



1 of 7 DOCUMENTS

Copyright 2009 CQ Transcriptions L.L.C.
All Rights Reserved.
Copyright 2009 Charlie Rose Inc.
All Rights Reserved.
The Charlie Rose Show

SHOW: THE CHARLIE ROSE SHOW 11:00 PM EST

October 5, 2009 Monday

TRANSCRIPT: 100501cb.111

SECTION: NEWS; Domestic

LENGTH: 9287 words

HEADLINE: Nancy Pelosi Discusses House Speaker Role

BYLINE: CHARLIE ROSE

GUESTS: Nancy Pelosi

HIGHLIGHT:

Nancy Pelosi, the speaker of the House of Representatives, discusses her agenda, which includes nearly every important issue facing the country.

BODY:

CHARLIE ROSE, HOST: Welcome to the broadcast. When the president faces important decisions on Afghanistan, health care reform, and the economy, we talk with one of the most powerful people in the country, the Speaker of the House of Representatives, Nancy Pelosi.

(BEGIN VIDEO CLIP)

REP. NANCY PELOSI, (D-CA) SPEAKER OF THE HOUSE OF REPRESENTATIVES: The president says Congress has been working on this for a long time, and now that he is president and we have a president who shares that value and is enhancing the debate with his ideas and then will sign the bill, that makes the debate completely different.

It's not a theoretical debate or academic discussion, it's a situation where members know there will be a bill and it will be signed, so they're very serious about the resolve with which we go forward.

(END VIDEO CLIP)

CHARLIE ROSE: The Speaker for the hour, next.

CHARLIE ROSE: Nancy Pelosi is here. She is, as you know, the speaker of the House of Representatives and leader of the largest Democratic majority in the house in over a decade.

Her agenda at this busy time covers virtually every important issue facing the country, certainly health care reform, climate change, economic crisis, and the war in Afghanistan. Her immediate priority is shepherding a health care bill through Congress. She has told her caucus that this will be the most important vote in their political careers.

At the White House today, President Obama continued to lobby for reform with doctors across the country, and here is what he said.

(BEGIN VIDEO CLIP)

BARACK OBAMA, (D) PRESIDENT OF THE UNITED STATES OF AMERICA: We have now been debating this issue of health insurance reform for months. The United States Congress has been working on it for better -- for the better part of a year.

And last week, the final congressional committee involved in shaping legislation completed their proposal and will soon vote on it. At this point, we've heard all the arguments on both sides of the aisle. We have listened to every charge and every countercharge from the crazy claims about death panels to misleading warnings about a government takeover of our health care system.

But when you cut through all the noise and all the distractions that are out there, I think what's most telling is that some of the people who are most supportive of reform are the very medical professionals who know the health care system best, the doctors and nurses of America.

(APPLAUSE)

CHARLIE ROSE: I am pleased to have Speaker Pelosi back at this table in New York. Welcome.

NANCY PELOSI: My pleasure.

CHARLIE ROSE: So here's the president saying "The debate is over, let's vote," essentially. Where does health care reform stand and how do you see it coming to fruition and when?

NANCY PELOSI: I believe that there's no doubt that we will have a good, strong health insurance reform bill, that everyone knows the current system, while it has much to recommend it, has areas that need to be fixed.

So where we are now is all the committees are finishing their work, these bills will be brought together. They will be evaluated by the Congressional Budget Office to ensure that they do not add to the deficit. In a matter of weeks, we will be able to bring legislation to the floor.

CHARLIE ROSE: And can you assure your Democratic colleagues in the house that public options -- a public option will be in the bill or you will not support it in conference?

NANCY PELOSI: Well, it's an issue of what is the consensus within our Democratic caucus. It's not about me. It's about what meets the needs of the American people.

And I have said that we will bring a bill to the floor in the House of Representatives that has a public option in it. It's necessary because it will lower cost. A robust public option saves over \$110 billion in the bill.

Secondly, it will increase competition. And President Obama has said he sees the public option as the best way to keep the insurance companies honest and to increase competition. That's what we must do in order to lower cost in the long run.

CHARLIE ROSE: So what happens -- and this is the big question -- if the Senate passes a bill that does not have a public option and you pass a bill that does have a public option, and you go to conference?

NANCY PELOSI: Well, let's not go too fast on the Senate side. The Senate has two bills on the table.

CHARLIE ROSE: Right, exactly.

NANCY PELOSI: One has a public option in it, the first bill that passed out of committee. Senator Kennedy led the way, bless his soul, on that bill, and now we have the bill coming out of the Finance Committee. The Senate leadership will harmonize those bills and then bring something to the floor.

And then we'll work our will, and with the support of the American people -- overwhelmingly, around two-thirds of the American people support a public option because they know what it means to them. They have been at the mercy of the insurance company. They know competition is necessary.

So it's less cost to them personally, less cost to their businesses, it's more competition business-wise and for the economy, and it will help reduce the national deficit.

CHARLIE ROSE: But I hear you saying "I'm not prepared at this time that I will not support of bill that comes out of conference that does not have a public option."

NANCY PELOSI: Well, the legislative process is such that you take it one step at a time and you build strength along the way. And I believe that we will have a very strong hand going into the conference with the public option.

CHARLIE ROSE: It is said in today's report that I say that the president is heavily lobbying for public option behind closed doors, correct?

NANCY PELOSI: I certainly hope so.

CHARLIE ROSE: Well, he's obviously speaking with Senator Snowe and speaking with Senator Nelson and he's speaking with others. Chuck Schumer, senator from New York, says he thinks the public option has a real possibility after the 13-10 vote coming out of the Senate. Is that the intelligence you hear?

NANCY PELOSI: I can only speak to the House of Representatives.

CHARLIE ROSE: But you talk to senators.

NANCY PELOSI: Let me say this. The president spoke to doctors today, and the doctors overwhelmingly support a public option. In fact, 75 percent of them support either a single payer or a public option.

