Today on FACE THE NATION, the violence in Iraq gets even worse. Are the insurgents getting stronger? Insurgents pounded Baghdad with one of the most intense mortar barrages ever over Najaf. We'll get the latest from Barry Petersen, who is there.

As the violence gets worse and with insurgents holding large parts of the country now, does the administration still believe there can be elections in January? We'll ask National Security Adviser Condoleezza Rice.

Then we'll get the view from Delaware's Democratic senator, Joe Biden. Mike Duffy of Time magazine joins in the questions, and I'll have a final word on how the big-money boys have again found a way to get around campaign laws.

But first, the war in Iraq on FACE THE NATION.


SCHIEFFER: And good morning again. It's been one of the worst nights in recent months in Baghdad. The city came under heavy mortar attack throughout the night and at dawn this morning. We're going to get the latest now from CBS News correspondent Barry Petersen, who is there.

Barry.

BARRY PETERSEN reporting:

Bob, you're absolutely right. Last night there were helicopter gunship attacks in Sadr City, which is a base for insurgents. This morning at dawn, perhaps in retaliation, the Green Zone, where the Iraqi interim government is located, also came under heavy mortar attack. And at one point a convoy came under attack. A Bradley Fighting Vehicle was disabled. We're told four Americans suffered minor injuries. The Americans stayed for a while in the area; when they decided they could do nothing to save the vehicle, they pulled out. Now at that point local residents moved in. The stories differ here. The Americans say they sent a helicopter over to blow up the Bradley to keep people from looting it. We're told people were just dancing, but the end result was a massive explosion; perhaps a dozen people killed and scores were wounded.

Bob.

SCHIEFFER: Barry, does it appear to you that the insurgents are now closing in on Baghdad?

PETERSEN: Well, you certainly have that impression. I personally especially have that impression because last night at our location, we were witness to a mortar attack. Just down there about 100 yards we heard a series of explosions. Our producer crawled out on the balcony, took a look, and saw the insurgents firing mortars. Not at us; they were targeting a hotel complex over in that direction where American contractors and some American media companies are located. They did manage to hit near the area, but not to hit the actual area, and fortunately, which is very fortunate in this case, no one was hurt.

Bob.

SCHIEFFER: All right, Barry. Well, thank you very much. And as they say, keep your head
Our man in Baghdad, Barry Petersen.

With us now here in Washington, the White House national security adviser, Dr. Condoleezza Rice. Joining in the questioning this morning, Mike Duffy of Time magazine.

Dr. Rice, from what we saw in those pictures, we seem to have less control over what is happening in Baghdad and Iraq now than we did in June, when we handed over sovereignty to the Iraqis. Are the insurgents getting stronger?

Dr. CONDOLEEZZA RICE (National Security Adviser): I don't think there's any doubt that the insurgents are trying hard to make certain that the process that is under way, the political process that's under way, wouldn't take place. But, in fact, they're not going to win. The Iraqi people are moving toward elections in December and January. They have established their own government. We've transferred sovereignty. They've had their national conference, which people said could not take place. They have now a national council, and the Iraqis are moving right along.

Now yes, there are some people who want to take Iraq back to the days of mass graves and torture chambers and seeking weapons of mass destruction and threatening and sabers. It's not going to happen. The Iraqi security forces are being built and built quickly. They performed very well in Najaf. One of the real successes for them recently has been that the situation in Najaf was resolved without anyone having to storm the shrines there, but rather, Iraqi forces are now in control in that city. So, yes, the insurgents are working hard to try to destabilize the situation. They're not going to succeed.

SCHIEFFER: But when you say they're moving along, it's my understanding now that there are 87 attacks a day on average. We now have these insurgents that are in control of large portions of the country.

Dr. RICE: Bob, these attacks have gone up and down over time. I think if you were to chart over the last year you would see that there are times when the attack levels are high and times when they tend to come down and then times when they tend to go up again, but the important point is that we now have an Iraqi government which is fighting this fight. We have Iraqis signing up in droves to become part of the security forces, whether police or army or national guard. And we are continuing as this report showed to pound enemy positions, for instance, even in Fallujah which is one of the most difficult areas with the insurgency. There have been strikes against safe houses for terrorists and against insurgent strongholds. And it's not just right to say that there is no political activity in these places. Prime Minister Allawi has been active with the leadership of these places and saying to them, 'Get off the fence and join the parade.'

SCHIEFFER: But let's go to Mike.

Mr. MICHAEL DUFFY (Time): Can you talk a little bit more about the military strategy here because I think it's becoming a little hard to understand. Imam Zarqawi, who's the al-Qaida number two, said this week that US forces are limited to the capitals both in Iraq and in Afghanistan. And some US military officials have made similar comments about the freedom of movement. Does the US plan to cede control of the country, to some parts of the country, to insurgents or is there a plan and can you talk about what it is to sort of take it back?

