NATIONAL PRESS CLUB BREAKFAST WITH SENATOR CHARLES E. SCHUMER AND SENATOR JOHN ENSIGN

SUBJECT: UPCOMING SENATE ELECTIONS

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**SYLVIA SMITH:** (Sounds gavel.) Good morning. My name is Sylvia Smith, I'm Washington editor of the Ft. Wayne *Journal Gazette* and President of the National Press Club. We're the world's leading professional organization for journalists. And on behalf of our 3,500 members worldwide, I'd like to welcome our guests and our speakers today. I'd also like to welcome those of you watching on C-Span and listening on XM Satellite Radio.

We're celebrating our 100<sup>th</sup> anniversary this year here at the Press Club, and we've rededicated ourselves to a commitment to the future of journalism through innovative programming, journalism education, and defense of a free press worldwide. For more information about the National Press Club, or to blog about today's event, please visit our website at <a href="https://www.press.org">www.press.org</a>.

We're looking forward to today's speeches, and afterward I'll ask as many questions from the audience as time permits. I'd like to explain to our listeners that if you do hear applause, it may be from guests and members of the general public who attend our luncheons and our breakfasts, not necessarily from the working press.

Here with me at the head table are Angela Greiling Keane, Chairwoman of the Speakers Committee and works for *Bloomberg News*, and Jonathan Allen of *CQ*, a member of the Speakers Committee who organized today's event. And I'll introduce our speakers now.

Nevada Senator John Ensign knows a little something about high stake gambles. When Republican leaders searched for a senator to take the reins of the National Republican Senatorial Committee in late 2006, his colleagues scattered and hid. "You'd have to be crazy to want that," Senator Jim DeMint said at the time. After all, Republicans were looking at defending 21 seats, now 23, and had few opportunities to score victories in Democratic-held territory. But with no one else stepping forward, Ensign, a former casino manager who was first elected to the Senate in 2000, agreed to handle the dice.

He so relishes competition that a former campaign manager once said of Ensign, "If you walk with him in the airport, he wants to beat you and be first at the gate." Ensign's had to manage limited resources. The NRSC has raised less than two-thirds the amount than the Democratic Senatorial Campaign Committee has raised in this election cycle. CQpolitics.com currently projects that Democrats will pick up five Republican-held seats; those of outgoing Senators John Warner in Virginia, Pete Domenici in New Mexico, and Wayne Allard in Colorado, as well as the seats Ted Stevens and John Sununu are seeking to retain in Alaska and New Hampshire. Four others are rating no clear favorite.

There's just one Democratic seat, that of Louisiana's Mary Landrieu, that Republicans have a shot at. Indeed, the question has never been whether the GOP would lose seats in this race this year, but how many. It is Ensign's job to stem the expected Democratic tide in the Senate and give his party a fighting chance in the 111<sup>th</sup> Congress in the ensuing election.

The other side of the Senate elections coin is New York Senator Charles Schumer, who remained Chairman of the DSCC after netting six seats in the 2006 election. That year, he also held his party to its first Senate majority—He led his party to its first Senate majority since 2003. With a Democratic wind at his back, the expert fundraiser has banked \$117 million in his quest to expand the electoral map. That has forced Republicans to defend seats in typical GOP strongholds across the country, including Mississippi, North Carolina, Georgia and Kentucky.

First elected to the Senate in 1998, Schumer fast built upon a reputation for fashioning sound bites and finding cameras. It's a talent that leaves some colleagues grumbling, but they seem to appreciate his efforts to get them elected. A staff survey by *Washingtonian Magazine* rated Schumer as one of the Senate's leading show horses, as well as one of the leading work horses. In other words, don't be fooled by the sound bites. "If you get in the ring with him, you'd better

be prepared to go the distance, because he is," former Senator Bob Kerry said of Schumer.

The Chairman of the Senate Campaign Committees have joined us today to give us their perspectives of what will happen on November 4<sup>th</sup>. We've determined in advance that we'll go alphabetically, so please help me welcome first Senator John Ensign, and then Senator Chuck Schumer to the National Press Club podium. (Applause)

**SENATOR JOHN ENSIGN:** Well, thank you very much. I'm not sure about that introduction.

## **SENATOR CHARLES SCHUMER:** It's as good as it gets.

**SENATOR ENSIGN:** Good as it gets. Anyway, it was mentioned, why did I take this job and there was not a long line of people who wanted this job because people realized how tough of a cycle that it was going to be. I don't think that anybody realized it was going to be this tough of a cycle. And that's really pretty honest. I've already made my plans post-election, taking my wife to Napa Valley. And so we'll either be able to celebrate or drown our sorrows. We'll see how that goes.

