

© 2010, CBS Broadcasting Inc. All Rights Reserved.  
PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS CBS  
TELEVISION PROGRAM TO "CBS NEWS' FACE THE NATION."



## **December 26, 2010 Transcript**

GUESTS:       CHIP REID  
                  CBS News Chief White House Correspondent

                  LARA LOGAN  
                  CBS News Chief Foreign Correspondent

                  NANCY CORDES  
                  CBS News Congressional Correspondent

                  SHARYL ATTKISSON  
                  CBS News Investigative Correspondent

MODERATOR/  
PANELIST:     Mr. Bob Schieffer  
                  CBS News

This is a rush transcript provided  
for the information and convenience of  
the press. Accuracy is not guaranteed.  
In case of doubt, please check with  
FACE THE NATION - CBS NEWS  
(202) 457-4481

## TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, we continue one of the oldest CBS News traditions, the correspondents' roundtable.

MAN: We have assembled on your screen tonight, six bureau chiefs of CBS News.

BOB SCHIEFFER: From the old days of black and white, down through the years when people still smoked on camera, CBS has been gathering its correspondents around the world and here at home to talk about the biggest stories of the year. This year, we bring in the best of the Washington bureau--chief foreign correspondent Lara Logan, congressional correspondent Nancy Cordes, investigative correspondent Sharyl Attkisson, and from Hawaii, where he is covering the President, chief White House correspondent Chip Reid. We'll kick around this year's top stories and what to expect in the New Year.

Then I'll have some holiday verse about the day after Christmas.

But first, the correspondents' report on FACE THE NATION.

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

BOB SCHIEFFER: And, good morning again. Well, we had hoped this morning that our national security correspondent David Martin would be with us. But of all things, David had a kidney stone last night. But as they say in the Bible, all things have passed. And David is feeling much better right now than did he about six hours ago. So we wish him the best. Hope to see him in the New Year. You might notice one thing in those tapes of the old correspondents' roundtable there were no, no women in any of those roundtables as far as I can-- could see from way back when. This morning, of course, all of that has changed. So Chip Reid you're out there in Hawaii this morning, you and I are outnumbered. So why don't I start out with you. Let's talk about the President. He's on vacation and I would guess in a much better humor than even he thought he would be two or three weeks ago, because he finally got some stuff done during the lame duck Congress. What do you think are going to be the President's priorities in the years-- in the year to come?

CHIP REID (Chief White House Correspondent): Well, Bob, I think that he-- they see this very successful lame duck period as basically a template or blueprint of what's to come. The President will compromise when necessary or when he thinks it-- it's politically to his advantage. But he is also going to fight very hard for things he deeply believes in. For example, as he did on Don't Ask, Don't Tell and as he promised to do on immigration reform. You're also going to see the President use the power of the presidency to keep the liberal side of the ledger happy. We just found out this weekend, number one, that a new Medicare regulation basically says that they're going to have what the Republicans decried as death penalties, end-of-life counseling and there's not much the Republicans can do about that. And, also, the-- the administration is going to set aside tens of millions of acres for possible wilderness designation reversing a Bush administration policy. So there's a lot the President can do down the road that the Republican Congress won't be able to do anything to stop him.

BOB SCHIEFFER: All right. Lara Logan on the foreign policy side of it. Afghanistan has got to be the number one concern of this President right now. Do you see a major drawdown of troops come summer or--

LARA LOGAN (Chief Foreign Correspondent; overlapping): No.

BOB SCHIEFFER: --will it be a gradual drawdown?

LARA LOGAN: Oh, it'll be a gradual drawdown if any drawdown at all. I mean, it--

BOB SCHIEFFER (overlapping): Really?

LARA LOGAN: It'll probably more-- be more symbolic and political than anything else, I mean. But General David Petraeus, the top commander there, I mean he is set. He has a very firm agenda and he is doing everything he can to put as much pressure to bear. But he is hamstrung by the fact that there's a complete political breakdown in Afghanistan within the Afghan government and also between the U.S. embassy and the Afghan government. There's-- there's very little diplomacy that's actually going on there. And that's the number one problem in Afghanistan now. It's not military, it's political.

BOB SCHIEFFER: Well, Nancy Cordes, let's just talk about that for a minute. How is that going to sit with the Congress right now if the President comes after saying, we're going to drawdown, that was part of the deal. Is Congress going to just sit by and let that happen?

