

NATIONAL PRESS CLUB NEWSMAKER LUNCHEON WITH FORMER SENATOR AND VICE PRESIDENTIAL CANDIDATE JOHN EDWARDS (D-NC)

TOPIC: THE FIGHT AGAINST POVERTY MODERATOR: JONATHAN SALANT, PRESIDENT OF THE NATIONAL PRESS CLUB

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(Note: This event was fed in progress.)

MR. SALANT: (In progress) -- Iraq. He now says the U.S. should withdraw some but not all of its troops, to send a signal to the Iraqis that we are going to leave eventually and let them govern themselves.

The war is one of the issues that Senator Edwards has talked about since the 2004 election, but most of his talk has centered on domestic concerns. Repeating a theme that captivated audiences during his presidential campaign two years ago, Senator Edwards is talking about the need for the richest country in the world to help the poorest citizens.

He is the founder of the Center on Poverty, Work and Opportunity at the University of North Carolina at Chapel Hill and has been traveling around the country, calling for an increase in the

minimum wage and expansion of tax credits for the working poor. As he explained, "I ended up with a little time on my hands, not by choice."

Some of those trips -- and I know this will shock you -- were to Iowa and New Hampshire. Indeed, Senator Edwards is mentioned as a potential 2008 presidential candidate.

Well, what do you expect from someone named by People magazine as "America's sexiest politician"? (Laughter, applause.)

John Edwards was a successful trial lawyer in North Carolina when he first decided to run for the Senate against the Republican incumbent. He won and then set his sights on the presidency, rather than a campaign for reelection. After losing in the Democratic presidential primaries, he was named by Senator John Kerry of Massachusetts as his running mate.

What's next for Senator Edwards? He says any decision on running for the White House a second time will depend on the health of his wife, Elizabeth, who's been treated for breast cancer. And Senator, our prayers are with you and your family, in the hope that your wife makes a full recovery.

Let's welcome Senator Edwards to the National Press Club. (Extended applause.)

MR. EDWARDS: Thank you. Thank you. Thank you. You know, I thought we were past that People magazine thing. (Laughter.)

It's a pleasure for me to be here with you. Actually, it's an honor to be here. This is a very important time in our country's history, and to be able to be here with all of you and talk about what I think are some of the most important issues our country faces is important to me and, I hope, important to all of you.

The focus of this speech today is actually going to be on what I've been spending most of my time on these days, which is the issue of poverty. And I'm going to begin, though, by putting that question, the issue of poverty and what America should do about poverty, and I'm going to talk about some of my ideas about what I think we need to do.

But I'd like to begin by putting it in a bigger frame and ask some questions that I think we ought to be asking, we ought to be asking ourselves, we certainly ought to be asking our leaders, and not just asking the questions; we ought to be demanding that our leaders give us answers to these questions.

First question, what kind of leadership should America be providing for the world? You know, we live in this extraordinary moment of change, and there's a fundamental issue that's going to be confronting America as we go forward. Our military power's strong. We face -- and it needs to stay that way. We face economic challenges, which we all know about, and there are new forces in play in creating those economic challenges. And our most important asset, at least in my judgment our most important asset, which is our moral authority. It is not what it should be -- far

from what it should be. What kind of leadership will allow us to address all these issues as we move forward?

Second, what kind of America do we want, and I don't mean just today, but 20 years from now. What kind of country do we want to live in? The Founders of this country dreamed large. They created an extraordinary America that has grown and prospered over a long period of time because they had the courage to think big and dream large. You know, they didn't decide that a less perfect union would be a good compromise for us or for America. We will never get what we don't reach for, and so we have to think big and think about what's possible, what the promise of America is.

And last, on what -- a little more partisan note, but I think enormously important -- what kind of Democratic Party do we believe in? What do we want our party to stand for? Who do we want our party to stand up for?

Those are the questions. So I'd like to start with those three questions, and from me, provide some direct answers to those questions.

On America's leadership role in the world, the starting place is we desperately need to restore the moral core of leadership -- legitimate moral core that America needs to provide. It is absolutely no secret that our credibility in the world has been enormously damaged and tarnished over the last six years.

And in fact, in too many places around the world -- even -- and the sad part is, actually, even among our friends and our allies, the idea of American leadership is almost a contradiction in and of itself. And all you have to do is read any poll from around the world, and you see it. But I have to tell you, I have seen it firsthand all over the globe, from India to Russia to the Middle East to Europe. I was in Brussels a few weeks ago speaking at an international forum. John McCain opened it, and I was there to close it. But the hostility toward this extraordinary country that we live in was absolutely amazing. We're better than that, and we can do better than that.

Reversing this, changing it, is so critical for the kind of world that we want to live in, the kind of world we want America to exist in. I want to live in an America -- and I'd be willing to bet every one of you do -- I want to live in an America -- the kind of America that I grew up in believing in, you know, that's looked up to, that's respected in the world. You know, we used to be this country that common people all across the globe looked to for guidance. They watched what we did in our own country and had enormous respect for what America was accomplishing. Well, that means we're going to have to -- if we're going to lead and we're going to be in that place again of respect, then we're going to have to restore our legitimacy. We ought to strengthen international institutions. In some cases, we may need to create new ones. It means we have to lead on the great challenges that face not just America, but face the rest of the world: the proliferation of weapons of mass destruction, the ongoing genocide in Darfur. And I would just remind everyone, our country, the United States of America, said after Rwanda this will never happen again, never again. Well, it's happening right now, right in front of us.