Public option is what we have on the table and a number of doctors supporting it is overwhelming as it is supported that way with the American people. So I wouldn't be surprised if the Senate, hearing the public view and why, would move toward a public option, because it saves so much money.

CHARLIE ROSE: It is said that this is the political reality, which you mentioned in the quote that I led in my introduction to you, that Democratic members of Congress do not want to go into the next election cycle without health care reform having passed or otherwise they may be in jeopardy.

NANCY PELOSI: Well, Democrats don't want to go forward without health insurance legislation passed because it's what the American people need. It's so long overdue.

If we had done what Teddy Roosevelt led the way with -- a Republican -- what Harry Truman tried to lead the way on, what Richard Nixon supported, then of course Jimmy Carter and then the Clintons, our health care situation in

America would be much, much better and our fiscal, our budget situation would be better.

So it's about the American people. It's about the health and financial security of individuals. It's about the competitiveness of our businesses, especially our small businesses, which do very well under this bill.

It's about the dynamism of our economy, where we can compete internationally without having to compete unfairly because we have this anvil of health care costs around the necks of our businesses.

And, again, as the president has said, health care reform is entitlement reform. It will reduce the medical cost...

CHARLIE ROSE: The burden of entitlements that is troubling for the future of our economy.

NANCY PELOSI: It's absolutely essential. Even, Charlie, if every person in America had health care and loved what they had and we couldn't sustain this. It's unsustainable. It's unaffordable and the cost to the federal budget just will undermine the health of the American people as well as take us deeper into debt.

CHARLIE ROSE: And if it has public option -- just the politics again -- if it has a public option provision coming out of conference, you can keep your blue dog Democrats in line to support a bill that has a public option?

NANCY PELOSI: My blue dog Democrats are the country's blue dog Democrats.

CHARLIE ROSE: You are their leader.

NANCY PELOSI: Well, they are great members of Congress and they have supported in one form or another -- some of them voted for a public option in the committees on which they serve. So they have not been an obstacle to the public option.

The question is which form will it take? Will it be -- not to get too technical, will it be according to Medicare rates or will it be at negotiated rates? That's really the fight.

Some of them honestly believe -- and I respect that judgment -- that in their areas where the hospitals and the providers, the negotiated rate, is a better way to go.

And we're listening to each other and we will build consensus, and it won't be any direction that we will give, but it will be the consensus of those who want health care reform as to how we go forward.

CHARLIE ROSE: Many people think the Senate bill would look something like what came out of the Senate Finance Committee.

NANCY PELOSI: I don't know that.

CHARLIE ROSE: You don't believe that?

NANCY PELOSI: I don't know it. I do not think that they would dismiss all of the work that was done by what is called the HELP Committee, health, education, labor, and pensions, Senator Ted Kennedy's committee.

CHARLIE ROSE: Right.

NANCY PELOSI: I don't think they would dismiss the work. Well, they have two different jurisdictions in any event. So there will have to be a harmonizing of those bills. And the HELP bill resembles a great deal of what we're doing in the House.

CHARLIE ROSE: What will be the biggest issues if in fact we get health care coming out of the House and health care coming out of the Senate, what will be the differences you foresee between the two bodies?

NANCY PELOSI: Just relating to the finance committee bill for the moment...

CHARLIE ROSE: Sure, exactly.

NANCY PELOSI: ... because we have a great deal in common with the HELP bill.

CHARLIE ROSE: Right.

NANCY PELOSI: But I strongly support what we are doing because it's much better for the middle-class. We have certain principles -- middle-class affordability. To the extent that their bill may appear to cost less in a number that they put out, where does that cost come from? Does it ride on the backs of the middle-class?

What we want to do is make this affordable for the middle-class throughout. That is a principle.

Another one is security for our seniors. Our bill goes much farther in terms of closing the donut hole, which means reducing prescription drug prices, retaining the benefits they have -- if they like the doctor they have they can keep them, and also in terms of making Medicare solvent for five more years, so retaining that excellent source of benefits to our seniors. The bill is much better for seniors.

We believe also we do a better job for small businesses. In the absence of our taking action and the action described in our bill, small businesses will have a price tag of \$2.5 trillion over the next ten years. That's just unbearable. You can't sustain it.

And so what this bill does is try to make a level playing field among businesses so that -- I mean, small business -- some people in small business pay more for their insurance than someone who works in a large corporation. It just isn't fair, and we want to make that that change.

So in those three areas, we believe that our legislation goes farther, and, in fact, with a public option, \$110 so billion in savings to the system over the next ten years. Those are just a few of the differences that we have between --

And, of course, we have another difference is how the bill is paid for. The bill as the president has announced, the coverage part of it is \$900 billion.

Both houses have a combination of ways to cover the cost. In both sides of the capitol, we are reducing cost by over \$500 billion to cover more than half of the bill, reducing cost, cutting waste, fraud, and abuse while strengthening Medicare.

Secondly, we on our side have a surcharge on people making over \$500,000 or a million a year. Over 70 percent of the American people support that approach.

In the Senate they have a tax on insurance companies for high cost health insurance programs. So that's another difference.

We think what we're doing is better for the middle-class.

CHARLIE ROSE: When will we have a bill?

NANCY PELOSI: My hope -- of course, if you promise not to tell anyone, I would like to see just this as a Thanksgiving present for the American people. But it will certainly be this year.

CHARLIE ROSE: But it's doable by Thanksgiving and you expect it to be here by Thanksgiving? It will be on the president's desk before Thanksgiving?

NANCY PELOSI: That's what I would like.

Now, part of it is that we have as a matter of absolute fact said that this will add up to zero. In other words, there can be no additional deficit.

CHARLIE ROSE: Deficit neutrality.

NANCY PELOSI: Deficit neutrality, to use our term, deficit neutrality.

And so every step of the way we have to keep going back with the slightest change to the Congressional Budget Office to make sure we are in compliance with that. And that's really the only thing that would lengthen the time between when we put a bill up on the Internet for the world to see and when we go to the floor.