NANCY CORDES (Congressional Correspondent): Well, he'll probably find some cooperation on the Republican side of the aisle. This is one of those areas where the Republicans and the President see eye to eye. They were never in that much of a hurry to drawdown troops. They always said we should wait until the mission is complete. Don't rush the mission, don't set timetables. So this is an area where Democrats might not be too thrilled but the Republicans will go along with the President.

BOB SCHIEFFER: Sharyl Attkisson, let's talk about what the Associated Press says was the biggest story of this year and that was the BP oil spill. There are a lot of investigations that were launched this year. Where does all that stand?

SHARYL ATTKISSON (Investigative Correspondent) Well, you led the way on this program in talking about, you remember them trying to minimize the amount of oil that was coming out of the spill and trying to talk about how few gallons were coming out, how few millions of gallons versus independent scientists who were saying many more gallons were coming out. This is where the rubber meets the road. Right now, the penalties are being assessed. The government has recently joined a bunch of private lawsuits which is trying to determine how much BP will have to pay. Significantly, in BP's defense something that came out favorably for them last month was the presidential commission looking into this oil spill investigating it found last-- last month, there's no evidence that they favored finances over safety. If they had, if there was evidence that they had that would be gross negligence and their penalties could be four times higher, something like seventeen billion instead of a possible low of four billion dollars. So this is where we're now seeing why it was so important to BP at the time to downplay the amount of oil that was coming out of the spill.

BOB SCHIEFFER: Nancy, let me go back to you. Once you get past Afghanistan, what do you think is going to be the major focus on Capitol Hill this year? They-- the, you know Republicans

are saying their number one objective is to repeal health care. Do you think that's even possible?

NANCY CORDES: Well, not right now as long as the Democrats control the Senate. But keep in mind, in two years there's going to be another big election and Democrats stand to lose even more seats in the-- in the Senate and they could end up in the minority. That would make things a little bit easier for the Republicans. Aside from health care, you know Republicans haven't really set their agenda in the House. We've asked them aside from that what else are you planning to do, what's-- what are your priorities? And they always point us to the Pledge with America and say, well these are our priorities but that's a pretty vague document. So beyond that they're looking like they're really waiting to see what the political landscape is before they set out their priorities aside from what they say is their main priority which is to decrease the size of government.

BOB SCHIEFFER: Decrease the size of government and cut spending. Do you know of anything specific, Chip that the President is going to propose here because, you know, people talk about ending waste and abuse. Well that's-- that's just a drop in the bucket. You're going to have to start thinking about programs. What does government give us that we can get along without to-- to get this spending back in to line? Where does the President intend to go on these things?

CHIP REID: Well, certainly one thing the-- this administration has tried to do all along is eliminate wasteful Pentagon spending. They certainly are not going to cut back dramatically on war spending but some long-term projects they believe are things that don't need to happen. But I tell you, this President even though he did say he's going to recall the Republicans bluff on spending and-- and I actually think he will. But it's going to be about long-term spending. The last thing this President wants to do is apply kind of an anti-stimulus that will offset the spending that he has put through, the spending and tax cuts that he's put through in the stimulus number one and the more recent stimulus number two. He's not going to do anything that's going to cut back on the growth of government. So I think when he talks about calling the Republicans bluff on cutting spending it's going to be long term--Medicare and Medicaid, things like that. And I think he will be serious about it but I don't think you're going to see dramatic cuts in domestic spending in the short term.

NANCY CORDES: And keep in mind, Bob, there's now a blueprint out there for this, the deficit-cutting commission, which laid out its prescriptions for how to radically reduce the debt. It kind of got shoved aside and ignored because everyone was so focused on tax cuts because time was running out. But I think in the New Year, Congress is going to revisit that. That's one area where Republicans and Democrats agree. Something needs to be done. They don't necessarily like all the tough measures that we're in there, but we're going to have a vote on the debt ceiling come March, so this is an issue that everybody is going to have to deal with.

BOB SCHIEFFER: Lara, a-- one thing nobody ever talks about is cutting a defense spending.

LARA LOGAN (overlapping): That's right.

BOB SCHIEFFER: Do you see any cuts coming on that side of the agenda here, because it seems to me if the President is really serious about all this he's got to be serious about cutting defense spending.

