

'Meet the Press' transcript for June 21, 2009

Israeli Prime Minister Benjamin Netanyahu, Sam Nunn, Fred Thompson, Nina Easton, Chuck Todd

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MR. DAVID GREGORY: This Sunday, a violent crackdown in Iran. Officers fire tear gas and wield batons as demonstrators stay in the streets, defying warnings from the supreme leader, who ordered the end of protests against the re-election of Mahmoud Ahmadinejad. After first being accused of a timid response, President Obama now warns Iran to stop its "unjust actions," claiming the whole world is watching. This morning, the debate over what's next and what role the U.S. should now play. Our guests: a vital voice from the Middle East, Israeli Prime Minister Benjamin Netanyahu; then, two respected former senators, Sam Nunn of Georgia and Fred Thompson of Tennessee, on the security threats facing the U.S. as well as the escalating debate over spending and the deficit as the president pushes sweeping healthcare reform. Finally, the politics and the polls. Is the Obama agenda in trouble? Our political roundtable with NBC's Chuck Todd and Fortune's Nina Easton.

But first, still breaking news out of Iran, defiance and violence in the streets of Iran. We go now live to NBC's Tehran bureau chief, Ali Arouzi.

Ali, what evidence is there now of a violent crackdown on these demonstrators? The regime now calling demonstrators terrorists.

MR. ALI AROUZI: That's right, David. There was a massive clash last night between protesters and an enormous amount of security forces on the street last night. The protesters who'd come out were in direct defiance of orders from the supreme leader not to protest on the streets anymore, but they defied this and they were out on the streets. Tear gas, water cannons were used, and there were reports of live ammunition being used as well. Today state TV reports that, that 13 people were killed in last night's clashes. But we're hearing other reports this number is, is higher, but we can't verify that.

MR. GREGORY: You have been on the scene since this all started. But talk about how difficult it is to get this story out. You're broadcasting this morning from state television, this report is being monitored. We've seen the social networks really being a cool--critical voice in getting the story out. How difficult is it to monitor what's happening?

MR. AROUZI: It is difficult to monitor what's happening. We have to be very careful, we're not allowed to attend any of the rallies that are out in the streets, we're only allowed to broadcast from within our, our own office or here at state television. But most lines of communication in Iran have been jammed. The Internet for the most part is jammed, mobile phones get cut off in the evening and text messages haven't worked for a

week. I have to be--I have to say, though, although we're not allowed to go out and, and attend any of the rallies, there haven't been any restrictions on what we can say or write yet.

MR. GREGORY: I still--I think a lot of Americans wonder, Ali, who are these protesters? Do they really represent a broad cross-section of Iranians?

MR. AROUZI: Well, well, David, this started as a--as essentially a middle-class uprising here, but it seems to have encompassed people from all walks of life right now. There are, there are a lot of different people of different ages and different walks of life that you see out in the street protesting. So it, it, it has spread to, to many different types of people in Iran.

MR. GREGORY: All right, Ali, stay right there. Let me bring in here our chief foreign correspondent, Richard Engel. We're lucky enough to have him here in Washington.

You were in Iran, you were expelled from Iran. Very difficult now, if impossible, to get back in. Is there evidence that the demonstrators are backing off at all?

MR. RICHARD ENGEL: It's hard to know exactly how many demonstrators were out yesterday, because there was such a large security presence on the streets from all of the different branches of the security services--the Basij militia, the Revolutionary Guards, regular riot police--that the demonstrators weren't able to assemble like they had in, in the past in any one particular location. Instead there were pockets of thousands that were spread out around the city and there were violent clashes in several of those pockets. And today the Iranian government's position is that these people are terrorists, and Iranian television has been broadcasting images of the demonstrators attacking police forces, vandalizing property. It clearly is trying to say that these demonstrators are a national security threat, not a political uprising.

MR. GREGORY: Let me ask you about both the U.S. response but also the nature of the opposition. Mousavi, he's the one who challenged Ahmadinejad, he lost in the election that the protesters are saying was rigged. Where is he and is he prepared to keep this thing going?

MR. ENGEL: His aides are spreading a quote that, that he gave yesterday that Mousavi said he's willing to accept martyrdom. Couldn't be clearer where--the direction that he is taking. He has been a very stubborn, defiant leader. People had underestimated him in the past. And he's--he seems very willing to, to take this movement forward. He was out at a demonstration yesterday. And the, the idea is even though these demonstrations are now considered illegal and a national security threat, if the crowds gather he or other key, key officials have been attending.

MR. GREGORY: What about the U.S. response? So much debate about whether President Obama should do more than he's done. He stepped up his rhetoric yesterday, saying these are unjust actions, saying the whole world is watching. What's the critical balance here for this administration?

MR. ENGEL: I think they have to, to watch and see how this develops a little bit more. There is still room for Iran to escalate. Yesterday was a, was a brutal crackdown and perhaps dozens of people were killed, but it

wasn't tanks in the streets leveling their cannons and opening fire into crowds. That could happen. But I think they have to be very cautious not to wade too, too deeply into this, because right now the, the movement does seem to be gaining steam on its own.

MR. GREGORY: Ali Arouzi in Tehran, what are you looking for about how all of this ends?

MR. AROUZI: Well, we're, we're seeing how far the opposition is going to go. So far the opposition leader, Mir-Hossein Mousavi, hasn't shown any signs of backing down. He's dug in his position. Today again we, we saw on his Web site that he's called for these election results to be annulled, which is a message to his supporters that he hasn't given up the fight. What we have to see is what both sides are going to do now. They've both dug themselves in, their, their rhetoric has heated up a bit. We're going to have to see who gives up first, really.