CHARLIE ROSE: Your sense is that most people who have Medicare greatly admire and like that system.

NANCY PELOSI: Yes.

CHARLIE ROSE: Why -- do you understand their fear that Medicare may be cut?

NANCY PELOSI: I understand that they have had a distortion presented to them which has some plausibility because we're saying we're going to make cuts in the funding for Medicare, which is the waste, fraud, abuse, obsolescence, duplication, whatever. That's what you have to do in order to keep it sustained.

CHARLIE ROSE: To keep a cap on the cost.

NANCY PELOSI: Exactly. And so -- but what we do in the bill, Medicare benefits are improved for seniors. So our task is to make sure they know that.

And AARP -- from AARP to any seniors organization you can name, by and large they -- we don't have a bill yet so they haven't put their names next to legislation -- they support the provisions in our bill that does that.

And, again, an area where we are superior to the Senate bill and eliminating the donut hole. That means reducing the cost of prescription drugs to seniors, having them keep the benefits -- you like your doctor you can keep your doctor -- and making Medicare solvent for five more years.

There have been scare tactics that have gone out there to say that we would be harmful Medicare. I remind you that Medicare when it passed 44 years ago in about one month, signed by President Lyndon Johnson -- I wish that you could all see the debate that day with what the Republicans who opposed Medicare said at the time.

CHARLIE ROSE: What would you do differently if you were starting over now about health care reform?

NANCY PELOSI: The president says Congress has been working on this for a long time. And now that he is president and we have a president who shares that value and is enhancing the debate with his ideas and then will sign the bill, that makes the debate completely different.

It's not a theoretical debate or academic discussion, it's a situation where members know there will be a bill and it will be signed, so they're very serious about the resolve with which we go forward.

I believe the president made clear at his inauguration that health care is a right, not a privilege, and that we would go forward in a way that honored that value.

He made his announcement at his health summit about being open to any and all ideas, which I fully support. Even when he talked about a public option, he said "I believe a public option is the best way to keep the insurance companies

honest and to improve competition. If you have another way, put it on the table, we welcome that." And we do.

We, again, have been moving in a very -- working very hard to move in a forward direction. So we're on course.

CHARLIE ROSE: There are those who argue -- like the stimulus bill -- that the president, that they gave too much authority to Congress, even though Congress is where we create legislation, that the president on the stimulus bill and on health care reform should have come in earlier -- having stated his objectives in the inaugural speech, should have come in early and said this is what the president wants and tried to build a base of support for that.

NANCY PELOSI: OK. The president got what he wanted in the stimulus bill.

CHARLIE ROSE: So there's nothing in that bill that he didn't want.

NANCY PELOSI: Well, I'm not saying nothing. But I'm saying the overriding outline of what he wanted to go forward.

CHARLIE ROSE: But you were not operating from legislation that the executive branch had presented to you and said "This is what we would want," correct?

NANCY PELOSI: Well, we had a collaboration on the legislation.

CHARLIE ROSE: So they in a sense conversationally told you what they would like to see in it and you took the ball and ran with it and then presented him with a bill, correct?

Is that the best way to go? Should we have stronger executive leadership? Is this administration too Congressional-centric?

NANCY PELOSI: Well, we had shared values. It wasn't as if we were coming from different places on all of this legislation.

The reason we were able to act within a month of our being sworn in and only a week and a day from the president is we had been making this appeal to President Bush over, this is what we think our country needs. And so we were ready, we were ready. And by and large I believe the president got what he wanted in the bill.

I'm not saying that he would vouch for anything in there. There's been some debate about I put \$50 million for the arts in there. Well I do believe that arts community generates jobs and that was the purpose of the bill. So you might want to take \$50 million out of \$700, \$800 billion. But I'm proud of that addition. Others may distance themselves from it.

But by and large the president knows at the end of the day he will weigh in House and Senate conference and we are -- he has set forth principles, and I think both houses are honoring his principles. Now he has to accomplish priorities among them.

CHARLIE ROSE: Has the stimulus bill at this point done what was expected of it?

NANCY PELOSI: The stimulus bill has done what the president said, has created and saved jobs. Absent the stimulus bill we would be in much worse shape than we are now. The fact that we lost over 200,000 jobs last month is terrible, but it's about a third of what we lost at a similar time last year.

CHARLIE ROSE: Some are predicting maybe 750,000 more in this year.

NANCY PELOSI: Job creation is what...

CHARLIE ROSE: The stimulus bill was intended to do?

NANCY PELOSI: And it has done that and it has saved jobs. It would be much worse without it.

Let me just go back -- I told you what happened on inauguration day. A hundred days later the House and the Senate on the very same day, 100th day of the president's office passed his budget bill, a budget which was a statement of our national values, a great budget that the president had sent us, his budget.

We put together a bill that honors his principles. To lower taxes, to reduce the deficit, to create jobs, to turn out economy around, and had three pillars to do that -- investments in education, in health care, and in energy and climate change.

We have passed two of those bills -- the energy bill and the education bill -- and now we're working on the third. And the Senate is moving in that direction as well.

This is about a new green revolution with the education and the innovation to match. And that innovation is a part of our health care as well.

So this is about a new direction, a green revolution, industrial, technological, and now green revolution, because we cannot just build on past economics. We have to create new economies, new opportunities for job creation.

CHARLIE ROSE: And all of this should have been put in the stimulus bill because you need to do both things, you need to accomplish this bill in terms of sustainable economy. So you take the stimulus money, it creates jobs.

At the same time you do it in these three areas, you add money in these three areas, because that's part of changing the American economy to make it more competitive over the long run.

NANCY PELOSI: Well, we did get a running start of the stimulus package on some of this.

CHARLIE ROSE: But if you look in hindsight, isn't there ways you could have created this stimulus bill to produce more jobs? Because jobs are the one issue that our people argue is going to be a rallying cry for the Republican Party in the elections coming up in 2010.