Dr. RICE: The key is that you beat an insurgency both politically and militarily, and you have to have a strategy that has both political elements and military elements. In some
places, the military element is stronger and the political element subordinate and some places it's flipped. If you look at places like the Sunni triangle, Prime Minister Allawi and his people have been very clear that they believe that the political strategy, the groundwork, has to be laid with leadership there. It was largely a political strategy that won in Najaf, but, of course, in Sadr City we're continuing to pound positions. And if you really look at what happened to the Madhi Army in Najaf, they were defeated militarily as well. They had very little left by the time they left those shrines. So the key is to marry at the right time and the right places political and military elements to defeat the insurgency.

Mr. DUFFY: On the political: the elections are scheduled for January. Do you think they can still be held or...

Dr. RICE: Absolutely. And I would just remind everyone, you know, we weren't supposed to be able to find an Iraqi government that could function. But...

SCHIEFFER: May I just interrupt for just a second?

Dr. RICE: Well...

SCHIEFFER: You couldn't hold them today under these conditions.

Dr. RICE: Oh, I think we have--first of all, we have four months.

SCHIEFFER: So what leads to believe we can hold them in January?

Dr. RICE: We have four months, but I just want to remind people we weren't going to be able to transfer sovereignty, we weren't going to be able to get an Iraqi government, we weren't going to be able to have a national conference and a national council. All of those things have happened. There will undoubtedly be violence up till the elections and probably even during the elections. But it is entirely possible to hold these elections. Prime Minister Allawi is working with leaders throughout the Sunni triangle to enlist them in this election. The process of local governments and their work with local security forces goes on. Yes, it's a violent place, but there are going to be ups and downs. This is a turbulent...

SCHIEFFER: OK.

Dr. RICE: ...period in a difficult circumstance, but I'll tell you the Iraqis are making political progress every day. And every time they move toward those political milestones, the insurgency has more of a problem.

SCHIEFFER: All right. Let me ask you about this. Terrorism has certainly become a central issue in this campaign. The vice president put it in fairly tough terms the other day. Here's what he said.

Vice President DICK CHENEY: (From videotape) It's absolutely essential that eight weeks from today on November 2nd we make the right choice 'cause if we make the wrong choice, then the danger is that we'll get hit again, that we'll be hit in a way that'll be devastating from the standpoint of the United States and that we'll fall back into the pre-9/11 mind-set, if you will, that, in fact, these terrorist attacks are just criminal acts and that we're not really at war.

SCHIEFFER: Now the vice president said yesterday that he meant putting strong policies in place. But my question is, Dr. Rice: Is it the administration's view that it would be dangerous to elect John Kerry president?
Dr. RICE: This is a democracy. The American people will elect whomever they choose to elect. This is an election in which the American people will look at different strategies for fighting the war on terror.

SCHIEFFER: But that seems to be what the vice president suggested.

Dr. RICE: The vice president has said several times now what he meant by those comments. But it is very much the case that the American people will see different strategies for dealing with the war on terrorism. And they know what this president has done. They know that three years ago the Taliban was in control of Afghanistan and that Afghanistan is now an ally in the war on terrorism. They know that three years ago Pakistan was an ally of the Taliban, probably helping with al-Qaeda, and now Pakistan is fighting aggressively against al-Qaeda, particularly up on the northwest frontier, that border between Pakistan and Afghanistan. They know that three years ago the Saudis were not really engaged in the war on terrorism and that they now are, that we've liberated 50 million people and overthrown two brutal regimes. And they know that the president's strategy is to take down the al-Qaeda leadership and members--three-quarters of them now either captured or killed—to take away their territory and their sanctuary and their world is most certainly getting smaller and, perhaps most importantly, and maybe where the difference is, is this president believes that you cannot stop there, that you do have to change the conditions in the Middle East that created al-Qaeda and that means a broader policy of the spread of liberty and freedom in that region.

Mr. DUFFY: All right, this week saw the third year anniversary of the attacks on New York and Washington. Osama bin laden is still at large. Where is he? Why can't we find him? And why isn't that job one?

Dr. RICE: Well, he's a shadowy figure who hides in caves, but he's not directing things out of Afghanistan with major training camps there and allies in places like Pakistan and free rein to work along the Afghan-Pakistani border. His world is much, much smaller. And while it's still a dangerous organization, we've said that we worry that there could still be an attack. They, after all, have to be right once. We have to be right 100 percent of the time. The measures that we've taken defensively are important. This is a different country than it was on September 10th in terms of border security and airport security, coordination between our intelligence agencies and coordination between the federal government and state and local. But it's also different because we're on the offense, and we are taking down their allies and their consorts abroad as well.