You know, we -- global poverty -- there are such enormous issues that the world faces, and the world needs America's leadership on these issues. It also means we have to have a real plan about Iraq. And my view is we ought to reduce our presence there. We ought to take 40,000 troops out immediately. We ought to continue that process over time so that the Iraqis can actually take control of their own lives.

I don't know how many of you saw it, but a couple of days ago there was an op ed piece in The Washington Post from the national security adviser of Iraq who basically said the same thing.

You know, we are fueling the insurgency. We are an occupying force, and ultimately, the Iraqis are going to have to take responsibility for themselves. And America's got to show some leadership. If we want to show that we're leaving, that we're not going to be there forever, that we're not there for all, then the best way to prove that is to actually start leaving, which is what we should be doing.

We should also, by the way, at the same time, be calling on other regions in the world -- and the Iraqi national security adviser made similar suggestion -- to step in. They've expressed an interest in the stability of Iraq. Let's give them a chance to prove that they actually mean what they say and that they care about the stability of their region of the world. It is absolutely essential, if we're going to defeat these global jihadists, that we restore America's credibility in the world. It's the only way we can lead.

How we work to improve our own country and to strengthen our own country is also important because we should never for a second think that the entire world's not watching what we do. An example is what we saw coming out of New Orleans after the hurricane hit there. I mean, we all watched it. It streamed into our living rooms. You know, we saw people who were stranded in New Orleans, that they didn't have a car and didn't have any money. We saw what was happening in the Lower Ninth Ward of New Orleans. We're not the only ones who saw it. The whole world saw it, and they're watching to see what it is we intend to do.

So it's not just what we do here at home, it's also what's happening in the world. You know, we live in a world where almost 3 billion people, literally half the planet, live on \$2.00 or less a day, and it's not just the extraordinary poverty that exists around the world -- extreme poverty -- it's also the diseases that are completely preventable with just a little effort. You know, a \$5.00 mosquito net can prevent a family from getting malaria. A few cents, literally a few cents, could vaccinate a child. And a \$4.00 dose of medicine will keep a woman in Africa from transmitting AIDS to her newborn child and thereby creating an entire new generation of AIDS victims. America needs to lead. We need to show the world that we care about these things, that we care about what's happening in the planet that we live in.

And on the America that we want to live in 20 years from now, the question that I asked just a few minutes ago, I actually don't think it's very hard to paint this picture.

I think it's pretty easy. I mean, what we want is, we want an America that's well on its way to ending poverty. I'm going to talk in a few minutes about how I think we can do that.

We want to live in country where every single American -- and I want to say this clearly -- every single American has health care coverage. And I'm not talking about some weasel word or wiggle word -- you know, we're going to give them access to health care, we're going to try to reduce health care costs. I'm talking about every American having health care coverage. That's the America that I want to live in 20 years from now. (Applause.)

We ought to live in an America where our businesses and our working people are thriving in a fair and competitive international marketplace, in an America where absolutely everyone has a real chance to be in the middle class and for their kids to have a chance to have a better life than they've had.

We ought to live in an America -- and I'm talking 20 years from now -- that is free from its dependence on fossil fuels, where we actually have environmental policies that reflect our pride in this extraordinary place that we live, that we recognize our responsibility to our children and our grandchildren and our great-grandchildren to provide them -- to leave this place better than we found it when we got here.

It's going to require sacrifice. Don't hear much of that -- about that these days. It's going to require shared sacrifice. It's going to require innovation. It's going to also require conservation. It's going to require all of us to act together if we actually want to get away from this dependence on oil that we live with every single day.

I want to live in an America where we don't sacrifice individual liberties in the name of freedom -- (applause) -- and where we don't make excuses for violating the civil rights of Americans that we all have so -- for so long found so sacred; where we understand -- we understand -- that actually the test of liberty is in the moment when those excuses actually begin to sound reasonable: in moments of fear, in moments like post-September the 11th.

I want to live in an America where we value work the same way we value wealth, you know, because the truth of the matter is, our country is great because our people have worked hard. And I'm not talking about people who are making a lot of money on Wall Street.

I'm talking about longshoremen, laborers, nurses, computer programmers, janitors. These are the people that made this country what it is today. And any disrespect to any of them is a disrespect to the very values that made America what it is today.

I want to live in a country where Newsweek can no longer measure the difference between our best schools and our worst schools, where every child has a real opportunity, a real opportunity to learn, where we don't have two public school systems -- one for the most affluent neighborhoods and one for everybody else. We're better than that. America's better than that.

So today I want to focus on one of these things, which is the issue of poverty, but I also want to talk for just a minute about the Democratic Party, because the truth of the matter is that our parties, our political parties play such an enormous role, and what those parties stand for plays such an enormous role in the kind of country we live in and the kind of world that America is going to lead in.

I believe in a Democratic Party of big ideas, with some backbone and courage to turn those ideas into workable policies that actually change people's lives. I believe in a party that stands up for those who have no voice -- the forgotten middle class, the poor, those who have labored an entire lifetime. And I want to say this very clearly, because this is not -- you don't hear politicians talk about this much. I want to see our party stand up for those who have the courage to speak the truth even when it's against overwhelming public opinion, because that's what made this country what it is today. It's absolutely at the foundation of our democracy, and we, my party, should stand up for those who have the courage to speak the truth. (Applause.)