MR. GREGORY: Finally, Richard Engel, is what we're seeing over the past few days the ultimate sign of weakness on the Iranian--part of the Iranian regime?

MR. ENGEL: I think we're seeing the start of a crackdown. And for the first time you're seeing images of the supreme leader being burned in the streets. Just a few days ago you, you wouldn't have seen that at all. The supreme leader, by speaking on Friday, expressed strength to one degree by, by laying down the law, but he also expressed weakness by entering into a political debate that normally the supreme leader, who's supposed to be divinely inspired, is not supposed to get involved in.

MR. GREGORY: And from Ahmadinejad defiance as well; speaking today, saying they're rethinking relations now with some Western countries. They want to try to rally support.

MR. ENGEL: Absolutely. Ahmadinejad, the speaker of parliament, the foreign minister all lashing out at European nations and the United States, saying that they might consider cutting ties.

MR. GREGORY: Mm-hmm.

MR. ENGEL: This is following that message from the supreme leader that it is a rebellion being fueled from the outside, not a domestic problem.

MR. GREGORY: All right, our chief foreign correspondent, Richard Engel, thank you very much for being here in Washington.

And, Ali Arouzi in Tehran, thank you very much.

We want to go live now to Jerusalem and Israeli Prime Minister Benjamin Netanyahu.

Prime Minister, welcome.

MR. BENJAMIN NETANYAHU: Thank you. Good to be with you.

MR. GREGORY: This is an unfolding story that we've been seeing all week long. The images from the streets are disturbing, you have a violent crackdown under way in Iran. What does your intelligence in Israel tell you about the weakness, the nature of the Iranian regime today?

MR. NETANYAHU: Well, it's not my intelligence, but my common sense and the traditional sense. Obviously, you see a regime that represses its own people and spreads terror far and wide. It is a, a regime whose real nature has been unmasked, and it's been unmasked by incredible acts of courage by Iran's citizens. They, they go into the streets, they face bullets. And I tell you, as somebody who believes deeply in democracy, that you see the Iranian lack of democracy at work. And I think this better explains and best explains to the entire world what this regime is truly about.

MR. GREGORY: I ask about your intelligence services as well in terms of what hard information you have about what's going on inside the regime.

MR. NETANYAHU: I don't know if anyone really knows, and I cannot tell you how this thing will end up. I think something very deep, very fundamental is going on, and there's an expression of a deep desire amid the people of Iran for freedom, certainly for greater freedom. But perhaps the word is a simple one, freedom. This is what is going on. You don't need all the intelligence apparatus that modern states have to see something when it faces you right away. It, it's facing you in--it's staring us in the face, there's no question about that.

MR. GREGORY: You know there's been quite a debate here in the United States and really around the world about what President Obama should do and should say at a moment like this. He has said over the weekend that these are unjust actions, that the whole world is watching, that Iran should not violently crack down on its people. Has he said and done enough, do you think?

MR. NETANYAHU: I'm not going to second-guess the president of the United States. I know President Obama wants the people of Iran to be free. He said as much in his seminal speech in Cairo before the Muslim world. I've spoken to him a number of times on this subject, there's no question we'd all like to see a different, a different Iran with different policies. Remember, this is a regime that not only represses its own people-- Sakharov said, Andrei Sakharov, the great Russian scientist and humanist, said that a regime that oppresses its own people sooner or later will oppress its neighbors. And certainly Iran has been doing that. It's been calling for the, the denial of the Holocaust. It's threatening to wipe Israel off the map. It's pursuing nuclear weapons. To that effect it's sponsoring terror against us, but throughout the world. So I think what everybody would like to see is a change in policy, and the change of policy is both outside and inside.

MR. GREGORY: But does the United States have a unique role to play here in continuing to support this freedom movement, as you call it, in Iran; an obligation to support the protestors, to really give them moral support at the very least?

MR. NETANYAHU: I think it's clear that the United States, the people of the United States, the president of the United States, free people everywhere, decent people everywhere are amazed at the, at the, at the desire of the people there to--and their willingness to stand up for their rights. I cannot, as I said, tell you what is going to happen. I'll tell you what I would do, what we all would do in the face of demonstrations. There is--as we

speak, David, there's a demonstration right now outside my window, outside my office. Well, democracies act differently. They don't send armed agents of the regime to brutally mow down the demonstrators. I'll tell you what I did. I called in these demonstrators, they happen to be representatives of a non-Jewish minority in Israel, the Druze community, they have certain, certain protests about the financing of their municipalities. I called their leaders in.

MR. GREGORY: Hm.

MR. NETANYAHU: I talked to them. I said, "How can I help you?" That's what democratic leaders do, that's what democratic countries do.

MR. GREGORY: Let me, let...

MR. NETANYAHU: We've had thousands, hundreds of thousands demonstrate in Israel right and left, but that's how we behave, that's how you behave, and I have no doubt that everyone in the world is sympathetic to the desire of the Iranian people for freedom.

MR. GREGORY: Let me ask you about the nature of the Iranian threat. Mohamed ElBaradei, who, as you know, runs the International Atomic Energy Agency, said in an interview with the BBC on Wednesday the following: "The ultimate aim of Iran," he said, "as I understand it, is they want to be recognized as a major power in the Middle East. [Increasing their nuclear capability] is to them the road to get that recognition, to get that power and prestige. It is also an insurance policy against what they have heard in the past about regime change." My question, Prime Minister, what does all that's happening on the streets of Iran do, in your estimation, to the nature of the threat from Iran? Is this a game changer in some way?