LARA LOGAN: Well, one of the problems with defense spending is-- is these huge programs that you have for very sophisticated weapon systems, you know that-- that are not being used, which were repealed and are now back on the table again. And-- and those seriously have to be looked at. This is no longer an army that needs billions and billions of-- of dollars on these advanced, you know striker jets that are not being used. And, this is a war that is not really being paid for. I mean, this has serious consequences for the field. And-- and one thing that I am hearing is that the budget pressure on the military right now is the most intense it has been in the longest time. That this scrutiny is-- is beyond anything they've experienced since these wars began. So there is no question that they are under an incredible amount of pressure and that's definitely going to have an impact. But how does that translate into what happens--the soldiers that you're sending into battle, because that literally can translate in lives.

BOB SCHIEFFER: Sharyl, having Republicans taking control in the-- in the Congress, in the House means you're going to have a whole new set of committee chairs. Are we going to see a lot of investigations launched, because those chairs will have subpoena power now and they'll be in the different party than the President. So--

SHARYL ATTKISSON (overlapping): Right.

BOB SCHIEFFER: What's-- do you see anything significant happening there?

SHARYL ATTKISSON: I do. I mean, as they say to the victor go the spoils. And I don't know if people understand what a significant power shift it is when the chair people of these committees, these very important powerful committees turn over from Democrat to Republican or vice versa. For example, the committee that does government oversight will now be chaired by Republican Issa, who has made it clear he's going to go after the FDA. It's something he's wanted to do for years but as the Republican minority member, he's been requesting hearings from the Democrat chairman and all of his requests have been denied. That's typical. You know, whoever is in power gets to decide what the hearings are about. So now he's going to set the agenda and he feels like the FDA is a top priority looking into how the salmonella egg scandal and some problems with Johnson & Johnson and product recalls that happened very quietly, some say shouldn't have. He wants to bring some of that to light, try to do a little more oversight in different areas. So you'll definitely see a shift in the targets and focus on Capitol Hill and House side.

BOB SCHIEFFER: I think Darrell Issa is a name we all better write down, because he's the chairman of that-- maybe the chief investigatory committee in the Congress and I think we'll be hearing a lot from him. I want to-- take a break right here for one minute. We'll come back and talk about who has the hardest job and will have the hardest job next year, will it be the President or will it be John Boehner or will it be Mitch McConnell?

Back in a second.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Back now with our CBS roundtable. Lara Logan, what is the biggest problem that President is going to face in foreign policy next year?

LARA LOGAN: I think it's clear. It's Pakistan that is without question. Somehow the United States has allowed Pakistan to dictate the terms of what's going on over there. They denied they had the Taliban in their country, now they're saying if you want to negotiate with the top

Taliban guys, you got to go through us. Pakistan wants to control what happens in Afghanistan. And U.S. foreign policy there seems to be dictated by a somewhat irrational fear of Pakistan's break up. This is tiny country that-- that because it has, you know, Osama bin Laden and nuclear weapons is able to o-- occupy a place of equality on the world stage with the U.S. and other superpowers. And the U.S. cannot solve Afghanistan without dealing with Pakistan. The President keeps saying that, every administration says that but they don't really take the action that's needed to change what is happening on the ground in that region. And that is without question going to be the biggest problem that he has to deal with.

BOB SCHIEFFER: Chip Reid out in Hawaii. We keep hearing the President is going to shake up the team for next year. What's that amount to?

CHIP REID: You know, Bob, we've been hearing that for a year and it never happened. Every time somebody leaves, they bring in somebody else from the inside. Usually somebody like Pete Rouse, the new Chief of Staff, who is even closer to the President than Rahm Emanuel was, so I think they're going to continue to promote from the inside, they may bring in some outsiders but they'll probably be people who were tested by having been in the Clinton administration. And speaking of the Clinton administration, you know, they like to say they're not going to model the next two years after what Bill Clinton did after his shellacking in 1994. But on the beach here a couple of days ago, I saw one of the President's top political advisors reading *The Choice* by Bob Woodward, which is all about how Bill Clinton recovered and then cruised to victory in 1996. So maybe they won't follow that pattern but they're certainly making themselves aware of it.

BOB SCHIEFFER: Nancy Cordes, the question I asked before the break. Who has the hardest job, John Boehner, Mitch McConnell, President Obama?