I believe in a party that's willing to take stances that are right whether they're popular or they're not. This is the tradition of our country, not just the Democratic Party. Fighting for what's right regardless of the odds, regardless of how powerful the people on the other side are.

It's what the Democratic party I believe in is all about.

We do not have to accept compromise or mediocrity or give away our principles in this process. We can decide to be great. We can decide to address great problems with big ideas.

And I also want to say a word about the Democratic party I don't believe in. I do not believe in a party obsessed with incrementalism, half measures, positions based on yesterday's polls. If we want to lead -- and our country so desperately needs to be led in a different direction today -- we have to represent something that's greater than our own self-promotion. We have to decide that what's best for America is more important than what's best for us individually.

These times -- (applause) -- these times are critical, so I want to be clear about something. This battle for the soul of the Democratic party -- in this battle for the soul of the Democratic party, there is no less at stake than the future of America and no less at stake than the future of the world.

As Democrats, we need to be specific with ideas about how we're going to address these issues, some of which I've just talked about. We need to make clear that when we see hard challenges, we're not going to run away from them; we're going to be called to service, we're going to be called to action. To me, there is no better opportunity to do that than the great moral cause, I believe, of our time, which is 37 million of our own people who wake up every single day worried about feeding their children, clothing their children and having a decent place to live in the most prosperous nation on the face of the planet.

The truth of the matter is how we decide as a country to deal with poverty says everything about the character of America.

So -- (applause) -- now, you heard this in the introduction. Now, some of you know of it already, but I'm now running a poverty center at the University of North Carolina. It's the Center on Poverty, Work and Opportunity. And what we've done there is we've brought together, I think, the best minds in America to both raise ideas, new ideas, 21st-century ideas about what we ought to be doing about poverty, to challenge some of existing thinking about what we can and should do about poverty.

We've had a number of national forums. We've asked tough questions. When I talked in the 2004 campaign -- and some of you have heard -- had heard during that campaign talk about poverty in America. There were so many political experts -- I know I have some of friends here who heard it -- so many political experts that said, "Why are you doing this, you know? This is futile. It's not going to work." They said, "Nobody cares."

Well, I'm here to tell you they care, and you don't have to take my word for it. All you have to do is look at how this country responded to the hurricane hitting the Gulf Coast. I mean, the government was a mess. Everybody recognizes that. America was not a mess -- I mean, the volunteering, the contributions, the taking of families into communities, embracing those families. And Katrina also showed us in ways that lots of people have said to me since it happened, that there really are two Americas, which I talked about in the 2004 campaign.

The truth is, those men and women that we saw images of streaming into our homes from the Superdome proved it. You know, they didn't have a car, they didn't have a credit card, they didn't have a bank account. When people say, "Why didn't they leave," they didn't leave because they couldn't leave. They didn't have a way to leave town. They had no way to take care of themselves, and those people that we saw on television from New Orleans, a lot of them came out of the Lower Ninth Ward, they have become the face of poverty in America. They are a symbol of the poor and the forgotten families, and for so many Americans, who either hadn't thought about the issue or didn't want to think about it, it's now emblazoned into their heads.

But I want to say one thing. While Katrina did -- I spoke just a minute ago about America's response, Katrina did show us two Americas. It showed us the truth of two Americas, but it showed us something else. It showed us that this country wants one America, because the reason the American people responded the way do is because our country has -- our people have character.

We have a conscience. We want people to have a chance to do well. We don't -- we do not want to see our cities -- and by the way, you can't -- we shouldn't be pointing our finger at New Orleans, because it's true in urban areas all across America; we all know it -- poor people cluster together; African-American families cluster together, you know. We all saw what happened at our television -- on our television screens, what happened in New Orleans, but exists all across America.

The American people want to do what's right. They have a conscience. They care about this. They want it done the right way. They don't want to just throw money at the problem. But they are -- they will be committed to do what's right.

What's missing is leadership. And so many now -- let's just talk about this in a really practical way for a second. So many of our families are struggling. You know, they just are. They're worried about paying for their kids to go to college. They're worried about paying for health care, you know. And they don't wake up every morning thinking, "How do I help those among me who are struggling the most?"

And then, on top of that, they don't want to repeat the failures of the past. They don't. You know, we fought a war on poverty. We did some good. But we also made some mistakes. And they don't want to see those mistakes repeated.

So these are very real concerns, but they're concerns that we can do something about.

First, if the ideas we have about eliminating poverty in this country are built on our value system -- very simple -- we expect -- the people we're helping who are capable of working, we expect them to work. We expect them to be responsible. We expect them to make smart choices. These are all just issues of responsibility. If we're going to be responsible as a nation, we ought to expect them to be responsible in return.

And the other thing is -- this is something, by the way, that just my sense of it is -- I may be wrong, but I don't think I am -- my sense of it is, this is something that folks across the country understand much better than politicians -- that what we do for the victims of the hurricane, what we can do for families who live in poverty, that this is not something we do for them. It's actually something we do for us, because it says something about who we are, it says something about the country we live in, how we treat those who are living here and struggling every day.