MR. NETANYAHU: First of all, I, I don't subscribe to the view that Iran's pursuit of nuclear weapons is a status symbol. It's not. These are people who are sending thousands and thousands of missiles to their terrorist proxies Hezbollah and Hamas with the specific instruction to bomb civilians in Israel. They're supporting terrorists in the world. This is not a status symbol. To have such a regime acquire nuclear weapons is to risk the fact that they might give it to terrorists or give terrorists a nuclear umbrella. That is a departure in the security of the Middle East and the world, certainly in the security of my country, and so I wouldn't treat the subject so lightly. Would a regime change be a game changer? A policy change would be a game changer.

MR. GREGORY: Right.

MR. NETANYAHU: I suppose that goes along with--it's not just personnel that is, that is involved here.

MR. GREGORY: But what--but we may not have regime change here.

MR. NETANYAHU: It's policy.

MR. GREGORY: You may not have regime change if--even if there's not, is everything that's happened on the street, does it make Iran more or less likely to engage with the West over its nuclear program?

MR. NETANYAHU: I don't know. I think it's too early to say what'll transpire both in Iran and is--and on the international scene. As I said, I think something fundamental is taking place here. But I did speak to President Obama about the question of engagement before this happened, and he made it clear that engagement is not an end in itself, it's a means to an end. And the end has to be to prevent this regime from developing nuclear weapons capability, and he said he'd leave all options on the table. And I'd say if it was right before these demonstrations, well, it's doubly right now.

MR. GREGORY: Prime Minister, there's always been debate about whether, when it comes to the threat of a nuclear Iran, whether there's a Washington clock and a Jerusalem clock. And let me show you a book by David Sanger of The New York Times that he wrote called "The Inheritance: The World Obama Confronts and the Challenges to American Power." And in the course of his reporting for that book, he wrote this about Israel's plans: "Early in 2008, the Israeli government signaled that it might be preparing to take matters into its own hands." This is about Iran. "In a series of meetings, Israeli officials asked Washington for a new generation of powerful bunker-busters, far more capable of blowing up a deep underground plant than anything in Israel's arsenal of conventional weapons. They asked for refueling equipment that would allow their aircraft to reach Iran and return to Israel. And they asked for the right to fly over Iraq." My question, if there is not tangible progress toward defanging Iran as a potential nuclear power by the end of the year, do you, as a leader of Israel, go back to that planning that Israel had under way in 2008 against Iran?

MR. NETANYAHU: I can't confirm those assertions. I can say that Israel shares with the United States and with many, many countries--let me tell you, David, I think we shared with just about all the governments in the Middle East, I've talked to many of the leading European heads of governments and many others; we all don't want to see this regime acquire nuclear weapons, this regime that supports terrorists and calls for the annihilation of Israel and for the domination of the Middle East and beyond. I think this would be something that would endanger the peace of the world, not just the--my own country's security and the stability of the Middle East. It would spawn, for one thing, a nuclear arms race in the Middle East. Everybody understands that. So the Middle East could become a nuclear tinderbox.

MR. GREGORY: Mm-hmm.

MR. NETANYAHU: And that is something that is very--a very, very grave development.

MR. GREGORY: And there...

MR. NETANYAHU: I think stopping Iran from developing nuclear weapons capability is not merely an interest of Israel. As I think the current, recent events--the current events now demonstrate, this is something of deep interest for all people who want peace and seek peace throughout the world.

MR. GREGORY: If the international community proves unable to stop Iran, is it your view that Israel will have to?

MR. NETANYAHU: It's my view that there's an American commitment to make sure that that doesn't happen, and I think I'd leave it at that.

MR. GREGORY: Right. But there is a precedent here. Israel, in 1981, took out a nuclear reactor in Iraq. Israel, in 2007, took out a nuclear reactor in Syria. There is precedent and a proclivity for Israel to take unilateral action if it deems it necessary for its security. That could be the case with regard to Iran, no?

MR. NETANYAHU: Well, I don't think I have to add to anything that I've said. We're--the Jewish people have been one of the oldest nations in the world. We've been around for 3500 years. We are threatened as no other people has been threatened. We've suffered pogroms, exiles, massacres and the greatest massacre of them all, the Holocaust. So obviously, Israel always reserves the right to defend itself.

MR. GREGORY: You have said--you said it to Jeffrey Goldberg of The Atlantic magazine, talking about Iran, that it was a messianic and apocalyptic cult controlling atomic bombs. The Obama administration argues that for the past eight years under President Bush there has been a hard line, calling it part of the axis of evil, and where has that hard line gotten America? Only emboldening Iran over that period of time. Is your hard line--is the U.S. hard line over the past eight years the wrong strategy to get Iran to change its behavior?

MR. NETANYAHU: I think that the, the president spoke to me quite explicitly about the great threat that Iran's development of nuclear weapons capability poses to the United States. I saw, in fact, a continuity, in that sense, of an assessment of the threat. But of course, as you say, the clock is ticking. The Iranian nuclear program is advancing. And so the, the problem that now faces the entire world is to, is to ask themselves a simple question: Can we allow this brutal regime that sees no inhibitions in how it treats its own citizens and its purported enemies abroad, can we allow such a regime to acquire nuclear weapons? And the answer that we hear from far and wide is no.

MR. GREGORY: Prime Minister, just about 20 seconds here before you go. There is concern within the Obama administration that as a political matter it may be difficult for you to survive and pursue peace with the Palestinians. Do you share that concern?