This election season going in, I don't think that there's any question that it's a tough election atmosphere for Republicans. That's just as honest as I can put it. We're dealing with an unpopular President, we have a financial crisis, we have a country who thinks that not only Republicans hold the White House, but about half the country still thinks that Republicans are in charge of the House and the Senate when you look at the polling data out there. And so when there's a financial problem, a financial crisis that's going on, Republicans get a lot more of the blame than Democrats do.

And certainly with the deficits that we have in these last couple years where the deficit has ballooned, you know, last time I checked in the Constitution, all spending starts in the House and the Senate. The President doesn't spend the money, he just proposes. It is the House and the Senate, and the Democrats are the ones who have been in charge, raising the deficit and the debt up and yet, the American people are still blaming Republicans. That's just the reality of the situation.

You know, the big question on everybody's mind is are the Democrats going to get to 60? Are we going to be able to hold a filibuster-proof Senate? And it's not even the 60 number that is the magic number, I think. I think if the Democrats get to 57 or 58 seats, on a lot of issues they will be able to override a

Senate filibuster. And because they seem to be able to pick off a few Republicans on a lot of the particular issues.

So we have to look and we have to say what does a 60 vote or what does a filibuster-proof Senate mean for the American people? There's a few very, very important issues out there. Energy is one of the most important issues dealing with our country. We are sending \$700 billion a year to a lot of countries, many of whom are not favorable to us. Some of those dollars end up in the hands of supporting people who actually want to do serious harm to the United States. So it is critical that we have a balanced energy policy, which includes drilling for American oil and natural gas as part of the solution. And that is something that the Democrats have been blocking, and it's already been said by some of the Democrat leaders, that even though Barack Obama has been saying that we need to drill offshore, we need to do those things, they support the kind of policies that don't allow it.

First of all, you not only have to lift the moratorium, but to effectively get to that oil and natural gas, just like we did with the Alaska pipeline, you're going to have to put reasonable restrictions on the lawsuits that the radical environmental groups bring against going after these resources for American energy. And there's no way that the Democrats are going to do that.

And we've also heard from Democrat leaders that they are going to reinstitute the ban on drilling offshore. We need American energy. We need American energy supplies of oil and natural gas, we need American supplies of clean coal technology, we need nuclear energy. We need alternative energies. I was a sponsor of the Renewable Energy Bill in the Senate that passed this year that's now been signed into law by the President.

But we need a comprehensive energy approach, and with the Democrats in charge, we'll get a few of the things, but we're not going to get a comprehensive energy approach. And that, I believe, in the long term will do damage to our country.

There's one issue out there that most Americans aren't even aware of, but it really is going to change American competitiveness in the world and is going to change the American workplace. And that's this idea of having a secret ballot whether unions represent you at your workplace or not. Our unions, our labor unions, have gone all over the world to insure that there is a right to a secret ballot when it comes to union elections. They fought in this country to have a secret ballot when it comes to union elections. And yet now the labor movement and the Democrat party want to get rid of the secret ballot. They want to just have you, whether you sign up, a card--

We've had experience with that in my town more than any other places in the country. And let me tell you, if you get rid of the right to a secret ballot, there is no way to stop a workplace from being unionized. The intimidation factor that comes in because they actually can visit you at your home-- And the reason we have secret ballots is to stop the intimidation factor. You don't want management intimidating, you don't want the labor bosses being able to intimidate. The right to a secret ballot is a fundamental American right, and with the Democrats with the filibuster-proof Senate have already said it's one of their top priorities, and they will get rid of the right to a secret ballot when it comes to union elections.

We know what they'll do on taxes. Taxes are going to go up. Now, they're not going to go up on everybody, but they are going to go up on those very people who are creating jobs in America. Barack Obama has said that he's only going to raise taxes on the wealthiest 5 percent. Well, a lot of small businesses that are sub-chapter S corporations pay that top margin of rate. And those small businesses that pay that top margin of rate produce 60 percent of the jobs in America, 60 percent.