NANCY PELOSI: Let's put it this way, we have increased the number of jobs that are being lost. That's simply not good enough.

CHARLIE ROSE: Right.

NANCY PELOSI: But what I'm saying is it had a positive impact. And it's not -- now more of the money is being spent out. And it was -- it's a time-release capsule. Over time it spells out.

Some people think the bill should have been larger. I thought it had to be fiscally sound. We just couldn't spend endless money. We had to have a top line on it and then have the best possible investments, and more jobs will come from the stimulus bill.

CHARLIE ROSE: You're saying we can't have another stimulus now because the impact on the economy, but we will do things like extend unemployment benefits? Like what else?

NANCY PELOSI: Unemployment benefits and food stamps, believe it or not, are the biggest stimulus to the economy. Economists will tell you that nothing does more to inject demand into the economy -- because this money is spent right away -- inject demand into the economy which helps create jobs while you're doing the right thing by these.

And we have to have COBRA for out-of-work workers as well. And all of that is very positive in terms of the

economy.

There are economists on the right and left who tell me that we should have another stimulus.

CHARLIE ROSE: And you say what to them?

NANCY PELOSI: Well, the appetite for the -- first we want to pass the health care bill, which we believe is a jobs bill. It will create jobs, keeping the American people healthy. And that's really important as well.

Just think -- we will have tens of millions of more people with access to health insurance and therefore health care.

It's real bonanza for the insurance companies, by the way. That's why we insist they have competition, too. It's a real bonanza for the pharmaceutical companies. That's why we think they should give more back to the budgeting on this bill. But that's a job creator.

The energy bill is a -- excuse me, the health bill is a job creator. That's why the president had one of his three pillars.

The debate over whether we should have another recovery package, stimulus, if you will, is one that I'm not sure the American people are ready for. They still haven't seen the benefits of why we did the TARP funding. You remember that?

CHARLIE ROSE: Yes, I do.

NANCY PELOSI: One year ago almost, almost a year...

CHARLIE ROSE: How much of that money remains to be spent?

NANCY PELOSI: I think probably about a quarter of it remains to be spent.

CHARLIE ROSE: Some have said that it should be spent towards deficit reduction.

NANCY PELOSI: No. No.

CHARLIE ROSE: Do you worry about the deficit?

NANCY PELOSI: Yes, terribly.

CHARLIE ROSE: And what are you prepared to do to give voice to your concerns?

NANCY PELOSI: What we have done and what with are doing on deficit reduction, and this is a very big issue for us. And our mantra in the Democratic Party has been "No new deficit spending." Pay as you go.

For 30 years some of our members have been singing this song. Congressman George Miller, chairman from California, he had this passed in the 1982 midterm convention, pay as you go.

And we have passed it -- when I became Speaker, the first day we passed a rule in the House that we couldn't pass bills unless they were pay as you go complicit. They complied with that.

And now we're trying to get it to be the law of the land. We passed it in the House, the president supports it. We want the Senate to follow suit and we assume they will soon.

So in any event, in terms of constraining the enthusiasm of Congress to add anything to the deficit, that can't happen in terms of the pay as you go.

In addition to that, the president's investments in his budget are investments that take down cost. For example, we pass the education bill. Two years ago we passed an education bill, which was the biggest assistance to kids for higher education since anything since the G.I. Bill in 1944 until now.

The bill we just passed about three weeks ago goes beyond that, the biggest assistance for education leading up to higher education.

And you know what we did? We did in a way that changed the way the government does student loans, and we were able to redo in a way that gave back the Treasury \$10 billion.

We just have to do things in a different way and see what we can do to return money to the Treasury.

CHARLIE ROSE: Speaking on the return of money, there's some people that think that because government had to, by necessity from the previous administration and this administration, especially the financial sector, and in the auto sector, had to take a percentage of ownership of those, in those financial sector and the auto company, that somehow, especially the financial sector, some of that have will pay back with a profit. Do you believe that?

NANCY PELOSI: Oh, yes, some will. Some of it will pay back with a profit. I'm not certain that all of it will. But we are already seeing that, that some of that will pay back with a profit.

And we said in the bill when we passed the TARP bill last year, we said if it does not -- if the taxpayer is not made whole, then there will be a fee on those institutions that benefited from it to make the taxpayer whole.

CHARLIE ROSE: Other people who are alarmed about sort of government intervention into the private sector are asking about exhibit strategies.

What's -- so that this is not at transformation of the American economy or American system, that down the road there is an exit strategy joie that you will not have government ownership of significant sectors of the American economy.

NANCY PELOSI: We all agree that.

CHARLIE ROSE: OK, so what is the exit strategy?

NANCY PELOSI: Well, I was in Michigan this weekend and talked to people there about the auto industry and the investments that we have made there, the lifeline that we have sent as a lifeline for them to be available, not life support.

And so while we have a stake in those companies -- financially, we have a stake as a country, but a stake financially, we have to let the private sector -- we're not in the business of running businesses.

CHARLIE ROSE: Running auto companies.

NANCY PELOSI: And that's not where we should be.

CHARLIE ROSE: But in fact you are now running auto companies, aren't you?

NANCY PELOSI: Well, we are funding them because the auto industry is part of the manufacturing and industrial base of our country. And that's a national security issue that we have a strong industrial and manufacturing base. It's about jobs for our workers. It's about advancements in technology.

But what we're saying to them, innovate, innovate, innovate. Let's be competitive and prevail in the world marketplace. And that's the opportunity.

Nancy Pelosi Discusses House Speaker Role The Charlie Rose Show October 5, 2009 Monday

By opportunity, whether it's tax credits or grants or whatever it is for innovation, that is another way that we're weighing in with them.

But we are not there to say and in terms of running companies, that's not -- we want free market, marketplace solutions to these things and competition is key to that, and innovation is central to that innovation. In terms of the financial sector, the same is true.