You know, some of you may have heard this phrase -- I actually hear it pretty often now -- that it's expensive to be poor.

It's also expensive for America to have so many poor. We all pay a price when a young person who gives up early in life, when that young person could have been the one who found a cure for AIDS. We all pay a price when our people turn to crime, because they don't see any alternative. When you spend time in innercity America, and -- most of you know this already -- talking to young African-American men, they think they're going to die or go to prison. Period. They have no hope in their life. The truth is -- and this has actually been shown by a Harvard's Richard Freeman -- that the cost of incarceration and unemployment for ex-offenders is actually 4 percent of our economy every year -- every year.

Listen, we can't build enough prisons to fix this problem. What we need to do is change the cycle, change the cycle of their lives. (Applause.) What we really need to do is we need to restore the dream that is America, the America that all of us grew up in and believing in. You know, I've lived it myself personally. There is even a chance that somebody in the room remembers that I'm the son of a mill worker. (Laughter.) I knew I could get it in this speech somewhere. (Laughter.) But I'm not talking about just giving handouts to the poor, and I'm not talking about pumping money into government programs that don't work. What we have to do is we have to find a way to help people who work be able to support themselves, to help make work pay.

So if we're going to have the kind of country that all of us believe in, we can't look the other way. I don't think America wants to look the other way. I don't think you want to look the other way. It's wrong when we have 37 million people living in poverty who are separated from the extraordinary opportunities that ought to be available in our country. Poverty is the great moral issue of our time, and we have -- WE; I don't mean me -- WE, all of us, we have a collective

responsibility to do something about it. And I don't mean just alleviating some of the symptoms. I don't mean just finding some ways to help people. I'm talking about ending it. I'm talking about ending it. The truth is we have had efforts in the past; all of us know it -- everything from Social Security to Medicaid to EITC, the Earned Income Tax Credit, but poverty's still here.

So we have to face up to the fact that some of things we have done in the past have not solved this problem. Let me start with a simple way of thinking about it.

First, work doesn't pay enough, you know? A single mom with one child who works full time for the minimum wage is still \$2,700 under the poverty line. And don't tell me she's not working. Don't tell me she's not responsible. She's supporting her kid, she loves her family, and she's working. I think that's what our country's supposed to be about. But how can we have people working full-time trying to support their family and still living over \$2,000 under the poverty line? In 2005, when corporate profits were actually up 13 percent, real wages actually went down for most workers. There is growth in the American economy, but the growth is, unfortunately, mostly at the top.

Second, in too many poor communities marriage is too rare, and male responsibility is not what it should be. Welfare reform has helped reduce poverty rates among women -- single mothers particularly. But too many young men feel completely cut off, including the young men that I spoke about just a few minutes ago. They don't see any hope. They don't see any chance. They don't think their lives are going to get better. If that's the way they feel, why would they ever invest in their future?

Third, the debate on poverty is so stuck in the old policies of the past, the old days. The truth is, this is what we got. We've got one side that's driven by guilt, and then we have another side who just doesn't believe the government can do anything effectively, or efficiently, or make a difference in the lives of the poor. Here is what I believe is the truth. The truth is that both sides should recognize that our whole economic future depends on providing upward mobility for everybody. And the truth is, the other truth is we have to expect that when we help people, they're going to help themselves. They're going to step to the plate. They're going to take responsibility. And I'll be the first to tell you government cannot do all this. It can't. Which is why this commitment to change what's happening for 37 million people who live with us every day, struggling.

This is why today what I'm proposing is we set a national goal of eliminating poverty in 30 years. It's an ambitious goal. But it's actually one we can recognize, because we want an America where, if you work hard, if you're willing to be responsible, you will not live in poverty. You won't just get by, but you'll actually have a chance for your kids to have a better life, to get ahead, is what the American dream is supposed to be about.

I propose that we set a national goal, because the truth is, when we've done it in the past, it's made an enormous difference.

JFK challenging America to land a man on the moon is a perfect example.

Besides, we need a goal. We need something to shoot for. Poverty today is such a low priority in Washington, and the truth is, politicians aren't much interested in it. It's the truth. We all know it.

In fact, it's so bad, by the way, that our way of measuring poverty in America is completely out of date and completely out of touch with reality. I mean, it was developed in the 1950s by a woman at the Agriculture Department based on what it took to feed two or three children, I've forgotten which, when food was a huge part of the American budget. It doesn't take into account childcare costs, it doesn't take into account healthcare costs, all the things that directly impact the lives of families.

And it's not just costs, by the way. It also doesn't take into account on the revenue side the Earned Income Tax Credit, food stamps, other sources of revenue. It's just -- it doesn't measure; it's not right. If we did it right, we'd probably have about a million more people on our poverty rolls than we have today.

But in places where they've actually set a goal -- let me give you an example. In Great Britain, Tony Blair set a goal of ending child poverty by 2020. Since then, because of that plus the policies to get them there, to get from here to there, they've actually reduced child poverty by 17 percent. It really is a pretty remarkable accomplishment in just seven years.

But I think if we're going to say 30 years from now we want poverty to be gone, we have to have incremental measurements too. We have to know whether we're actually meeting our goals as we go forward. So what I think we ought to say is in the next 10 years we're going to cut poverty by a third, which basically means about 12 million Americans, improving the lives of about 12 million Americans. If we meet that benchmark, then at least we're on the way of meeting the ultimate benchmark of eliminating poverty.