When our economy needs jobs, and by the way, for federal tax revenues, you need jobs, when our economy needs jobs, the last thing you should do is raise taxes on those very people who are going to create jobs. The Republican Party is the party of small business, not big business. Higher taxes actually give an advantage to big business over small business. Corporate tax rates are already—Would be lower than what sub-chapter S corporations would pay, especially under Barack Obama.

So, we need to be the party that says to those small business entrepreneurs out there that are going to create the jobs, "We want to keep your taxes low." If you're a woman or a minority in the United States, 80 percent of your opportunities come from small businesses, not large businesses. So, for America to be the opportunity society, we need to keep business taxes low, we need to keep the top marginal rates low so that we can provide those opportunities for the American dream, for people to pursue that entrepreneurial spirit that we've always had in America.

And the last issue to mention is the idea of spending. I will be the first one to admit that while my party was in charge, we spent too much money. I wasn't one of those people who was voting on all those spending bills, but we spent too much money. The record, though, clearly shows the Democrats would have spent even more. I mean, we had these spend—If you'll remember—These spendometers in the United States Senate that showed every time we had a piece of legislation, they wanted to spend more money on the legislation.

And the Democrats always accuse us of cutting, of cutting. And yet then they also, on the other hand, accuse us of ballooning the deficit. And it doesn't seem to me that you can have it both ways. I think both parties need to join together to think about future generations because the deficit and the debt is going to kill this country. And with entitlement programs looming out there into the future, we have to have people of courage to be able to stand up and to say, "You know what? Our children, our grandchildren are more important than just whether we get reelected or not." And that is something we're going to have to come to serious grips with as a country and both parties are going to have to join to be able to fix the problem.

Just to mention a few of the races across the country, you know, there's quite a few races out there that are very much in play. And to say whether they're going to end up with 60 votes in the U.S. Senate is unpredictable. Is it possible? It is possible. But it's also possible that we end up with 45, 44, 46 votes left in the U.S. Senate and it is all up to the races. We're in good shape in Maine. In New Hampshire, New Hampshire is close. As a matter of fact, this morning's tracking on our side, John Sununu is within four points now and that's—He was consistently 10, 11 points down. And over the last couple of weeks, it's exactly as he saw it from the very beginning. He said, "We're going to be down. We were down last time, we're going to close at the end and then we're going to win the race." And John Sununu's been closing exactly like he laid it out six months ago to me.

Minnesota, that's been a close race all along. But one general comment to make is in 2006, the Democrats put more conservative-type Democrats up. In this election cycle, if you look at the crop of candidates, it's about as far left of a group of candidates that we've seen in a long time. And I think that's a pretty objective measure. And whether you're looking at Al Franken or the Udalls or some of the other—Jeff Merkley out in Oregon or whatever, these are fairly—Pretty far left candidates, but they're running—They happen to be running in a very good cycle to be running as a Democrat.

And when you combine that with the amount of money that the Democrats have raised this year, it's giving people a shot who would never have a shot. Norm Coleman should normally win this race very, very easily. In any other cycle, he'd win easily. Gordon Smith would win easily. But, you know, in this tough election cycle with an unpopular President, it makes it a very difficult time for them. And so Norm is in a race, it's in the margin of error and it's going to be a tough race right up until election day.

Gordon Smith, the same thing in Oregon. It's been a battle all along, both sides are spending a lot of money out there and that race is in the margin of error.

And literally, I think this morning, Gordon was one point up. It's very, very close races out there.

When we go up to Alaska, and you all know this, Alaska—In the polling that I've seen, it's all about what happens in the trial. And I think that if Ted Stevens, if the trial comes to a conclusion, and as he believes that he is found innocent, I think he will win that election up there. If it goes the other way, obviously, it really won't matter what happens in the election.

Go to Colorado, Colorado is a race that the Democrats thought they had sewn up a long, long time ago and it was rumored that we were going to be pulling out of Colorado last week. What we were doing was evaluating where we had the best chances of winning. And the Colorado race has closed up, and that's the reason that we're going to stay there. We're going to stay there up until the end. I think the last couple of days, one day it was four points, the other day—Another day was five points down. But basically, that's a very winnable race and it's a battleground in the presidential race, and we're going to be there until the end.

And Bob Schaffer is a great candidate out there and he's running against somebody who is very far left. I'm a Colorado State graduate, I understand Colorado and Mark Udall is way to the left. He is not a Ken Salazar. He is far to the left of what Coloradoans are.