CHARLIE ROSE: Do you believe -- Paul Volcker was here at this table within the last week, Roger Altman was here several months ago. They both have, Roger especially, that we may have to in terms of the performance of this economy and because of the obligations we will have to meet, add a value-added tax.

Does a value-added tax have any appeal to you?

NANCY PELOSI: I would say put everything on the table and subject it to the scrutiny that it deserves.

The situation that we are in is as follows. Take the auto industry. You make a car, and it has about \$2,000 worth of health care benefits in it.

You send it overseas, and the whole value of that car is taxed as it goes into another country, including the health care benefits.

They get a tax off of that and they use that money to pay the health care for their own workers. So their cars coming into our country don't have a health care component cost.

CHARLIE ROSE: So they have a competitive advantage.

NANCY PELOSI: They have a competitive advantage.

Somewhere along the way, a value-added tax plays into this. Of course, we want to take down the health care cost, that's one part of it. But in the scheme of things, I think it's fair look at a value-added tax as well.

CHARLIE ROSE: Sooner rather than later?

NANCY PELOSI: Well, we -- I think what we will see is as we are finishing the health care bill in our budget and start with the recovery, the budget, all the initiatives that we have, they have a oneness to them. They're all connected and they are part of the president's plan to take the country in a new direction.

As we're doing that, we are looking at the tax -- tax fairness, should we lower corporate rates? What do we -- and in that context we would look at these other things.

Some of them sooner rather than later. Whether we're talking net operating loss, bonus depreciation, some issues that could be job creators very quickly, but also how we look at our tax code in terms of fairness and simplification.

CHARLIE ROSE: So it needs an overhaul?

NANCY PELOSI: Well, it may. We need to subject it to scrutiny.

CHARLIE ROSE: Because the president is on the record said there will be no increase in middle-class taxes.

NANCY PELOSI: That's absolutely correct.

CHARLIE ROSE: Whatever the financial obligation is there will be no increase in middle-class taxes.

NANCY PELOSI: Absolutely. That is absolutely correct.

CHARLIE ROSE: Let me turn to climate change for a second.

NANCY PELOSI: I hope for longer.

CHARLIE ROSE: OK, fair enough. I want to do that, absolutely.

So you got the bill that came out -- The Waxman-Markey bill came out. You got a bill introduced in the Senate by Barbara Boxer and John Kerry. What do you think of cap-and-trade that came out of the house? Is that better than a carbon tax in your judgment, and if so, why?

NANCY PELOSI: Well, whatever we end up calling it, let's just put this...

CHARLIE ROSE: This is not just names. This is a different way of approaching...

NANCY PELOSI: It's different from a carbon tax, right. But it is what the world is doing. And so we have to fit into the regime as well.

CHARLIE ROSE: And have to take the lead.

NANCY PELOSI: Well, we have to take the lead, but we've been laggards.

CHARLIE ROSE: Right. That's why you've got to take the lead.

NANCY PELOSI: When I became speaker I made climate change and energy independence my flagship issue. Of course, education, health care, they're everybody's issues. I wanted us to put an emphasis on this.

We formed a special select committee to document what the best way was to go with this. Our committees of jurisdiction which were like 11 worked on our energy bill which President Bush signed. First time we lowered CAFE standard for emissions in 32 years. I mean, that's just appalling.

Anyway, now with a Democratic president who is facing the reality of climate change, which for a long time for the previous administration to even acknowledge that climate change was happening, that there was a crisis and that human behavior had an impact on it and change and behavior could have a positive impact on it.

Now we're in a different place. So we've been laggards in this.

So in our legislation, seeing the necessity as a national security issue, to reduce our dependence on foreign oil, as an economic issue, to have the green technologies and the green revolution to keep us number one in the world economy on these technologies, as a health issue, to reduce the emissions in the air, to keep our kids healthier, and as a moral issue, to pass this planet on to the next generation in a responsible way.

But in addition to that, why we had the collaboration of the evangelicals was they believed, as do many of us, that this planet is god's creation and we have a moral responsibility to preserve it and to do so in a way that does not hurt the poor. That's their two-pronged attack.

So we had evangelicals and scientists at the table, business and labor, environmentals, every sector that you can imagine.

CHARLIE ROSE: People like the Edmund O Wilson, a professor at Harvard, were pushing hard for that.

NANCY PELOSI: And so that was why we were able to pass legislation. It's a heavy lift. It's very hard because it represents change.

CHARLIE ROSE: I know a lot of people in the industry feel -- across the board who have a shared idea, a

commitment to climate change and to reducing the emissions believe that a tax -- carbon tax is better than cap-and-trade.

NANCY PELOSI: In theory -- and I think Al Gore would probably agree with that. That's not a disagreement.

CHARLIE ROSE: And he said you can't have into the Congress because nobody will buy into something that has "tax" in it.

NANCY PELOSI: But that's not why. If we were the initiators, which we are the laggards, but now we're getting with it -- the carbon tax is efficient, it is easily understood by people, opposed by many in terms of it, it's a tax.

So there's -- this is not to debunk what that is. This is to say that while -- say what you say about France, the EU, many more people are -- countries are looking to how we can cap emissions, capture them and sequester them in the ground, and then trade the credits for those emissions in order to get us to move forward in a way that will happen, that will work.

CHARLIE ROSE: But you seem to be saying cap-and-trade is better than simply a carbon tax. That seems to be what you're saying.

NANCY PELOSI: I'm saying it because it's more readily at work in the rest of the world.

CHARLIE ROSE: So the emission standards coming out of the Waxman bill are as strong as they can be or would like to see them stronger?

NANCY PELOSI: Well, we'd always like to see them stronger, and in the Senate bill they are, they are stronger. So we would hope they would prevail in conference.

But this is what we could pass in the House. And this was historic. It was remarkable.

CHARLIE ROSE: What is the standard set by Waxman-Markey?

NANCY PELOSI: It's 17 percent by 2020 and then the same measure in the Senate is 20 percent. So anyway they're three percentage points ahead of us by the same standard.