Now, if we want to get the country on the path, what I want us to think about is having -- I know George Bush loves to talk about an ownership society. I'd like for us to think instead about having a working society. And at the heart of this is valuing work, where it's not just a paycheck, but it's actually a source of dignity and respect for families. We create new opportunities to work, especially for so many Americans who have trouble finding a job.

We'll offer affordable housing, and we're going to make that affordable housing available near good jobs. And we're actually going to create a million new last-chance jobs, for people who just are not able to find work, the most difficult to employ. And we're going to reward work. We'd raise the minimum wage. We would change the Earned Income Tax Credit to make it more available to single workers and to do something about the marriage penalty, that's (still in ?) the Earned Income Tax Credit.

We'd find ways to address this enormous healthcare crisis that we have in America. We can help families save so they've got something. All those families in New Orleans that we saw, one of the reasons they were in trouble is they had no way to take -- they had nothing to fall back on. You know?

And one of these experts who I've worked with some, the way he says it is -- your income is what you use to get by, you know, which makes sense, you know? It's how you pay your bills, it's how you buy food, et cetera. But your assets are what you fall back on, and your assets are what you use to get ahead. It gives you something to give to your children so that they can move forward, so their lives can be easier.

So in this working society, what we're going to do is we're going to expect work and responsibility. But what we're going to do is make that work pay in a fair way so that we create the kind of economically fair America that all of us believe in.

You know, there's going to be a -- somebody may have seen this -- there's going to be a new movie out in a few months starring Will Smith. It's called "The Pursuit of Happiness," and it's about a guy who's -- I think it's based on a true story, actually -- it's about a guy that goes from being homeless to earning millions and millions of dollars as a stockbroker. The problem with the story is it's just not reality in America today. It's not. I mean, think about trying to come from being homeless to being a stockbroker in our country today. I mean, climbing a greased flagpole would be easier. I mean, it's the -- it's just almost impossible in the world we're living in today.

So what we want to do is we expect people to work, but we want to reward that work. That's the kind of working society we need. And the one group that we have to particularly focus on are young men. As I said earlier, you know, welfare reform helped single mothers, young women, had a real impact in lifting them out of poverty, but that's not been true for young men. Actually, as I think The New York Times and others have reported, young men are actually worse off than they were before welfare reform. They're moving in the wrong direction.

We have communities across this country -- I've been in several of them -- where literally half of the young men are out of work -- half. It's time that we finish the job of welfare reform. We ought to give low-income men an opportunity to work, and we ought to challenge them to take responsibility when we do that. If they don't work, they won't get paid. If they owe child support, their children are going to get paid first because women should not be having to raise their children by themselves.

And I think what we're going to find out is that poor people want to work. They just want a chance. They want the dignity and self-respect that comes from having a job. And if we believe that everybody who's capable of work should work, then we got to have jobs for them. And that's the reason that we're proposing -- I'm proposing a million new what I call stepping-stone jobs. It'll be a job for those who have a difficult time getting employment, be working largely for NGOs, working in places like parks, community centers, so that they can actually go to work. They can get in the habit of working. They build something on their resume showing that they're willing to work, that they'll get up and go to work every day, and it -- it also gives an opportunity to get jobs in neighborhoods who are having such a terrible time getting jobs.

You know, it's not just having a job; you got to have a job you can get to. In so many of these poor neighborhoods, there is no job. So we want to give -- we want to not only make sure work pays for these folks, we want to make sure that they have access to a job so that they can support themselves, so they have independence.

Erosion of the minimum wage, and here's another enormous problem. We ought to raise the minimum wage to at least \$7.50 an hour -- (applause) -- if actually accepted by itself would give full-time minimum wage workers almost a \$5,000 raise, about \$4,800. Just yesterday, Republicans in the Senate blocked Senator Kennedy's effort to raise the minimum wage. You know, by the way, since we have trouble getting the Congress to do this, we've actually been out working in states -- I have, along with others -- trying to raise the minimum wage on a state level. The American people are for this. They want the minimum wage raised. I mean, these initiatives -- they win, they always win. What's happening is politicians in Washington are blocking and thwarting the wheel of the country. We should raise the minimum wage.

We also need to give workers a real chance to organize. You know, unions help make -- (applause) -- we often -- and I'm as guilty of it anybody -- we often talk about the manufacturing jobs, it was true in my family; my father worked in textile mills, that, and we talk about manufacturing jobs helping build middle class in America. Well it's true, they did. But what people often forget is these weren't great jobs before the union. The union then made them great jobs. The union had created good pay. The union created good benefits.

And there are enormous opportunities to organize out there in the workplace, particularly in the service economy. There are about probably 50 million more jobs -- 50 million service economy jobs today, probably 10 million more over the next decade, and the difference between places where the union is there and the union is not is the difference between living in poverty and not. It's not complicated. If you work for a hotel chain in Boston, where the mayor, thank goodness, basically requires that all the hotels be unionized, the employees make \$14.00 to \$20.00 an hour, they have health care benefits, they have pensions, they have retirement security. If you work for the same hotel chain that employs those employees in Miami -- oh, by the way, the hotel rates are roughly the same -- you make \$6.00-\$6.50 an hour. You have no health care coverage, you have no pension, you live in poverty.