So go down to Mississippi, and that's not a state we obviously thought we were going to have to plan in. But with Trent Lott retiring down there, and the political climate, it's a state we're winning and we're outside the margin of error there, I expect us to win that seat but we're definitely having to spend some money down there. But I expect us to be able to win that state. And I think that Roger will win that state anywhere from six to ten points on election day.

Louisiana is our one shot for a pickup, and there were the stories out there that we were pulling out of that race. And the was another race that—That was about a seven to ten point race all summer, and then the hurricane hit. And the TVs, most of the TVs went black across Louisiana so John Kennedy couldn't spend money on the air. And Mary Landrieu was able to go around the state, you know, basically looking like she was giving all this money to Louisianans and looking like a hero. And so, John Kennedy's poll numbers dropped fairly significantly during that time.

Well, once he got back up on TV, it took a couple of weeks, but the numbers started closing and that race is a four or five point race as well at this point. So, it's very competitive and he is definitely moving in the right direction.

The momentum is clearly on his side, and John McCain is going to win that state by probably at least 25 points.

And that's another comment. Other than a couple of the states, our people, either our incumbents or our candidates, are running ahead of John McCain in almost every place that I've mentioned across the country.

Last couple of races to talk about, Elizabeth Dole in North Carolina. It's a tough state, tough year. Once again with Schumer's—Chuck Schumer has spent a lot—My good friend Chuck Schumer—Has spent a lot of money in that state and we actually are—We get along really, really well and it's a friendly competitiveness that we have. But that state's a tough state for us and it literally is—I look at the polls and it's one point up, one point down, two points up, two points down. It's been that way for weeks, and I think it's going to be that way until election day and it's going to turn on who closes the best in the last couple of weeks.

Last two races to quickly talk about: Georgia. Georgia has become, you know, on everybody's radar screen. I expect Saxby to win that race by eight to ten points. That's about where the polls are right now. And even though we're watching that race very, very closely and my good friend, Chuck Schumer, spent a lot of money down there now as well, he sees another chance there, I still expect Saxby to win that race fairly handily.

And the last one you all want to hear about is Kentucky. Kentucky, that race closed up a little bit but has since widened and it's somewhere around the eight to twelve point range, depending on the tracking numbers that we see there as well. Mitch is running a great campaign out there, and I expect him to win that race, even though once again, my good friend, Chuck, is spending a lot of money out there. And Bruce Lunsford looks like he's just written a big check out there as well because of the size of their TV buy.

So with that, when we're ready to take questions, I'd be more than happy to take questions.

**SENATOR SCHUMER:** Well, thank you. And first, I want to commend my friend, John Ensign, who really has done a great job under difficult circumstances, he would be the first to admit. But, he really has done an excellent job and he's done it, as always, with good humor and a smile and a decency and appreciate that very much.

I'm glad to be back here at the Club. First, I want to tell you that I hope my little speech today goes better than the speech I gave a few weeks ago in Brooklyn to a group of senior citizens. Because at the end of that speech, the senior citizen

leader of the group came over to me and she said, "Senator Schumer, I thought your speech was absolutely superfluous." (Laughter) Well, I didn't want to let that remark go unanswered, and so I responded. I said, "Thank you, ma'am. I plan to publish it, posthumously." Well, the senior citizen activists in Brooklyn always get in the last word. She put her hands on her hips, she waved her finger right in my face and said, "Senator, I just can't wait." (Laughter) So I doubt what I say today here will be published, posthumously or otherwise. I hope it's not superfluous, but I thank you for the opportunity to address you at this important time in America.

First, let me give a little outline of how we look at this election, or how I do. I think this is one of those rare tectonic plate elections where the deep plates beneath our politics move. I think it's changing things, not just for an election cycle, but perhaps for a generation.

Tectonic elections occur when the public fundamentally changes its view of government and its role. We've had two in the last hundred years; 1932, Franklin Roosevelt says, "Hey, you need a stronger, more active government to get you out of this mess." And people responded. They vote for Roosevelt. He does it and creates two generations of Democrats; frankly, even Dwight Eisenhower and Richard Nixon had a play on a Democratic sort of active government field.

By 1980, Roosevelt's had such great success that people are feeling great. They feel they're going to do just fine on their own, and that's what Ronald Reagan comes in and tells them. He says, "You don't need this government anymore. It's a burden to you when it's around. Chop it up, chop it back." And the average citizen who felt good in their lives says, "Yeah, I think you're right." And that's created a generation of Republicans, even Bill Clinton played on the Republican field if you look at his big accomplishments; welfare reform and tough on crime, and free trade, things like that. Those are not hard core left wing Democratic values.