MR. NETANYAHU: Absolutely not. I, I gave a speech in which I gave out the winning formula for peace, which is a demilitarized Palestinian state that recognizes Israel as the state of the Jewish people. And these two elements of recognition of Israel as a state of the Jewish people and a demilitarized Palestinian state I think is something that all people who want peace should unite around. And I have to tell you, since giving that speech I've been delighted and heartened by the fantastic support across the Israeli political spectrum, really cutting across the political parties and political views. And I think that's very important, because people understand it's inherently fear. What I'm suggesting is that if we're asked to recognize the Palestinian state as the nation-state of the Palestinian people, then the Palestinians should recognize Israel as the nation-state of the Jewish people, who've been deprived of a land of their own and of security for so long.

MR. GREGORY: All right. Prime Minister Benjamin Netanyahu, thanks so much for your time this morning.

MR. NETANYAHU: Thank you.

MR. GREGORY: Up next, balancing the foreign threats with the growing debate at home over healthcare, spending and the economy. Joining me, former senators Sam Nunn and Fred Thompson, only here on MEET THE PRESS.

(Announcements)

MR. GREGORY: Former senators Sam Nunn and Fred Thompson weigh in on Iran, North Korea, plus healthcare reform and the deficit after this brief commercial break.

(Announcements)

MR. GREGORY: We're back now, joined by former senators Fred Thompson and Sam Nunn.

Welcome both of you back to MEET THE PRESS.

FMR. SEN. FRED THOMPSON (R-TN): Thank you.

MR. GREGORY: Senator Thompson, let me start with you.

SEN. THOMPSON: Mm-hmm.

MR. GREGORY: The scenes out of Iran are harrowing and getting worse. Has President Obama responded the way you'd like to see him respond?

SEN. THOMPSON: Well, he's getting closer, I'll say that. I think he was very slow off the mark, especially considering the fact that the, the leaders of, like, France and Germany and Great Britain and most of the leaders of the Democratic Party, actually, as well as Republican, all came out with tough statements. I think the president was a little bit too calibrated in what he said, apparently based upon the notion that he doesn't want to do anything to disrupt the--his ability to negotiate with the leadership of Iran, which I think has kind of affected his policy anyway, and becoming more so by the day. So the president is ratcheting it up now. Unfortunately, it's been in response, I think, to a lot of criticism instead of coming from, from the heart.

MR. GREGORY: Mm-hmm.

SEN. THOMPSON: I think it's important that the United States is taking a strong stand for, for, for freedom, as we always have, and, and better late than never.

MR. GREGORY: Senator Nunn, people I've spoken to in the White House say the president has a, has a passionate sense of identification with the protestors. We've seen a sense of the Senate and the House, led by Republicans, saying this is a sham election; we support the, the demonstrators, the protestors there. And yet the president has held back. Is that the right thing to do?

FMR. SEN. SAM NUNN (D-GA): Well, he said that the regime has been unjust and he has condemned the repression, and he has basically expressed over and over again, including long before the election in the Cairo

speech, that the people had the right to be heard and their voice should be heard. And certainly, I don't think there's any mistake whatsoever in the Middle East or anywhere else that President Obama is basically supporting the right of the people to vote and to make their influence known and not to be repressed.

You know, Winston Churchill said a long time ago that no matter how beautiful the strategy, occasionally you have to look at the result. The result here is that we are not the story. We have been the great Satan over there for the last 30 years. We're not the story. Freedom, liberty is the story, the repression of the regime is the story. So I think we're positioned about right.

MR. GREGORY: And, Senator Thompson, the White House will argue, look, under President Bush for the past eight years we've had the tough talk. We've, we've said all the things that made us feel good. We've said they were part of the axis of evil over there. The war in Iraq, all of these things have only made Iran stronger, not weaker. So here you have a different approach to sort of hanging back and let things happen and, and let the weakness in the regime come to the fore.

SEN. THOMPSON: Well, I think that we've had a mistaken policy for many years.

SEN. NUNN: Right.

SEN. THOMPSON: Even back before the Bush administration. And it's been basically one that's, that's based on the concept that we can talk them into a better relationship. And although there was some tough rhetoric during the Bush administration, toward the end of it, it was anything but that. And I think it, I think it made us appear pretty weak as a country in relationship to them. So I think the whole ball game has changed now. I mean, we have perhaps hundreds of thousands of people in the street now. We've never had that before. We were totally caught off guard about this. We didn't see this coming. We had nothing to do with it. So the, the people there in that part of the country are doing what we've been unable to do, and that is get the leadership's attention there and possibly changing the leadership of their country and the direction of their country for the better. So we need to get together, you know, here in this country and recognize that that's the case and try to, to take advantage of it regardless of the missteps that have been made along the way.

MR. GREGORY: Senator Nunn, regardless of the outcome here, as Senator Lugar is suggesting this morning, does this administration have to move forward with its plan to sit down and talk to the Iranian regime?

SEN. NUNN: Well, I agree with what Fred just said, this is a game changer. We're not going to see the same regime emerge. It may be the same people...

MR. GREGORY: Right.

SEN. NUNN: ...but they're going to have a different attitude now. This is a big game changer, just as the Iranian revolution was a game changer in the, in the 1970s, late 1970s. So I think we'll have to rethink our strategy, but I think the basic part of engagement is going to continue, and I think that's necessary. We engage not only because the Iranians are building a nuclear weapon and that's of vital interest, we engage because the rest of the world expects us to engage. And if you're going to take tougher steps later and you

want the world on board, they have to know that you've done everything you can to talk. But it is going to be...

MR. GREGORY: So sitting down is important.

SEN. NUNN: Yes. But you got to wait and see who you're going to sit down with. I think there's a real debate...