So this is something we have to decide as a nation. Do we want workers in all segments of our economy to have a real and meaningful chance to be able to bargain, bargain collectively? Do we want democracy in the workplace? Of course we do.

Of course we do. It's the kind of country -- and it will help -- it's not just good for these workers. It will help strengthen the middle class. It will help strengthen the economy in this country.

So we also need -- I mentioned a few minutes ago people having some assets and being able to have something to fall back on. You know, one of the things we can do is -- (aside) -- thank you. (Chuckles.) He wants me to quit talking, so I can start answering questions. (Chuckles.) So I'll just do the rest of this.

The -- one of the things we need to do is help people save, so they got something to fall back on. We can set up low -- we can set up accounts for low-income families, match what it is they're able to save. You know, this will allow the accumulation of assets.

We also need desperately to integrate our neighborhoods economically. You know, what we saw -- and I think it's a really fundamental question for us as a nation. I mean, if we really believe in

an America where all of us have equal worth -- and I actually believe it to my core. I do. You know, I think my father, who worked in a mill all his life, is worth every bit as much as any president of the United States. I think everybody in this room has equal worth. If you believe that, when are we going to start living together? Because if you look at those pictures coming out of New Orleans, we don't just have racial segregation; we have huge economic segregation.

So what are we going to do about it? Here's an idea. I think, first of all, we need a different housing policy. We ought to radically reform HUD. And that includes a number of things. It includes creating a million new housing vouchers, so that -- and we use them in a different way. Instead of rebuilding housing -- crumbling housing in the poorest neighborhoods, we'll use those vouchers to allow families some mobility.

You know, I talked earlier about upward mobility, but we also need the ability of families to move across economic and racial divides that exist in so many cities across America. These million vouchers could help do that.

And we also need to reform HUD because it's bloated, it's bureaucratic, it's -- the money is not getting, in many cases, to the people that it needs to help.

And I think we can help pay for some of this. One of the things I'm proposing is that we get rid of 1,500 employees at HUD -- I would start with contract employees, but I think we need -- if we're really going to reform HUD, we're going to have to be willing to take some very serious steps.

And the whole idea here is, we're going to first get jobs in the places where they're needed.

We're going to get them to the people who need them. We're going to make sure that people who work earn a decent wage, so they can support their families. And then we're going to give them a place to live, a decent place to live. So if they're not if they're not satisfied with where they live, they're not satisfied with their school, they can vote with their feet. They can move. They can go somewhere. So many of these families are trapped where they are now. Well, we're better than that.

The other thing is, it is absolutely remarkable -- I just want to say a word about schools. It's remarkable how many of our kids are dropping out of high school. It's staggering, actually. It's about 30 percent, by some measure -- some measures. Thirty percent of kids drop -- almost a third of our kids are dropping out of high school? What possible chance do they have in this age of globalization?

So one of the things I'm proposing is that we have what I would call second-chance schools, so it would be -- it's easy for these kids to go back to school, or even as they get older to go back to school, to get their degree. If they want to go on to a community college or go on to the university, they'll have a chance to do that.

This is all about creating tools to allow people to be able to help themselves. It's about giving them a decent job with decent pay, the ability to get an education. So many young people aren't going to college now.

One of the things that we've done is -- something I call College for Everyone, in a small county in eastern North Carolina. Some of you have heard me talk about it before. We put it in place about a year ago. It's been incredibly successful. We just went down and gave the first group of scholarships a few weeks ago -- about roughly \$300,000. But it's having a real impact on those families, on -- and those kids deserve a chance to go to college, just like all our children deserve a chance to go to college.

So I see this as challenging, yes, but there's nothing -- there is nothing America can't do. If we face up to these challenges, we have a little backbone, and we have the courage to stay with them and some discipline, we can make this country the kind of country we want to live in 20 years from now. We can. I am absolutely convinced of that.

And I'm also convinced of something else, which is, we can't stay on the sidelines and wait for somebody else to do it. There is just too much at stake, far too much at stake. I mean, all of us -- all of us -- need to go to work.

I took 700 college kids down to New Orleans about two months ago. They gave up their spring break to work. I tried to work with them. I'm 53 now. I had trouble, honestly, keeping up with them. But they were so inspiring to watch. I mean, here was a group of young people. They could have been on a beach somewhere. Instead they were in hot, dirty conditions, working.

Why? Because they were serving. They were serving their fellow man.

And don't tell me that we don't care. We do care. These young people are a great example for us. They're not waiting for somebody else to do it. They're stepping to the plate. It's what all of us need to do.

I'll just end with a line that I borrowed from really an extraordinary woman activist who -- right here in D.C., who passed away a few years ago. But she would always end her speeches by saying, "You know, the leaders we've been waiting for are us."

And she's exactly right. Together -- together -- we can address these huge moral challenges that face America, both at home and abroad, and we can live in a fair, just and honest world.

Thank you all very much. (Applause.)

MR. SALANT: First question: How should the Democrats answer the Republicans' charge that they want to "cut and run" on Iraq? And if you were still in the Senate, would you have voted for Senator Kerry's resolution to set a date certain to bring the troops home from Iraq?

MR. EDWARDS: Well, here's what -- like George Bush's policy has been so incredibly effective -- he has created this mess. He and Dick Cheney created this mess, along with help from Rumsfeld and others. And the best I could tell, they have never accepted any responsibility for it.