Well, now things have changed again. The average American, if you asked him or her in 1980, "How you doing?" they'd say, "Great." "What about ten years from now?" "Better." "How about your kids?" "Better than me." There was almost no doubt.

Ask them today, "How you doing?" "Okay." Now Democrats make a huge mistake when we condescend to the middle class. "Oh, you poor middle class people. We'll get you out of your terrible rut." Huh-uh. The average citizen has real doubts about the future. And then you say, "How you going to be doing ten years from now?" "I'm worried." "What about your kids?" "I'm worried about them, too."

And that means that citizens are looking for change, they're looking for a government to help them pay the cost of college, get better health care, change our energy policies, build up America again and give the middle class more of an opportunity than they see they have now.

And gives us a tremendous opportunity. And I think when you look at this election, that's why Democrats seem to have the leg up, whether presidentially or at the Senate race fundamentally. John McCain is a very good candidate, but because he is burdened by a philosophy that doesn't fit the times—I mean, I know John will disagree with this, but if the answer to this great economic crisis we have is reduce the capital gains tax further, you're talking about the past, not about the present or the future.

Same thing, when we had this huge, fundamental problem, economic problem, there was only one entity that could come in and save things; the government. And even George Bush, the most conservative President we've had, had to have massive government involvement.

The tectonic plates are changing, and it serves us well. And I think it will mean that Barack Obama, and I said this six months ago before the financial crisis, I said it publicly, will get more than 300 electoral votes. And I think it helps us in the Senate in a very significant way.

Now, if there's any proof of that, go look at the Republican campaigns. Look at the campaigns, the candidates John is supporting, are running. You will never hear a certain word from them. "Bush." You much less frequently hear another word, although you do hear it, "Republican." You won't hear Republican Senators talking about the last eight years at all when they run. You won't hear them talking about their real records.

Six years ago, the Republican Senators who are running for reelection this year in Georgia, Maine, Minnesota, New Hampshire, North Carolina, Oregon, all invited George Bush to their states for big rallies. They rolled out the red carpet for him, promised the voters they'd back his agenda and fight for him every step of the way. And by the way, they've kept their word. Just about all of them have voted with him 90 percent of the time.

But today as these Senators go before the electorate again, Bush is nowhere to be found. He may have snuck into a few states behind closed doors to raise money, but then the word is, "No public events. No pictures with President Bush." We're still waiting for any of these candidates to invite him into their states for a public campaign event. And last I checked, not a single one has.

Just as they're running from Bush, they're trying to whitewash their records by tying themselves to the same Democrats that they wouldn't want to be seen in the same room in a few years ago. In Oregon, the Republican incumbent has run ads featuring everyone from Barack Obama to John Kerry to Ted Kennedy. In Minnesota, the Republican Senator who once said that George Bush was "the answer to his prayers" is now mimicking Barack Obama. He's launching his own Hope Express across the state.

Republican incumbents use the word "change" so much in their ads and on the stumps, you'd never know they were the ones that were running Washington all this time. "That wasn't me voting with Bush 90 percent of the time," their ads seem to say. "Don't you know, I've always been an independent voice for my state? In fact, Hillary Clinton is one of my closest friends." (Laughter)

So these are the kinds of ads they're seeing, and I watch the Republican Senators campaign ads and wonder if they've been gripped by the largest outbreak of mass amnesia in American history. Either they've completely forgotten their records, or they think they can somehow hoodwink their constituents into forgetting them. I don't think American people are going to buy it. They know who's been fighting to change the direction of the country. They know who's been stubbornly defending the status quo, and on election day they're going to make sure these Senators know they refuse to be fooled.

So, that's an example of why the wind is at our back. The other is we have great candidates. They are thoughtful, they are moderate. In fact, I don't agree with John on this, these candidates, should they come to the U.S. Senate, will strengthen the moderate wing of the Democratic Party. They're pragmatist and non-ideological. And as you know, I try to recruit candidates. And I'll say two things. One, mainstream candidates make the best Senate winners, and so we look for them.

Second, when you ask people like a Mark Warner, or a Jeanne Shaheen, who had great jobs, when you try to persuade them to run, the number one thing which gets them to run, which speaks well of them, is your number one argument, "Your country needs you." Because they've given up good jobs, good careers, good futures to do this. And so there are great candidates. So the great candidates, the wind at our back, our financial advantage helps us.