NANCY CORDES: Well, it's not going to be a party for anyone. I mean, first of all John Boehner, he's got this new majority in the House but he's going to need to figure out how to corral his own party. He's got all these new Tea Party freshmen coming in. The Congress thrives on rules, the tea partiers ran on changing the rules and-- and-- and most of all Mitch McConnell and Harry Reid and John Boehner are all going to have to figure out how to work together. This is the first time that the Senate and the House will be run by different parties since 2004. People are a little bit out of practice.

BOB SCHIEFFER: Sharyl Attkisson, you know again we see money entering into the system like we've never seen it before. The Washington Post this morning in a front page story points out that during the very week when the Congress was working out the regulations to police, Wall Street, the members of the joint committee working that out received four hundred and eighty thousand dollars in campaign contributions. Do you see this letting up at all, will there be any serious work done to try to reign in these-- this campaign spending?

SHARYL ATTKISSON: They may be worked down on it. But for now, it has worked for the members of Congress despite the criticism that they take, they haven't stopped this practice. I want to point out that what The Washington Post reported is very common. It's been going on for years. When I look at those congressionally taxpayer-funded earmarks that the members of Congress hand out to individual people, I've gone through one by one with defense earmarks, for example, and never been disappointed when I have looked for a campaign con-- connection between the member of Congress and the entity to which the member of Congress gives. They claim it doesn't influence their decision making on votes and on earmarks, but it really looks bad and watchdog groups have pointed out increasingly that something should be done. But as long

as it pays for them--this is how they raise a lot of their money, I don't think that's going to change.

BOB SCHIEFFER: Chip, do you see the President making any effort to try to tighten up the campaign laws, because I-- I have to be frank. My guess, I think the whole thing is just totally out of control and I think it's worse than ever and I think the next campaign is going to cost more than the last campaign. I think the floodgates are open.

CHIP REID: I-- I think they are. And I think there's very little anybody can do about it right now certainly in this political environment. But I think what the President will do is continue for his presidential campaign to raise those huge amounts of dollars from very small contributors and that will be-- put him in a position where he can say, Well, at least I'm doing what the law wanted us to do, raising most of the money from small time givers and he will contrast that to what the Republicans are doing.

BOB SCHIEFFER: But you're not saying he doesn't get some big contributions as well?

CHIP REID: Oh, he certainly will get some big contributions too, but they won't be talking much about that. You know, you just cannot run a political campaign these days without going out and spending a huge amount of your time campaigning for money and a lot of that is going to be from very well healed contributors.

NANCY CORDES: And keep in mind even the President's creditability on this issue is a little bit shaky because he initially said when he was running for office that he was going to stick with the public financing and in the end he realized he could raise so much more money if he went out on his own and did.

BOB SCHIEFFER: What's the-- since you mentioned Pakistan and we're talking about Osama bin Laden a while ago, Lara. Are we any closer to knowing where he is or capturing him?

LARA LOGAN: No closer to capturing him. But we've known for years that he's inside Pakistan. And-- and if Pakistan's leaders would deal with that then, you know, then maybe the-- the Osama bin Laden story would finally come to an end. There are a number of al Qaeda leaders and Taliban leaders inside Pakistan and the real question to-- to the government of Pakistan is why aren't you delivering these guys? Do you know that-- that recently I learnt that not only does the U.S. know where these people are inside Pakistan there are whole neighborhoods of Taliban in the Pakistani city of Quetta, for example. But we have information right down to their phone numbers. So the Afghans have this information, the U.S. has it and the Pakistanis have it. But no one is acting on it which, you know, really begs the question, because the-- the big fear for the administration is what happens if there is another 9/11 or worse that originates in Pakistan. Somehow the intelligence agencies are clinging to this idea that the Pakistanis will get that information and they will be able to warn us. It's not going to happen. I mean, it's-- it's a pipe dream, you have to deal with the reality which is that the vast majority of terrorist leaders that threaten United States today are located inside Pakistan and the U.S. is failing to deal with that.

