaign there were lines Obama could have crossed but different. He made no issue of McCain's age. He raised no questions about his health. He never went after Sarah Palin. He knew how it would have looked. Communicating, cutting through, connecting with people is more than just the words we choose; it also means understanding when no words are necessary.

Back in a second.

(Announcements)

SCHIEFFER: And that's our broadcast. We'll see you next week, right here on FACE THE NATION.