Here is something that hurts us: special interests. The 527s, the famous 527s and 501(c)(4)s that launched the Swift Boat campaigns in 2004, have focused their main efforts on the Senate. It's hard to figure out all the statistics, but it appears they put more money into Senate races than into the Presidency. They've inserted themselves into the campaign in an unprecedented fashion. They're special interests, money. They won't go down without a fight. They know

if we win, the stranglehold they've enjoyed over Washington for the last eight years will come to the end. Huge tax breaks, sweetheart deal, lax regulation, a complicit Republican Congress. They're all threatened if we elect a strong Democratic majority. These special interests know it and have spent \$30 million running ads attacking Democrats to protect their piece of the pie; big oil, gambling interests, big corporations, they're all pouring money into secretive third party front groups to keep Democrats from adding Senate seats.

They've been unleashed by one of the worst Supreme Court decisions in recent history. When the Court acted in Wisconsin right to life to overturn the rules on disclosure and electioneering, you know what they said? You could put unlimited money with no disclosure and basically do political ads the day up until election day. It used to be they're were issue-oriented ads. But they're not anymore.

And this decision was wrong and we're seeing a disastrous effect on our political process. We've seen shadowy groups like Freedom's Watch, which the press reports is masterminded by Karl Rove and funded by casino interests attacking Democratic candidates in Colorado, Oregon and North Carolina. Americans for Prosperity, another secret group backed by oil money, is advertising in Colorado, Louisiana, New Hampshire, North Carolina. Just this morning in the elevator, just this morning coming up here, we heard that another group, Americans for Job Security, had plunked down \$2.4 million on TV ads in Louisiana, Mississippi, North Carolina and Oregon.

And the most amazing one of all is the Chamber of Commerce, which is supposed to be nonpartisan. They've basically become John's right hand. They become an arm of the NRSC and the effect of their ads--I'm not saying they're coordinating, or anything like that-- But in their effect. They almost mirror the ads that the NRSC does. They're on issues unrelated to the Chamber. And they're not the issue ads. When the Chamber spends ads saying, "Fight Employee Free Choice Act," that's very legitimate. But when they go and do negative ads on our candidates on issues unrelated to Chamber issues, that's pretty bad. They've spent \$17 million on Republicans. The Chamber of Commerce, supposed to be nonpartisan, and \$300,000 on ads for Democrats.

So what's the good news? It's not working. The number one guinea pig of these special interest attack ads was Colorado, \$11 million. For those of you who attended the Democratic Convention in Colorado, all you saw were these ads. Our analysis is Mark Udall has pulled way ahead. So this really isn't working.

Now, final question. What number of seats are we going to get to? And I know people want me to address that question. Well, what's on the one side? The tectonic plate election and the good candidates we have. On the other side, of

course, are these 527s which have muted, but not eliminated, our financial advantage. We have been able to raise more money than the NRSC, but the 527s have come in, as I said, very heavily and undone some of that; sometimes, not so effectively, sometimes very effectively.

But the hardest thing for us in our quest is the map. We have to win in deeply red states. And even if in some of these states the election is five, six, seven percent more Democratic than it was four years ago, or even two years ago, that's a hard thing to overcome.

And one other thing, I want to put this in a little perspective. Someone in the elevator came up and said to me, one of your press club members, said, "Well, I guess if you only get six seats, you'll be really disappointed." "What? Fifty-seven seats? We haven't had that since 1979." So, you know, we're feeling very good that we're going to pick up a successful amount, a larger number of seats and have a successful election.

As for 60? It is possible. You can look at the map yourself, but given the red terrain we're fighting in, it's very difficult. And I don't want people to get such high expectations because it's hard to win in states like Georgia or Mississippi. It is, And we need some of those states to win.

Finally, one final point. And by the way, the fact that we're even contesting in those seats says something, too. What will Democrats do? John rolled out a little parade of horribles (sic). We're going to get America moving again should we gain a significant number of seats in the Senate, as we hope and believe we will. We're going to bring change. It's going to be mainstream change, it's going to be thoughtful change, but it's certainly going to avoid the gridlock that every single thing you want to do is filibustered. And America is locked.