MR. GREGORY: Mm-hmm.

SEN. NUNN: ...not just on the streets, but I think there's a debate in the clergy in Iran now. We may see a lot of things happen there that right now are unpredictable. But it's also a dangerous situation, and I think the restraint that we've showed--shown so far has been about the right course.

MR. GREGORY: I want to talk about the domestic debate going on about healthcare and the, and the deficit and spending. But one more foreign note that I think is important, and that is the threat, a nuclear threat and, and beyond from North Korea. There are new sanctions in place, Senator Nunn, that allow the United States to stop vessels but not necessarily to board the vessels unless there's agreement. It seems to me, my take is that the U.S. is in a very difficult position. President Clinton, President Bush both had strategies that failed with North Korea. But now you've got a new sanctions regime that is essentially toothless. What is President Obama really able to do?

SEN. NUNN: Well, the, the--there's a huge loophole in the sanctions about the ships at sea. You, you made that point exactly right. But there are other sanctions that were put in that resolution about squeezing the, the money in the bank accounts. They, they can be effective. So we've made progress on sanctions. The important thing here is that China, Japan, the United States, Russia and South Korea are aligned. We've got to keep that alignment. Now, as far as the loophole, the loophole is that if we don't board the ship, and the U.N. resolution doesn't give us that kind of right...

MR. GREGORY: Mm-hmm.

SEN. NUNN: ...then we can require it to go into a port. But if the port is an unfriendly port, they may not inspect. So there's a big loophole here. If we--intelligence is going to be the key. If we think there are weapons of mass destruction on one of those ships, then it's jump ball...

MR. GREGORY: Yeah.

SEN. NUNN: ...and we're going to have to do what we have to do to protect our national security, and I believe the U.N. will support that. But if we do not have that kind of intelligence, we've got to, I think, be prudent as to how we handle this. In any event, we've got to make it clear to the North Koreans that we will hold them fully accountable if they export any type of nuclear weapon.

MR. GREGORY: All right. I want to turn to domestic affairs, Senator Thompson. Big debate this week is about healthcare, really the core of the president's domestic agenda. Here he was talking about it on Monday, the need for healthcare insurance for all.

(Videotape, Monday)

PRES. BARACK OBAMA: Make no mistake, the cost of our healthcare is a threat to our economy. It's an escalating burden on our families and businesses. It's a ticking time bomb for the federal budget and it is unsustainable for the United States of America.

(End videotape)

MR. GREGORY: OK, but then sticker shock in Washington this week when you got some of the price tag of at least a preliminary Senate plan. This was The Washington Post Friday: "In a high-level meeting at the White House [Thursday]," the president "conveyed his concern over early pronouncements by the Congressional Budget Office that a bill drafted by the Senate health committee would cost just--cover just 16 million additional people"--we've got roughly 50 million uninsured--"at a cost of \$1 trillion, said one official with knowledge of the session. ... `This is not his idea of good, affordable, universal coverage,' said this adviser. The preliminary estimate, pounced on by Republican, `has rattled everyone.'"

SEN. THOMPSON: Yeah.

MR. GREGORY: Is this policy on the ropes?

SEN. THOMPSON: Yeah. I think, I think the approach that they have come out with is on the ropes. And it's, it's really kind of remarkable. They say they want that by this summer, and yet at this late date they're just now realizing how much some of this is going to cost. And nobody really has any clue. This million dollars doesn't include...

MR. GREGORY: Right.

SEN. THOMPSON: ...very important parts of the, the Kennedy bill, which is what they analyzed, and it only ensures, like, an additional 16 million people out of, out of 45 million. So--and over in, in the Finance Committee, they got their own sticker shock, 1.6 million on their bill...

MR. GREGORY: Trillion, trillion.

SEN. THOMPSON: ...so they're back--trillion.

MR. GREGORY: Yeah.

SEN. THOMPSON: So they're back to the, to the drawing board also. If we're not--the president has identified the problem, but he's come up with a solution that will exacerbate the problem. If we're not careful, we're going to spend trillions of dollars that we don't have on a medical system that we don't want. We, we--under

the president's plan, we would be putting more and more people on to what essentially would be a Medicare system. Our Medicare system we've got is going broke as it is. It's going to cost more money. The only way to really save costs is to have rationing, and, and that can be done in a free market by free people, there's some things that you can do about that, or it can be done by a cramdown by the government and take it out of the hides of doctors and hospitals. And we know what effect that'll have.

MR. GREGORY: Senator Nunn, how do you see this? Is this in trouble?

SEN. NUNN: Fred and I just--we came from the billion-dollar era. We're in the trillion-dollar era now, so.

MR. GREGORY: Right, hard to get--trip over that trillion-dollar figure.

SEN. NUNN: Yeah. So--yeah. So we may, we may not be qualified...

SEN. THOMPSON: I have a hard time getting used to it.

SEN. NUNN: We may not be able to qualify to discuss this.

MR. GREGORY: Do you see it differently?

SEN. NUNN: I think three things. We've got to expand coverage. There is a lot more consensus for that--business, labor and others--than there was during the Clinton administration. Two, we've got to pay for it. We didn't pay for the prescription drug bill, which was signed in the last administration, and that is a huge, huge price. We don't have any funding for that. The third point is this bed was on fire in terms of cost control before President Obama jumped into it, as the old pun goes. We were already not able to have a sustainable healthcare system. We were already having cost growth that was basically threatening the stability of our governmental budgets as well as private budgets. And so we've got to deal not only with paying for the new legislation, we've got to come back and see how you put in a framework to reduce the growth of entitlements in America. That's got to be part of the overall--when you're handing out the cookies and ice cream...