You pointed out earlier me talking about my vote, and I do believe my vote was a mistake.

But I think all -- anybody in public life has to take the responsibility for the good and the bad. You know, in some cases you deserve credit because things worked the way they should. In some cases you don't. Well, George Bush and Dick Cheney have created an extraordinary mess in Iraq.

And it's an amazing thing to watch the president, who, when anything happens -- we have young men and women dying in Iraq, for -- and their families have suffered. We have many, many families who have loved ones over there right now. You know, we talk about -- people in Washington talk about it like it's some abstract thing. These are real people's lives. These kids who are dying -- that's the first thing we ought to be thinking about.

And they believe. They believe in serving their country. They do. They didn't make the decision to go to Iraq. They didn't decide how many troops we'd put on the ground in Iraq. They didn't decide how much work and effort we'd put into putting together an international coalition, instead of doing it by himself. George Bush did that. And I've never heard this president accept one bit of responsibility for what he's done -- none.

So the idea that George Bush and the Republicans would accuse me or anybody else of anything is comical to begin with.

Here's what I say. (Applause.) What I say is, we're in a mess. And in fact if you look at this piece that was done in The Post a couple days ago by the Iraqi national security adviser, it's very similar to -- actually to what I'm saying.

Our presence there as an occupying force is fueling the insurgency. It's not making things better. It also makes it extraordinarily difficult for other countries that region in the world, other Arab countries, to engage in a way that's productive, and to help, because they don't want to help us. You know, they might be willing to help Iraq, but they don't want to help America. They don't want to help the coalition forces.

So what do we do? If you believe -- and I do -- if you believe that the right thing to do -- instead of worrying about what the Republicans are saying, how about if we actually just do the right thing. And I think the right thing to do is, we need to reduce our presence there. I would do it by 40,000 troops, but something in that neighborhood. I think we need to continue that process, because the way to show you're leaving is to actually leave.

And then -- and I believe that in the next 12 to 18 months American combat troops ought to be out of Iraq. It's -- (scattered applause) -- it's something that ought to be done -- it ought to be done in conjunction with our military leaders, so that it's done in the most thoughtful, most effective way. You know, out of the 18 provinces, four of them are secure now, by everybody's

measure. There are another nine or so that -- on the precipice of being secure. So there are clearly regions of the country where we could reduce our presence.

And at the end of the day, the Iraqis are going to have to decide whether they're going to have a representative government, whether they're going to be successful, whether they're going to keep their country safe. We can't do this for them forever. We just can't.

So I think what I'm actually proposing is a sane and responsible way to deal with a very difficult situation right now.

MR. SALANT: How much would your anti-poverty proposals cost? And how would you pay for them?

MR. EDWARDS: I knew somebody would ask that. (Laughter.)

Well, there are some of them that don't cost anything. Raising the minimum wage, for example -- that doesn't cost anything. Making it easy for -- easier for workers to organize in the workplace is not costly.

It's between \$15 (billion) and \$20 billion a year, probably closer to 20 (billion dollars).

And the way you pay for them is, do something about -- for example, if we just stop the elimination of the estate tax, you know, which affects a minuscule number of Americans, because of the exemption, that's way more than enough than is needed to pay for these anti-poverty proposals.

You could also do it by doing something about George Bush's tax cuts for the richest Americans.

So there are a number of places to get the money from, but the most important thing is that the country have the will to do it, the right thing.

MR. SALANT: What do you believe is the key reason for the accelerating gap between rich and poor in the U.S.?

MR. EDWARDS: It's a complicated thing. What -- first, I think this administration has made it worse. You know, I -- if you look at a tax structure that clearly values capital in a different way than it values work -- I mean, if you are -- if you're an investor who makes most of your money from investments, you pay 15 percent. You pay the capital gains tax rate.

That same investor and people like me, politicians that -- people who run for public office, all of us know a lot of rich people. We have to. You have to raise money. And none of them are paying more than 15 percent. They pay 15 percent and -- because they can structure their income in a way that it all is capital gains.

And their secretaries -- and listen; this is an amazing thing -- their secretaries are paying a low -- a higher tax rate than they're paying. So the investors are paying a lower tax rate than their

secretary's paying. Something's wrong. Something's way wrong. And I think that contributes to it.

I think George Bush's effort to cut taxes for the richest people in the country contributes to it.

But I also think it's true that in the world of -- in the world that we live in today, where we're competing with China and India and other countries around the world, education and capital are the most mobile commodities.

And to the extent that in the past we've had manufacturing workers, for example, like my dad, who worked in -- who, with a high school education, worked in a mill, it's much, much more difficult in today's world for someone with a high school education to be able to compete. So what it does is, it just exacerbates the problem.

It does more than widen the gap, by the way. The gap is stratified. It's becoming more set in concrete. It's harder to change, for all those reasons, because, you know, middle-class families and lower-income families, they don't have the educational requirements, they don't have capital, and they don't have what's needed to compete in this age of globalization. And the result is, they're competing against very low-income workers in other parts of the world.

MR. SALANT: The House Republicans yesterday pulled a vote on the Voting Rights Act off the floor. Would you support extending the Voting Rights Act, as now proposed? And how do you talk about -- their objections were bilingual ballots and requiring pre-clearance of some Southern states. So what's your position on that?