When I go out on the streets, I don't hear Americans saying, "Make sure you have balanced government," although they might believe that. They say, "Get something done to help me, and stop the partisan gridlock." And I would argue that the '92 filibusters show that partisan gridlock more than anything else. And that's why we are trying to increase our seats.

Here's what we're going to do. We're going to pass—We're going to improve our economy quickly by passing a stimulus bill that is aimed at the middle class. Most of us do support increases in domestic drilling, but we don't delude ourselves. We have to get off oil. We have 3 percent of the oil reserves, even with the offshore oil and 25 percent of the oil consumption worldwide. Until we wean ourselves away from fossil fuels, we will not have as strong a country as we need. And we welcome the difference. They want to keep big oil on top, we want alternatives and change.

We want to tackle a broken health care system that's bleeding businesses and eating up family incomes. We want to modernize our educational system, which is declining. And we want to wage a smarter foreign policy that doesn't focus with so much of our resources and our wonderful troops on Iraq and fights terrorism where it really is.

So that's the kind of change, that kind of change that we have outlined that our candidates stand for, is one of the main reasons why we're doing so well in this election. Thanks. (Applause)

**MS. SMITH:** Thank you. Thank you very much to both of you. We've got lots and lots of questions here. This one is for both of you, and maybe we'll start with you, Senator Schumer. What is your upset special, a race that may surprise a lot of people on election night?

**SENATOR SCHUMER:** I think we have a great chance to win both seats in Wyoming, but don't tell anybody. (Laughter) That was a joke, folks. I wanted to see John's reaction.

Bottom line is, I mean, there's no upset special but there have, in the recent few weeks, states that we really didn't expect to be in play, are in play. I wouldn't say we're ahead in those seats, but they're very close to even races right now. And they are in the south. Mississippi, which we focused on all along, that race continues to be a nail biter right to the end. Georgia, which five, six weeks ago no one was paying attention to. And as John said, I would agree, the race with Mitch McConnell has tightened greatly. We have our polls, he has his, they differ. But the public polls show it very, very close. McConnell's below 50 in every one of them, and our candidate's within—Either even, or within one, two or three, four—Three or four points.

**SENATOR ENSIGN:** Yeah, I don't know that you can really pick an upset out there except that everybody expects them to win Colorado, and Colorado is very winnable for us. Everybody expects them to win Louisiana, and Louisiana is very winnable for us. So, I would look at those two races. And people wrote off John Sununu a long time ago, and his race continues to close. So, I think that those are the three races that look election night, and you may see some surprises from what the most "political experts" are predicting at this point.

**MS. SMITH:** Senator Ensign, this question is for you. And it says why couldn't the Republicans recruit better candidates this year? Was it that bad a political year two years ago?

**SENATOR ENSIGN:** First of all, I think both sides recruited good candidates and had trouble recruiting some of the ones who they wanted. From our perspective, we had some great candidates out there. And coming off the 2006 election, it looked like it was going to be a tough year. We just couldn't quite pull them over. We had great candidates all the way from Montana and Iowa and New Jersey, we had a great candidate who suffered a stroke and pretty tough, obviously, to overcome that.

And then we had another great candidate to replace that candidate, who ended up backing out because of family issues. In Iowa, it was business issues. There were various reasons in various races. But we got great candidates. We got great candidates in Colorado, certainly in Louisiana. John Kennedy is an A+ candidate down there, and so we feel very good about a lot of the candidates we got. It could have been a completely different year if we would have recruited some of the other ones who we were going after.

The Democrats had trouble. Certainly Jeff Merkley was not at the top of their list. Kay Hagen was not at the top of their list, and some of the other races across the country. They were about third or fourth down on who they would have chosen. And yet, they had good successes in other races. And so I think it was a mixed bag for both of us as far as recruiting was concerned this year.

And the thing that I'm concerned about is because politics is getting so ugly that a lot of good people just don't want to put them and their families, you know, through this ugliness that is in politics today. And that's not only for us, but that's also for judges and just the toxic and the gotcha politics that we have around the country anymore.

And we have to think about that as Americans. Do we want—You know, don't we want the best and the brightest to run for office, whether they're Republicans or Democrats? And this whole finance system that we have today and the ugliness, I really do think that we have to look at that. And I agree, I hate the 527s. I think that that's one of the reasons that I'd like to take limits off and just require 100 percent disclosure, 24 hours a day. If you get a contribution, you got to put it online. But put the campaigns back into the candidates hands instead of the third parties and I think that you'll have different elections in the future.