MR. GREGORY: Right.

SEN. NUNN: ...you've also got to hand out the medicine.

MR. GREGORY: But look, here's the president making the case that this is an unsustainable system, that if you think we got a bad deficit problem now, it's healthcare costs that'll make it so much worse. That's the argument that he's making. But look at our poll this week, NBC News/Wall Street Journal poll. What's the priority among the American people? Thirty-five percent say boosting the economy, 58 percent say keeping the budget deficit down. So Senator Nunn, he--then he comes out and says no, we want to take on healthcare. At this juncture?

SEN. NUNN: Well, the polls also support, support healthcare, but people want you to do both.

MR. GREGORY: Right.

SEN. NUNN: They want to have broadened healthcare, they want more coverage, but they also want us to find out a way to pay for it. And I think we have to be honest about what it's going to cost, But we have to put our system, our whole system, beyond the new reform, on a track for sustainability, and we have not done that for the last 30 or 40 years. This is not a new problem, but it's a problem that is becoming more acute, particularly as we don't have the savings to finance our own investment and our own consumption, and we're borrowing money by the trillions around the globe.

MR. GREGORY: Are, are, are conservatives, are Republicans finding their voice now in opposition to this president on this particular issue?

SEN. THOMPSON: Well, I, I don't know if you'd call it that or not. I, I think that the more people focus on this particular bill, the more the, the lines are going to be drawn as to what's good for our country. And we're talking about a, a sixth of the economy here, basically. And I think it's an opportunity to present some alternatives. In the first place, it's quite apparent that the \$45 million figure of uninsured is probably about twice the real number of people who can't afford insurance or don't have access to it really, who are not illegal aliens.

MR. GREGORY: Mm-hmm.

SEN. THOMPSON: And you could, you could send vouchers to people like that to cover them. And then get about the problem that, that's at the heart of it that Sam identified, and that that is the exploding costs of, of, of entitlements. Now, the administration has come forth with about 600 billion, it's billion in this case, of, of, of entitlement cuts. If they were there, why hasn't that been done already?

MR. GREGORY: Mm-hmm.

SEN. THOMPSON: And why can't we start that as a basis of, of reforming our entitlement, which is the heart of the cost problem.

MR. GREGORY: The, the, the broader economy is a big challenge for this administration, that is clear. Look at this this week, record unemployment across the country; California, Nevada, North Carolina, Oregon, Rhode Island, South Carolina, Florida, Georgia. And we're talking double digits here in California, Nevada and North Carolina, breaking records. Is this, Senator Thompson, an issue that hurts Democrats and this president badly in the mid-term elections next year?

SEN. THOMPSON: Well, unemployment...

MR. GREGORY: Is that how it's...

SEN. THOMPSON: ...unemployment rates at about 10.5 percent...

MR. GREGORY: Yeah.

SEN. THOMPSON: ...which is where they might be at, at that point. Yeah, it's going to, it's going to hurt them. I mean, they--you live or die by the economy. I don't expect--I think it's unrealistic to expect a, a, a good stimulus package to have that much effect by this period of time, and this is not a good one.

MR. GREGORY: Mm-hmm.

SEN. THOMPSON: Only a, a small fraction of the money is, is out the door, it's not for things that stimulate the economy. I think the American people understand that. On the other hand, the administration's claiming to save jobs at a time that the unemployment rate is going up. So yeah, it's going to be difficult for them next year.

MR. GREGORY: Before you--we go, Senator Nunn, the issue of gays in the military, something you worked closely on when you were in the Senate. This president has said he's going to reverse the ban. But he's getting criticism now for dragging his feet on that. Is now the time to do it?

SEN. NUNN: I think anytime a policy's been in place 15, 16 years, it's time to take a close look at it. But it ought to be done carefully. It ought to be done starting with the Pentagon and military services, and it ought to be done in terms of keeping our own cohesiveness in military units, effectiveness of our military forces, fairness to all the people concerned. And also, we need to make sure we recognize we're in the middle of two wars now. We have gays serving honorably in the military today. The policy we have now, "don't ask, don't tell," is the least worst policy we could have had 15 years ago.

MR. GREGORY: Right. But it...

SEN. NUNN: But it's probably time to take another look.

MR. GREGORY: Is it--this is the time. In other words, doing it now. Are all those pieces in place?

SEN. NUNN: I would go very carefully and prudently. We've got a lot of strain on our military forces right now. And I would listen to the military, I would let them prepare not only for letting the country know how we're doing now with that policy, but also what would rules look like if you change the policy. It's not simply saying repeal the policy.

MR. GREGORY: Do you...

SEN. NUNN: It's what replaces it.

MR. GREGORY: Do you think he'll repeal it in the first term?

SEN. NUNN: I don't know. I don't know. I think there'll be a vigorous debate, and there should be a real debate.

MR. GREGORY: All right, we're going to leave it there. Thank you both very much.

Up next, the Obama administration's policies take a hit in public opinion polls. Our political roundtable pulls all this together, Chuck Todd and Nina Easton, after this brief station break.

(Announcements)

MR. GREGORY: We are back with our roundtable, Fortune's Nina Easton and NBC's Chuck Todd.

Welcome both. Let's pull all of this together, foreign and domestic. First, Nina, talk about the international leadership test for this president this week over Iran. Is he passing?

MS. NINA EASTON: It's a big test. I think, I think he's gone from having to be careful not to meddle and not to make the United States the target--or the, or the subject in Iran.

MR. GREGORY: Right.