MR. EDWARDS: My position is, we ought to extend the Voting Rights Act, and this is just nothing but politics. The -- if we actually believe -- and I hope we do -- having -- if you grew up the way I did and you saw segregation at its worst and -- I mean, I still remember myself, as a young boy, I used to go to movie theaters, and there would be -- they'd -- all the blacks were sent upstairs and, you know, white-only signs on drinking fountains.

It's just -- we're -- look, here's what it boils down to. The Voting Rights Act is intended to make sure that every single American gets an equal right to vote. That's what it's for. And it's to make sure the we actually believe and support the idea that in voting, all of us do have equal worth in this democracy, which I hope we all believe in.

So the answer is, yes, I would support the Voting Rights Act -- extension of the Voting Rights Act. And I think it's an amazing thing that the Republicans pulled it, I -- really. They ought to be held accountable for it.

MR. SALANT: I'm not going to let you get out of here without answering at least a couple of political questions.

How disappointed were you that your ticket did not carry North Carolina or any other southern state in 2004? And what do Democrats need to do to not repeat this in 2008?

MR. EDWARDS: Well, I'm disappointed for the country that we've got George Bush as president, that's what I'm disappointed in. And -- (applause) -- and I might add, I don't think I'm alone in that disappointment. Based on what I'm seeing out in the country and based on public opinion polls, the vast majority of Americans feel the same way.

I think that what I talked about -- having traveled around the country for three years now and listened to so many people from all parts of the country, I think America is hungry to be inspired again. I think they're looking for something that they can engage in collectively. I think the country believes in a sense of national community, you know, that the what we do together really does matter and it says something about us, and they've just not been asked to do it. You know, and whether it's poverty or energy or whatever the issue is, they've just not been given a chance, and they desperately want that chance.

And I think because of the uneasiness of the world that most Americans live in today -- rising gasoline prices, they're worried about their health care coverage, they're worried about this war in Iraq -- what they want in their leaders is they want strength, they want people they can trust. And my own view is that strength comes from a core set of beliefs that you're willing to stand up for, you know, whether they're popular or not and based on conviction that you have. And I think people will -- are okay with you disagreeing with them. They'll accept that, so long as they think that you're telling the truth as you know it.

So I think that what the Democratic party needs to do is quit worrying about consultants, get rid of the pollsters. I think we ought to quit looking at yesterday's poll to figure out what we're supposed to say. I think that's not leading, that's following. And we ought to look at the America we're in today, think about where we want to be 20 or 10 years from now and decide what it is that will get us there and then go out there and lead on those things.

I just -- I think America has got -- we got plenty of politicians. What we want are leaders, and I think the country is hungry to be inspired and they're hungry to find leaders again.

MR. SALANT: Before we ask the last question, I wanted to give you the official National Press Club coffee mug -- (laughter) -- so that you can sip a beverage while you're pondering your political future -- (laughter) -- and a certificate of appreciation from the club.

Thank you very much.

MR. EDWARDS: Thank you very much. Thank you all. (Applause.) Thank you all very much.

MR. SALANT: Last question. What sacrifices from all Americans would a President Edwards ask of his fellow citizens?

MR. EDWARDS: Well, the list is actually not that long, but it's long enough.

I think, obviously, the issues I've talked about about poverty will require some collective sacrifice from all of us, because these things, and I said earlier -- \$15 (billion) to \$20 billion --

they're not free, and I do think it's important to all of us. But I think we're obviously helping a group of our own people who are struggling every day.

I don't think we're going to get off our dependence on oil with just innovation. It won't work. I think there's a lot we can do, like investing in ethanol, alternative sources of energy, wind, solar, biomass -- those things all should be done. But we can't continue to drive vehicles that get 10 to 12 miles to the gallon. And I think that the president of the United States should say to the American people, this is bad for America, it's hurting our national security, it's hurting our economy, it's hurting our ability to grow over the long term and ask them to sacrifice.

And I think we need fuel efficiency standards that work.

My personal belief is that we ought to inspire young people to service. You know, these young people I talked about in New Orleans were there voluntarily. But why do we not want young people at the high school level to be engaged in service to their community? It seems to me that it makes all the sense in the world to say to young high school students, we want you to understand what service means and how it matters. And I have to say to you, having seen it, and I have -- we started a learning center in North Carolina a few years ago, and we've had young people volunteering in that learning center for almost a decade now. It's not -- they do help the kids that they're tutoring and serving, but what it does to them, for them and their own self-esteem, and their engagement in their country and their community is really a remarkable thing to see, it is. It's inspiring.

So those are three things that I think we need to ask the country to do. My suspicion is -- is there are more. But I think the country -- I'm convinced the country's hungry for it. They're just looking for somebody to ask them to make these sacrifices. I think the American people are committed to a country that they can be proud of and a country that's bigger and better and stronger. And we just need to give them a chance to have that country.

Thank you all very much. (Applause.)

MR. SALANT: Thank you, Senator Edwards.

I'd like to thank everyone for coming today. I'd also like to thank National Press Club staff members Melinda Cooke, Pat Nelson, Jo Anne Booze, and Howard Rothman for organizing today's lunch. And thanks to the Eric Friedheim National Journalism Library at the National Press Club for its research.

We're adjourned.

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