And this was a heavy lift. But everything's a heavy lift. It's all heavy lift, because you're bringing together people from all different parts of the country which view this differently, and we were able to pass that legislation. I'm very, very proud of it, and I'm excited about what the Senate is doing.

CHARLIE ROSE: Do you want your president to go to Copenhagen?

NANCY PELOSI: Yes, of course I do.

CHARLIE ROSE: He'll go? You'll assume he would go?

NANCY PELOSI: I have no idea.

CHARLIE ROSE: But you want the United States to take the lead in this? More so than any other country in the world that this a responsibility that we ought to and a responsibility of a country wants to play an important part in the leadership of the world?

NANCY PELOSI: Yes, and...

CHARLIE ROSE: To seize control of the climate change.

NANCY PELOSI: Well, to join with other countries in this, because if we're not there, it gives everyone else an out.

CHARLIE ROSE: Exactly.

NANCY PELOSI: It gives everyone else an out.

I had a climate change visit to China, a very high-level visit, met with the president, the prime minister and the rest, and we talked climate change and human rights and Tibet...

CHARLIE ROSE: I want to get to that, too. Go ahead.

NANCY PELOSI: But they never expected that we would have passed our bill out of committee. And we did the day before we left for China. We passed it out of committee then we came back and passed it in the House. It sent a completely different signal.

When they have come here in the past, they have thought Congress is not going to act, the U.S. is not going to have any standard. But we do, and we will lead.

CHARLIE ROSE: My understanding is the Bush administration had problems with Kyoto in part because they didn't want to do anything that -- unless they could get the Chinese and the Indians to agree. And they couldn't get them to agree, and that was part of the reason the United States didn't sign on to Kyoto. Is that true or not?

NANCY PELOSI: Well, that goes back a while, because Kyoto was, of course, during the Clinton administration as well.

CHARLIE ROSE: But the Bush people were against it.

NANCY PELOSI: Absolutely. And the Republicans in Congress...

CHARLIE ROSE: As a policy.

NANCY PELOSI: As a matter of fact, I'm the appropriator. That's my experience in Congress, and almost every bill we passed the Republican majority would have an amendment that would say "no funds in this act can be used to study climate change or Kyoto treaty."

CHARLIE ROSE: But this is the difficult thing for China and India, especially China, a manufacturing economy. They are saying that, you know, there's a limit in emissions standards that they will support if it affects their growth.

NANCY PELOSI: You're talking about China now?

CHARLIE ROSE: Yes.

NANCY PELOSI: The Chinese are doing incredible things.

CHARLIE ROSE: Absolutely.

NANCY PELOSI: They are doing remarkable things.

CHARLIE ROSE: With wind and solar and everything else.

NANCY PELOSI: Wind and solar, batteries. They are doing...

CHARLIE ROSE: Coal -- not so good.

Nancy Pelosi Discusses House Speaker Role The Charlie Rose Show October 5, 2009 Monday

NANCY PELOSI: Well, coal has a place, and what we want to do with coal is to sequester it. But we -- you know, coal-powered plants which are not environmentally sound are part of the emissions problem.

So in our bill we're very respectful that coal is abundant in the United States, that it's cheap, and it is here to stay for another couple of hundred years. How do we deal with that? So I'm not being disrespectful as to what they're doing with coal, but I'm saying in terms of taking the lead in other technology...

CHARLIE ROSE: But in terms of battery solar, wind...

NANCY PELOSI: And then in high speed rail and how they build buildings and rehab buildings and all the rest, they are really doing remarkable things.

CHARLIE ROSE: Could they seize the lead in this kind of thing?

NANCY PELOSI: Absolutely.

CHARLIE ROSE: And so therefore from a competitive point of view and international prestige, we'd rather be the leader.

NANCY PELOSI: Absolutely. Nobody's waiting around for us to catch on.

(LAUGHTER)

CHARLIE ROSE: Exactly.

NANCY PELOSI: They have been in the lead on all of these technologies. I saw remarkable things.

CHARLIE ROSE: Shouldn't we be in the lead?

NANCY PELOSI: Absolutely. And that's why the president...

CHARLIE ROSE: Is that where the stimulus program is going to go? Helping us get the lead in those kinds of...

NANCY PELOSI: Well, you've heard me say it before. If you want to know our agenda: science, science, science and science, these four words.

CHARLIE ROSE: And the president went out there the other day.

NANCY PELOSI: In our recovery plan we have the biggest commitment to science ever. In the president's budget, that's why these pillars are there. They're all about innovation and science, whether it's education, health care, or energy.

And so we are going to be left behind. And that is just not acceptable to the United States. We are number one, we are going to maintain that position. We're going to do it through innovation, and that begins in the classroom, so it's all connected.

CHARLIE ROSE: And granted you make a better speech about that than anyone else and you firmly believe it.

Let me go back to China. So you go to China and you talk to...

NANCY PELOSI: Let me just say that Alaska is melting. In our own country, our own state, villages are melting into the sea. The methane gas that's being released there because of what's happening to the polar caps -- I mean, we could go on and on about Alaska.

CHARLIE ROSE: And the arctic, yes.

NANCY PELOSI: The whole arctic. But this is a state in our union. I told Chinese "You must go to Alaska and you will see, the glaciers are melting in the Himalayas affecting the great rivers of China, including down to Southeast Asia.

CHARLIE ROSE: So do you think -- the secretary of state was over there asking the Chinese to join in this and to cooperate. Will we get -- the president is going in November to China. Will we get significant cooperation on emission standards and environmental issues?

NANCY PELOSI: I hope so. But we are working in a forward direction, and I think communication is very different now.

CHARLIE ROSE: How did they receive you? Because no one, or few have been tougher on their human rights record than Nancy Pelosi. It's true, yes?

NANCY PELOSI: Yes.

CHARLIE ROSE: It's true.

NANCY PELOSI: I hope there are other people who are tougher but I'm pretty tough.