BOB SCHIEFFER: All right. I want to stop and have plenty of time here because here is where I am going to put all of you on the line, here. I want to get your predictions of what you think is going to happen next year and I must say this panel's record is very good. It was one hundred percent. The correspondents who were on our end of the year show last year. A hundred percent of their predictions came true. Our legal correspondent Jan Greenberg-- Jan Crawford, I

should say, won kind of a trifecta. She predicted that Justice Stevens would retire, that Elena Kagan would be confirmed as his replacement and that Alabama would win the National Football Championship. The only person who had a wrong prediction was the moderator, I thought TCU would win the Fiesta Bowl and for some strange reason they didn't, but I'm going to double down and for my prediction I'm going to say they are going to beat Wisconsin in the Rose Bowl this year. So Chip Reid, what's your prediction?

CHIP REID: Well, Bob, the Phillies will win the World Series with their blockbuster line up and on much more important note I think Joe Biden is to some degree going to win the battle over Afghanistan. He said recently that in July the President will announce something more than a token withdrawal. I think he's right.

BOB SCHIEFFER: Nancy.

NANCY CORDES: I predict that after an initial rough patch Democrats and Republicans in Congress are going to work together-- together better than anyone expects and that the debt is going to be the issue that brings them together.

SHARYL ATTKISSON: I think after initial patch of cooperation between Congress, they will be further divided than ever. And in 2011, drawing battle lines for 2012.

BOB SCHIEFFER: Lara.

LARA LOGAN: I predict that come the fighting season in Afghanistan whatever fragile gains have been made recently in the surge will be reversed. And I suspect that Chip could be right for different reasons, not that a big drawdown will happen but absolutely that Joe Biden's strategy might in the end win the day because the Democrats are desperate to get out of Afghanistan and seem to be willing to do so at any cost, even though the President may not necessarily agree with that.

BOB SCHIEFFER: All right. Well I'll be back in a minute with kind of a special end of the year commentary.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally today, a little holiday poem.

'Twas the day after Christmas beneath the Capitol dome,  
It was quiet for a change, Congress finally went home.  
They stayed longer than usual and actually found,  
Not a lot to be sure but some common ground.  
The Tea Party hollered, Sarah Palin went hunting,  
The left wing cried foul, said she didn't know nothing.  
POTUS and FLOTUS were gone to a breeze,  
To Hawaii they went, why not if they please.  
With no stories reporters adjourned to the bars,  
The news casting subs sat in for the stars.  
I was just sleepy, needed rest for my brain,  
And what happened next, I still can't explain.  
In my dreaming I saw in the Capitol lawn,  
A man cracking a whip by first light of dawn,

He was trying to herd some whacky reindeer,  
Running every which way, first there and then here.  
His face was bright orange, a suntan hall of famer,  
I knew in a flash, it must be John Boehner.  
He hollered, cajoled, oh how he did plead  
But the deer wouldn't listen each wanted to lead,  
Stop Cantor, quiet Bachmann, sit down Mister Pintz,  
Line up like a team please. Don't jump the fence.  
You're feeling your oats and already feel cozy,  
But so did that lady named Nancy Pelosi.  
She reached for the sky and wound up in the soup,  
So these days she's herding a much smaller group.  
Her reindeer still snort that it wasn't their fault,  
Whatever it was they were brought to a halt.  
As that scene faded out Boehner lit up a smoke,  
Then I could see like a key, and this is no joke.  
POTUS was out running hard in the tropical sand,  
Birth certificate clutched real tight in his hand.  
Can't be too careful, he told his wife's mother,  
Arizona police may be here undercover.  
It's been a tough year, a difficult trip,  
Then wouldn't you know I busted my lip.  
My own party against me, will that be my fate,  
Or can old Clinton teach me to triangulate.  
My dream got confusing I really was torn,  
The old bowl still fought locking horn against horn.  
The way they were acting it was sure easy enough to see no good thing coming from this kind  
of stuff.  
Then I thought of this year and for all the bad talk,  
How before it was over, the lame duck did walk.  
The START Treaty was finally beginning to gel,  
Taxes stayed even, we can ask and yes tell.  
That's why I can close this holiday letter,  
With Happy New Year to all, it's bound to get better.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And that's all the time we have for today. Thank you for watching FACE THE NATION. Harry Smith will be here next week, because I'll be at the Rose Bowl with the TCU Horned Frogs. Happy New Year.

ANNOUNCER: This broadcast was produced by CBS News which is solely responsible for the selection of today's guests and topics. It originated in Washington, DC.  
on