MS. EASTON: But I think at this point the question is a different one for him: Is he going to let events get ahead of him? Already--if this thing moves forward, you've already got the House and the Senate have passed resolutions that, that, that stand with the demonstrators, that use the words democracy, human rights, civil liberties. The president stopped short of that. He just passed a statement, he put out a statement saying that, you know, he condemns the, the pro, pro--he condemns the violence against the protestors and that he--and, and he's worried about unjust actions against them. Now, is--if this continues and there possibly is regime change, is, is he going to--are we going to look back and he didn't look like he was equivocally and clearly on the side of these demonstrators? And he's got to be careful about that at this point.

MR. GREGORY: Chuck, here's my take, and I want to get your thoughts on it, which is that this president doesn't seem overly concerned about the regime change question. They don't want to get into the regime change business. They've seen that movie and they don't much like it over the past eight years. In this case they are focused on policy, which is we're going to do business with somebody; the issue here is nuclear weapons.

MR. CHUCK TODD: But there's another thing here. They're frustrated that they're not getting credit for what's going on in Iran, in this respect; they think that Cairo speech--you talked to some behind the scenes, they think that Cairo speech did help supporters of Mousavi sort of see light at the end of the tunnel in their country. And so they would--they want a little more credit here for...

MR. GREGORY: Mm-hmm.

MR. TODD: ...for sort of helping to spark the enthusiasm that you're seeing in, in sort of knock--seeing some sort of change in Iran. But at the same time, obviously they're worried about the public meddling and all this stuff. The problem they have is, and the question they cannot answer is what are the consequences for Iran after this is done? And if they end up still dealing with a Ahmadinejad, an administration there that's Ahmadinejad and the supreme leader, are we suddenly going to still have the same policy that he wanted to have and that he promised, or will there be consequences? And they can't answer the consequence question.

Because you do feel like there should be some, and I think a lot of people here watching feel like there should be some.

MR. GREGORY: All right, let's talk about the domestic agenda here. Here was the headline in The Washington Post on Friday, which was really something: "Obama Initiatives Hit Speed Bumps On Capitol Hill." We've talked about it, Nina, healthcare is at the core of this domestic agenda here. Obviously, the economy looms over all of it and it's related, but healthcare as a potential signature achievement for this administration...

MS. EASTON: Right.

MR. GREGORY: ...seems to be not quite where it was initially.

MS. EASTON: That's right. And I think...

MR. GREGORY: It's going through some trouble.

MS. EASTON: It's interesting, because I, I love that headline, "speed bump," because the--what's characterized this administration from the outset has been the audacity of speed. They've wanted to move quickly...

MR. TODD: Mm-hmm.

MS. EASTON: ...on every front with these big, broad, sweeping proposals, and it's coming back to haunt them now. And I think the, the big speed bump this week, of course, was that CBO, Congressional Budget Office study that said that the costs of a public plan are going to be well beyond what they expected.

MR. GREGORY: Right.

MS. EASTON: That not only, as, as you said earlier...

MR. GREGORY: That was preliminary. It was preliminary.

MS. EASTON: It was preliminary.

MR. GREGORY: They didn't have a whole plan to look at.

MS. EASTON: Well, and there's a lot of...

MR. GREGORY: Yeah.

MS. EASTON: Yeah, there's still a lot of empty spots. And this plan, by the way, that they thought they were going to have out of the Senate in--this summer. So, you know, that's a big step back from where they originally thought it was. But the other thing about the, the healthcare is that while people broadly support health reform, while they broadly support a public option, when, when, you know, when you get down to details and you start looking at costs and who's going to pay...

MR. GREGORY: Right.

MS. EASTON: ...that's a difficult thing for the public to swallow.

MR. GREGORY: And here, here's a humorous note, a bit of satire that I think captures some of where this debate is. This was Jon Stewart earlier this week, talking about the president's speech about healthcare. Let's watch this.

(Videotape, Wednesday)

PRES. OBAMA: The moment is right for healthcare reform.

MR. JON STEWART: What, the moment is right for--I'm sorry? The moment's also right for healthcare reform? Oh, I'm sorry. Were you bored? Not enough on the plate, Jedi master?

(End videotape)

MR. GREGORY: This gets at something, though, doesn't it, Chuck? I mean, you've got the president saying, we've got to do something.

MR. TODD: Right.

MR. GREGORY: This is a ticking time bomb. But a lot of people are saying, whoa, whoa, overload here.

MR. TODD: Well, it is. And I think that there is some nervousness among, among some outside Democrats that, hey, you, you are biting off too much and you're just going to set up the party...

MR. GREGORY: Right.

MR. TODD: ...and the--and you're overloading Congress. Congress can't handle it.

MR. GREGORY: Right.

MR. TODD: You may be able to.

MR. GREGORY: And overloading it with excessive spending here.

MR. TODD: Hey.

MR. GREGORY: It's not overloading like you shouldn't take on challenges, but it just costs so much.

MR. TODD: That's right. But this healthcare issue, at the same time there is this sort of political penalty Democrats will pay.

MR. GREGORY: Yes.

MR. TODD: They've been promising this for 40 years. They've never had a moment in time like this to get it done. Now all the stars are aligned to get it done and there's no excuse. And if they don't do it now, they will lose credibility on an issue that always polls highly.

MR. GREGORY: Right. Look...

MR. TODD: And it's a bread and butter issue. And if they don't do something and it doesn't look big...

MR. GREGORY: Right.

MR. TODD: And I think that's what's frustrating the White House is they, they want to compromise but they want it to be big, and it's hard to do both.