CHARLIE ROSE: So what do they say to you when you come in and you talk about all these things, and then you say "Let's talk about human rights." What do they say?

NANCY PELOSI: Well, let me say, they made a decision somewhere along the way that they are going to extend a hand of friendship to me.

CHARLIE ROSE: Right.

NANCY PELOSI: They came and invited me to China in this early spring.

CHARLIE ROSE: It shows you they know something about the American political system.

NANCY PELOSI: Yes. And they -- and the invitation was from the highest level for a state -- head of state.

CHARLIE ROSE: So you saw Hu Jintao.

NANCY PELOSI: I spent a good deal of time with him.

CHARLIE ROSE: And so what came out of this? When you say to him "Mr. President, how about human rights," let's have a serious conversation here"?

NANCY PELOSI: Basically their statement is usually the same. This is an internal matter. I hope we can discuss it with respect for each other's different systems and the rest, and the rest.

And I took a little bit of a different approach this time in terms of talking about environmental justice because I started to tell you about the glaciers melting in the Himalayas -- 750,000 people approximately die in China each year from auto emissions.

Tens of millions of people do not have access to clean water, clean air.

CHARLIE ROSE: Clean water is a serious problem.

NANCY PELOSI: A serious problem. The Gobi Desert is encroaching on the rest of China. There are sand storms

in Beijing. They know that there are there's something that has to be done about climate change and environmental protection and that --

And so my pitch to them is there has to be environmental justice. As you develop and as you compete, you can't leave people behind.

And so what we have been saying about human rights in China of late is it's about transparency and openness and accountability and justice in terms of how they move forward on climate change.

CHARLIE ROSE: Afghanistan.

NANCY PELOSI: Yes.

CHARLIE ROSE: What do you want the president to do?

NANCY PELOSI: What is right.

CHARLIE ROSE: Clearly you want him to do what is right. What do you think is right?

NANCY PELOSI: Well, we'll meet the with the president tomorrow in a bipartisan way, House and Senate.

CHARLIE ROSE: What does that mean? You and John Boehner and Mitch McConnell.

NANCY PELOSI: It will be the leadership of the House and Senate -- Democrats and Republicans -- and then the senior -- the chairman and the ranking member of the committees of jurisdiction on national security. So under 40 people, but a -- tens of people.

CHARLIE ROSE: And what's going to take place in this meeting?

NANCY PELOSI: We'll find out when go there, but what I anticipate is the president will elicit the views of people there on the subject, will perhaps at some point will have to have an array of options put before us to see what the needs are.

In other words, even General McChrystal has said there unless there's a strategy, we shouldn't resource the mission.

CHARLIE ROSE: Everybody's said that. Everybody's said you have to have a strategy before you decide how many troops you need.

NANCY PELOSI: And the military's role is to say if this is the plan, this is how many troop we need to fulfill the mission. And so which plan will...

CHARLIE ROSE: So you don't have any problem with what General McChrystal said in London in his speech or the press conference, do you?

NANCY PELOSI: Well, I don't know everything he said.

CHARLIE ROSE: Well, I tell you one thing he said -- he suggested the Biden proposal had been leaked, with the Biden ideas, that we ought to make Al Qaeda the target, not the Taliban, limited number of troops. And General McChrystal, I think said in a press conference in London after he made a speech that that wouldn't work.

NANCY PELOSI: Well, let me say this. The vice president's views are ones that are widely shared.

CHARLIE ROSE: By the Speaker of the House? By the Speaker of the House?

Nancy Pelosi Discusses House Speaker Role The Charlie Rose Show October 5, 2009 Monday

NANCY PELOSI: By members of Congress and people across the country who talk to me about Afghanistan.

CHARLIE ROSE: So tell me what you think then. That's what I'm trying to understand.

NANCY PELOSI: My anecdotal beyond that to empirical data is that the approach that the vice president is taking is one that has currency among the American people. There's very grave concern about a full commitment.

CHARLIE ROSE: There's very grave concern about adding more troops is what you're saying?

NANCY PELOSI: Well, it depends on the mission. But let me say this about General McChrystal, with all due respect. His recommendations to the president should go up the line of command. It shouldn't be in press conferences.

CHARLIE ROSE: That's what General Jim Jones said yesterday.

NANCY PELOSI: And I share that. And I mean that with all due respect to the general.

CHARLIE ROSE: So he shouldn't have said what he said in London? He should have told Bob Gates?

NANCY PELOSI: Well, I haven't heard what he said. But I read what he was reported to have said.

CHARLIE ROSE: Which is essentially what I said, isn't it?

NANCY PELOSI: Yes, it is. And maybe you said more than I have read. But the fact is I think that that's not where this debate takes place.

The president gets the recommendations of the military, there are four areas even in the McChrystal report and even in what we have all seen when we visited there. What's a security situation, what is the reconstruction situation in terms of hearts and minds, what is the governance situation, ending the corruption there, and what is the diplomacy among the countries and the involvement of Pakistan, India, other stans.

CHARLIE ROSE: So do we have an effective government partner there with the Karzai government?

NANCY PELOSI: Well, that's certainly -- that question is certainly stronger one now. I would have said a couple years ago I thought so. But the legitimacy of the election has been questioned.

CHARLIE ROSE: And that changes...

NANCY PELOSI: The corruption is unquestioned. It's there. They have to do something about it instead of just denying that it's happening.

CHARLIE ROSE: So...

NANCY PELOSI: So it's a difficult situation.

But let's get back to how we got here. For seven-and-a-half years, since 9/11 when we went in, everybody supported that because it was considered a safe haven for terrorists who could harm the United States and inflict terrorism on the rest of the world.

For that seven-and-a-half years, there hadn't been a plan. And now we have a new president who came in, and so in the spring the Congress voted to give him the authority to make a -- to take the time to make a plan by voting to fund...

CHARLIE ROSE: And he said that's the toughest decision he had to make as president was sending those 17,000 men and women to Afghanistan.