SCHIEFFER: Let me ask you quickly about one other thing. The New York Times reports this morning that it--there are indications that North Korea may be preparing to test a nuclear weapon. Can you give us any information on that?

Dr. RICE: Well, we are watching to see whether this is normal activity or whether there are indicators that something is going on here. But, look, the North Koreans would make a very bad mistake were they to do that because the thing that this president has done--and instead of leaving us isolated with the North Koreans bilaterally, as we were in the 1994 arrangement, we are now in six-party talks where the North Koreans have to face not just the United States but Russia, Japan, South Korea and particularly China, with which they have a lot at stake. And everybody in those talks has told the North Koreans they have got to abandon their nuclear weapons programs and it has to be a nuclear-free Korean Peninsula.

SCHIEFFER: Dr. Rice, thank you so much for being with us.

Dr. RICE: Thank you.
SCHIEFFER: We'll be back in a minute with Democratic Senator Joe Biden.

(Announcements)

SCHIEFFER: And we go now to Senator Joe Biden, who joins us this morning from New York.

Senator Biden, you just heard the national security adviser say there are just simply going to be some rough patches from time to time as we move toward elections. She said she is confident there will be elections in January. Do you agree with that?

Senator JOE BIDEN (Democrat, Delaware; Ranking, Foreign Relations Committee): No. Look, Bob, we turned over sovereignty and the administration keeps talking about turning over sovereignty. We didn't turn over any capacity. We control less of the country, the government controls less of the country than when sovereignty was turned over. There's now a dual insurgency, the very thing we used to talk about about on your program, you'd have experts on--the last thing you wanted, Sunni and Shia insurgency. We find ourselves with a death toll every month of Americans going up. And I don't know what the plan is, Bob. I don't know what the president's plan is.

We talk about Kerry's plan in six months. What is President Bush's plan in the next six days? What's the plan to see to it that we've only spent 5 percent of that $18 billion to make things better for the Iraqis? What's the plan for putting in the troops that the US resolution promised to protect--the UN people are going to come in and going to open up those 2,500 or 3,500 polling places for those elections? What's the plan for this--to protect the force? What's the plan to implement--I mean, what's the president doing to get the Security Council to do a single solitary thing that they committed to do in the most recent US resolution?

Mr. DUFFY: But Senator Biden...

Sen. BIDEN: I don't know what he's doing.

Mr. DUFFY: This week Senator Kerry suggested in the next couple of weeks he would have a plan about Iraq of his own. What's that about? What's going to be in that plan that is going to make this situation clearer? Any ideas?

Sen. BIDEN: Well, you know, I only have a few seconds here on this program because you guys don't get nearly enough time. I'm not going to talk about Kerry's plan. He's laid it out already. I can tell you it in detail if you want to. The bottom line, though, is here we can't wait for six months until he's president. We can't wait for six months. They don't even have a plan in this administration to deal with the insurgency.

The secretary--I mean, look, I am kind of dumbfounded by what Dr. Rice said and what, for example, the Secretary Rumsfeld said on Friday. He said again we've got 95,000 trained Iraqi forces now, down from the 200 he said we had trained nine months ago. In fact not--to the best of my knowledge, in my trips there recently, my staff trips there just a couple weeks ago, talking to General Patrias, not one single solitary Iraqi policeman has completed the 24-week training course on the ground. They continue to mislead the American people about the state of affairs. And it's incredibly, incredibly, incredibly dangerous.

SCHIEFFER: Well, would you just say, in concise language here, do you think--Dr. Rice says no, it's not the case, but do you believe, and is it your analysis that the situation is worse now than it was in June when we handed over sovereignty?
Sen. BIDEN: It clearly is worse now, but it has more potential if, in fact, the president will lead and implement the UN resolution. Get in the--what we anticipated the 300 to 500 UN forces that begin to set up these polling places by providing the 3,000 to 5,000 security forces. Have a security plan that's actually going to train the Iraqi police officers. Give General Patrias all he needs, which he doesn't have, in my view, to train the Iraqi army. And stop kidding around about how this is going to somehow move off just smartly come January.

SCHIEFFER: Well, do you--Senator Biden, is what you're saying that we have to put more US troops in there?

Sen. BIDEN: No, we can't now.

SCHIEFFER: Yeah.

Sen. BIDEN: We can't put more US troops in there now, number one, because we don't have any to put in realistically right now. Number two, we can't do it now because we've made this big deal about how we've transferred all this sovereignty and it's the Iraqis who are going to be able to do it. For us to come in behind that now with more forces would probably only cause more discomfiture than there is. But what we could do, what we could do is insist that there be a number of forces provided by the UN Security Council to provide just 3,000 forces to protect...

SCHIEFFER: But where are they going to get them? Where...