MR. GREGORY: Nina, the question of whether the honeymoon is over, look at our polling this week and where the president's approval rating is now vs. where it was back in April. It has slid from 61 percent to 56 percent. And this is what really caught my eye, independent voters. Look at this. Back in April, 60 percent approval; 46 percent now. This is a White House that watches those independent voters so carefully. That's really sort of the core of their coalition.

MS. EASTON: Core; key to their--you know, it's very important. And it--what's--I think what this poll shows is that clearly he's still popular, but his policies are, are running into trouble, particularly on spending, particularly on deficits, which is something that doesn't affect people on a day-to-day basis so you--they don't necessarily react, you know, immediately to it. But independents in your poll put the deficit above healthcare as a concern.

MR. GREGORY: Right.

MS. EASTON: The other thing, can I just make one point about healthcare?

MR. GREGORY: Yeah.

MS. EASTON: Which was this--healthcare reform depends on the president looking people in the eye and saying, "Your plan's not going to change." And again, going back to that CBO study, showed that 16 to 23 million people would lose their private or other type of health insurance if that public plan went through. So that's something else in terms of details that's going to be a problem on healthcare. But the deficit is the other--deficit and spending are two things that probably, you know, the concern over I think probably has some Republicans quietly smiling this week.

MR. TODD: Yeah.

MR. GREGORY: Well, they may be smiling, Chuck, but Republicans, opposition doesn't seem to be the problem for the president, if you look at the polling of, of Republicans in this poll.

MR. TODD: Right. Well, in many ways he's running against himself, and that is the problem, right?

MR. GREGORY: Right.

MR. TODD: The public is now judging him. They're not judging him in comparison...

MR. GREGORY: Yeah.

MR. TODD: ...they're judging him on his actions, and that's why you've seen a, a receding. But the deficit, you know, Nina brought up something that's like wow, do people really--are they really worrying about the deficit? Is this something? What it is, it's become an umbrella...

MR. GREGORY: Yeah.

MR. TODD: ...for all things government, and so there's this anxiety. It's a collective anxiety right now that, can we really pay these bills? What happens? And so there's this nervousness. And I think GM is a part of it. You know, to me GM is going to be the symbol for this president of whether government interaction is the right thing or the wrong thing. And the success or failure of GM, fair or not, whether--no matter--because GM is the thing you can touch and feel.

MR. GREGORY: Sure.

MR. TODD: Everybody knows GM. How GM goes will determine, I think, the long term.

MR. GREGORY: You said something interesting, too, in comparison to what? Let's remember, this was a president who campaigned not so much against John McCain, but against George W. Bush.

MR. TODD: Right.

MR. GREGORY: And there was the former president out there this week being somewhat critical of the same things that he'd said in the past in terms of Guantanamo Bay and the closure there. He said this at a speech on Wednesday: "I told you I'm not going to criticize my successor. I'll just tell you that there are a lot of people at Gitmo that will kill American people at a drop of a hat." I don't believe that persuasion isn't going to work. "I don't believe that--persuasion isn't going to work. Therapy isn't going to cause terrorists to change their mind." That's something, by the way, he's been saying since after the 9/11 attacks. But here was Robert Gibbs from the podium at the White House this week with a bit of a defensive reaction to that.

(Videotape, Thursday)

MR. ROBERT GIBBS: So I'm happy if he can clarify what it is he was talking about. I think we've had a debate about, about individual policies. We had that debate in particular. We kept score last November and we won.

(End videotape)

MR. GREGORY: Yeah. But, Nina, I guess they'd like to have George Bush out there speaking a little bit more these days, wouldn't they?

MS. EASTON: Well, of--I mean, the polls--as your polls show, people still blame George Bush for the economy. But the president--the former president's had--actually has been, I think, remarkably constrained in his remarks since he's been blamed for everything under the sun, I think, and he's been very Bush-like the same way Dick Cheney's been very Dick Cheney-like in going out as the attack dog. So I, you know, I think he'll--when you see him--and by the way, on Gitmo, on Guantanamo Bay, that's a case where the public actually, one of the few cases where the public...

MR. GREGORY: Yeah.

MS. EASTON: ...actually supports the former president's position.

MR. GREGORY: Right.

MR. TODD: I thought it was very bizarre that, that Gibbs struck that tone. You read what the president, President Bush said. President Bush can be accused of being a Republican and defending some positions that he held. He didn't criticize President Obama.

MR. GREGORY: Yeah.

MR. TODD: He just stood--and I'm surprised that that isn't the tact that this White House took with saying, "Hey, he's just defending his own positions there, it didn't seem like he was attacking us." The media, the people that covered it, including our friend Mr. Drudge, I think over hyped this a little bit. And the--interesting that the White House took the bait.

MR. GREGORY: Yeah. All right. Chuck Todd, Nina Easton, thank you both very much.

MS. EASTON: Thanks.

MR. GREGORY: It'll be a busy week ahead as well. We'll be right back.

(Announcements)

MR. GREGORY: Before we go this morning, a few program notes. If you missed any of MEET THE PRESS this morning, you can watch our rebroadcast this evening on MSNBC at 5 PM and again at 2 AM Eastern time.

Coming up next on most NBC stations, watch NBC Sports coverage of the U.S. Open Golf Tournament.

And another programming note. We'll be back next we--week, rather, live from Aspen, the Aspen Ideas Festival, and it'll include a special guest. And that is former Supreme Court Justice Sandra Day O'Connor, among other guests. She'll be our exclusive interview.

That's it for today. We'll be back next week. Happy Father's Day. Thanks to Ava, Jed and Max for reminding me of my most important job. If it's Sunday, it's MEET THE PRESS.