NANCY PELOSI: And I told the president that the budget -- the recovery, the budget, the climate bill, you name it, they're all a heavy lift. There isn't an easy vote in Congress. Nothing was as difficult as winning that vote on supporting the president on Afghanistan and Iraq.

CHARLIE ROSE: Nothing was as difficult...

NANCY PELOSI: As difficult as that.

CHARLIE ROSE: Because?

NANCY PELOSI: Well, first of all, we only had two Republican votes. The Republicans voted -- for all their talk of supporting the troops, they all voted by and large against the bill.

The -- and so we had to say to House members, who had really thought they had cast their last vote for a supplemental, not regular part of the budget bill, and we said the president's been in only a few months, give him a chance to put his own plan together.

And now we eagerly await the plan, and then we'll make a judgment as to what resources are appropriate.

CHARLIE ROSE: Would it be fair to say -- would it be fair for me to say that I hear the Speaker of the House not directly but incorrectly having grave concern about adding more troops and having difficulty imagining a strategy that would justify more troops in Afghanistan?

NANCY PELOSI: Tomorrow afternoon I may have a different view after I hear what the president has to say. But at this point I share the...

CHARLIE ROSE: Appraisal I made of what you think?

NANCY PELOSI: No, I share what Joe Biden, the vice president, is saying about the approach that he would take.

CHARLIE ROSE: So right now you're with the vice president until you learn more?

NANCY PELOSI: That's right.

And this -- you have to be very agnostic about these things. We all have our emotions and what we bring to it. But I've said to you before, you have to be passionate about what you believe in, but you have to be dispassionate when it comes to making the decision, especially when our troops are involved.

And so we have to listen carefully to the difficult decision, I know, for the president. But I've also made it clear it's a difficult vote to get from the members. The constituents don't like an escalated war in Afghanistan. They'd like to see a different approach.

But let's see what the president has to say, respect his judgment, and I want to give him as much room to make the decision he needs to make for our country's national security.

CHARLIE ROSE: I hear you. Without more information, though, it could be very hard for you to get the vote in the house.

NANCY PELOSI: Well, unless the Republicans will vote for it. As I say, two of them voted for it before. They didn't like that IMF, which was in the bill. They didn't want to vote for the IMF. So that's what they said was the reason they voted against it.

CHARLIE ROSE: The nature of legislation.

NANCY PELOSI: But then last year they didn't vote for it, either, when President Bush was president.

CHARLIE ROSE: How do you appraise the rancor in the country now as reflected in the House when the president came up there to talk about health care and "You lie!" came out. And then the Republicans got very exercised about somebody talking about what the Republicans wished for in terms of health care.

You've got talk radio people saying very strongly, you know, that they were happen nee the president was not successful in winning the Olympics for Chicago.

All over the place there is -- I saw Paul Krugman today saying some -- saying it was like terrible, the nature of some -- he was speaking specifically at Republicans -- the nature of their attitude, almost as if they do not want to -- they want to question the legitimacy of this president.

I'm not talking about race. I'm just talking about the nature of the expressions.

NANCY PELOSI: The issue that we have before us now, the health care issue, is of such magnitude to the American people, whether it's an individual in their home, in their own budget and well-being, their business, the economy, the deficit, who we are, as Senator Kennedy said to the president, it's the character of our country, the unfinished business of America.

I think it warrants our having a level of debate that is commensurate with the nature of what this means to the American people.

This is historic. As I said to the members, you were born to be here for this vote, to make this difference in the lives of America's working families and beyond.

And so I would hope that we could elevate this to a higher plane. In August we thought we were going out for civic debate. I told the members it was going to be rough.

But when it's not debate, it's disruption and distortion, it's -- it doesn't rise to the level that the American people expect and deserve.

But let's put that aside. Let's just pass a bill that is really great and does what is necessary for the American people and not get too bogged down in all of this.

After this is over we can review who said what about whom, instilled fear into seniors, misrepresented this, that, or the other thing. But I don't like to take too much time on it except to say don't be afraid of ideas.

If you want to shut down debate, that tells me you don't want to have the people hear the facts. You're afraid of the facts, and they had to shut down the debate because of that. But we can overcome that and we will.

As far as the president is concerned, whoever the president is, Democrat or Republican, we all respect the presidency. The president went to Copenhagen to represent the United States of America. He wasn't representing the Chicago.

That was the team, they beat us out. We had a bid in San Francisco, they beat us out, god bless them, and I wish them well.

But he was there as the American president, and presidents and prime ministers, they go there to root for their country. And they work all the way over...

NANCY PELOSI: The president of Brazil was there, and Rio.

Nancy Pelosi Discusses House Speaker Role The Charlie Rose Show October 5, 2009 Monday

NANCY PELOSI: Yes. And Tony Blair was there in Singapore when London one for 2012.

So to root against America by saying "I'm glad the president lost," I haven't really heard that. Believe it or not...

CHARLIE ROSE: I promise you, I saw it.

NANCY PELOSI: No, I'm not denying it. I'm just saying I can't speak to it firsthand because I didn't see it.

But I would say that I'm so glad the president went and represented our country, because if he hadn't gone and we didn't win they would have said "Why didn't he go?"

And as we all know, he's working all the way over and all the way back. So the president is never away from his work.

But I would hope that the level of debate would rise when it comes to health care, maybe that will serve as a model for how we respect each other in our conversation with each other. What happened when the president came I thought was unfortunate.

CHARLIE ROSE: On that note of hope, thank you very much for joining us.

NANCY PELOSI: Well, hope is -- we owe that to the American people and the work that goes behind it. And we will have quality, affordable, accessible health care for all Americans. It will come soon and it will be great.

CHARLIE ROSE: Maybe before Thanksgiving?.

NANCY PELOSI: Hopefully. I hope so.

CHARLIE ROSE: Thank you very much. Thank you.

Nancy Pelosi, Speaker of the House of Representatives for the hour. Thank you for joining us.

We'll see you next time.

LOAD-DATE: October 6, 2009