Sen. BIDEN: Look, this is--I mean, one of the problems here is we keep getting, you know, put in the position, all of us, that the president has made so many fundamental miscalculations with regard to Iraq people don't trust his judgment anymore. They--I mean, the rest of the world doesn't trust his judgment. The Iraqi government doesn't trust his judgment. Judgment, not him personally, his judgment. The judgments have been so fundamentally flawed. And the question was asked, what is the military policy? You know, Fallujah is in good shape? Najaf is in good shape? What are we talking about?

Mr. DUFFY: Senator Biden, Senator--many Democrats, including the party's nominee, have said that if Senator Kerry were elected, foreign nations would be more willing to send troops. Yet many nations are pulling out of the coalition, it seems, every month. Why should anyone believe that foreign capitals would suddenly change their minds about what's going on in Iraq and suddenly send troops in a different administration?

Sen. BIDEN: Well, let me put it this way: There is no possibility President Bush can get this done. There is some possibility a new president can get it done. And I must tell you, the degree to which every day the administration continues to miscalculate on how to proceed in Iraq will make it more and more difficult for John Kerry to get anybody to come in. It is possible, if we do not actually pull off elections in January and John Kerry's elected on January 20th, he may inherit a Lebanon. There's no possibility of getting anybody in then. If the administration steps up to the ball and does some of the correct things they should be doing now between now and January, and there are successful elections, then there's a much greater possibility of getting people in.

But this is a closing window. To use a phrase we used, both--all three of us a year ago, from the Hammer report--remember the Hammer report--the former comptroller in the Pentagon, that the secretary of Defense sent out to Iraq? He said last year the window of support and opportunity is closing. Well, it continues to close. If we don't begin to make some of the correct steps now and really fundamentally beef up the training--why we can't get and why
we were unwilling to move to get the Germans and the French and others to beef up the training capacity for leadership squads within the police forces, which they had offered to do--why we can't get that put together to expedite the training of police is beyond me. That's not asking for more forces.

SCHIEFFER: Yesterday...

Sen. BIDEN: That's not asking for more troops.

SCHIEFFER: Yes...

Sen. BIDEN: We can't even get them to forgive debt.

SCHIEFFER: Yesterday out on the campaign trail, Senator, President Bush said if John Kerry were president, Saddam Hussein would still be in power.

Sen. BIDEN: Well...

SCHIEFFER: What is your response to that?

Sen. BIDEN: My response to that is no one can know the future or what would have happened. The idea that he would be in power now, still, seems to me beyond--it's just strange. I mean, it's not likely that would be the case, because we would have been able to work better to get a larger contingent and constituency to go into Iraq with us if he failed to comply with all the UN resolutions that were, in fact, being added.

You know, the irony here is, Bob, the president said the central focus on the war on terror is Iraq and that's why he put on the back burner Afghanistan, the back burner al-Qaeda, the back burner Korea, the back burner Iran. And we focused on it. So he says he wants to be judged on whether or not he's winning the war on terror, based on being judged on the progress in Iraq. Based on that test, he's not doing very well at all.

SCHIEFFER: All right.

Sen. BIDEN: And the basic principles he laid out was he was going to go to Jerusalem through Baghdad.

SCHIEFFER: All right.

Sen. BIDEN: He was going to see to it that he leveraged power. And none of that's worked.

SCHIEFFER: All right, Senator. Thank you so much.

We'll be back in just a minute.

(Announcements)

SCHIEFFER: Finally today, we leave you--I should say--finally today, this year's campaign prize for understatement must surely go to the spokesman for the Swift Boat group that is attacking John Kerry's war record. When it was revealed that one of the president's strongest supporters, Texas oil man Boone Pickens, had given the Swift Boat group a half million dollars and that two other Bush supporters had chipped in more than $200,000 each, the Swift Boat spokesman Mike Russell told The New York Times, 'You don't often see that kind of grass-roots support.'
Now wait a minute. If people who give a half million dollars to a political campaign reflect the grass roots, that’s some pretty tall grass out there. By that measure, George Soros, the billionaire financing millions of dollars of attack ads against President Bush, is just another lunch pail Joe handing out campaign flyers down at the union hall.

No, this is not about the grass roots. It is just the latest example of how the big money boys on both sides can find ways around the campaign laws and do it with the blessings of Congress. Campaign laws that allow such contributions are such a mess we should throw them all out and start over. But that won’t happen and here is why. The great majority of the people who write the laws get elected because they spent huge sums of money. They may not like the big money boys, but they’ll never crack down on them for one reason: They may need them in the next election.

We’ll be back in a minute.

(Announcements)

SCHIEFFER: We leave you now with some of the images from yesterday’s 9/11 memorials.

(Footage from various 9/11 memorials is shown)