**SENATOR SCHUMER:** I would agree with John about the fact that the political environment has gotten so coarse and so gotcha oriented that it is harder to recruit candidates and I wish it would change. You know, somebody wrote, "Where's the leadership?" They were talking about the presidential candidates, and somebody responded, "Particularly with the gotcha out there in the media these days that Franklin Roosevelt or Abe Lincoln never would have made it to

President." And I think here at the Press Club, that's an appropriate thing to bring up.

One place of recruiting that I think is an example of how well, and this is not John's fault, truly, but just how the winds are at our back, when we started in '06, right after the election, we were worried about four states because they were red states where we had incumbents. One was Louisiana, where Mary Landrieu was, by our polls, way ahead in this race. She has shown the voters how much she delivers for Louisiana, and her campaign, John Kennedy is one confused politician. You may remember he ran at her from the left six years ago in the primaries saying she was too conservative. Now he's running at her from the right as a Republican saying she's too liberal. Has had dramatic effect. I don't think he's ever recovered from that, and I don't think he can.

But, three other states; Arkansas, South Dakota and Montana, which are red, red states and all three of those will probably—Montana may be a little iffy—But all three of those will go for McCain, our candidates have, in one case no one, Mark Pryor, no one on the Republican line. And in two other states, really candidates who are not regarded as even B level candidates in terms of the recruiting desires. So that, I think, says something. And it's allowed us to go on offense. The fact that we're only defending one seat allows us to go on offense.

**MS. SMITH:** Senator Schumer, this one's for you. What will the Democrats do about Joe Lieberman next year?

**SENATOR SCHUMER:** I think we're going to—

**SENATOR ENSIGN:** I could take this. (Laughter)

**SENATOR SCHUMER:** And I think I might like him to. Let me just say this. I think Lita Reid (?), who has just done an amazing job, and I just wanted to mention two things. The success we had in 2006 and the good fortune we're having so far, there are two people I'd just like to give a little acknowledgement to. One is Harry Reed, who has been there in the foxhole with me and is just an incredible leader and backs us up all the way and understands what has to be done.

And the other is sort of the unsung hero of the DSCC, who is just amazing. And it's our executive director who's here, J. B. Poersch. (Applause) And he has a great staff, too. I mean, don't—Martha McKenna, Matt Miller are here, they're great.

**MS. SMITH:** Joe Lieberman?

**SENATOR SCHUMER:** Oh, thought I could get you off that subject. (Laughter) I think that Harry Reid has said we're going to wait and make any decisions until after the election, and I think I'll let it sit at that.

**MS. SMITH:** Senator Ensign for you, beyond the base of the party—Well, actually both parties—How do you describe the Palin effect in the Senate races?

**SENATOR ENSIGN:** First of all, we would welcome Joe. Open arms, we love Joe and not just Joe the Plumber. We love Joe Lieberman.

But anyway, the Palin effect, certainly there was a big bounce coming out of the convention. I think that she has energized the base, especially in a lot of these areas where we have competitive seats. And, you know, elections a lot of times, especially close elections, it's about turnout. And she, I believe, is going to help turn out for John McCain in a lot of these states and is going to help our Senate candidates because of that. Turnout, getting our voters excited about—As excited as the Democrats, was very, very important, and she's added a great deal to us because of that.

**MS. SMITH:** This, I think, we'll direct to Senator Schumer. Given the prospect of a greater Democratic majority, do you see the so-called centrists playing a lesser role in the next Senate?

**SENATOR SCHUMER:** No. In fact, I see them playing a greater role. The candidates, both that we elected in 2006 and the candidates who are running on the Democratic line now, there are a large number of centrists. Probably, the leading centrist candidate who ran for President, Mark Warner, is way out in front in Virginia, and is going to play a leading role in the Senate. And you look at so many of the candidates, in part, because they're in red states. And obviously, a Democrat from Mississippi or Kentucky is not going to have the same views as a Democrat from New York and California on some issues. So, I think that should we elect a large number of Senators, the centrist wing of the Democrats in both the Senate and the party will be strengthened.

**MS. SMITH:** Senator Ensign, a questioner says is it possible for Senator Stevens to be both convicted and reelected?

**SENATOR ENSIGN:** I don't think so. I think that, as I mentioned in my opening remarks, I think that Senator Stevens' race is all about whether—He maintains his innocence. He feels very strongly that he's going to be acquitted in that. And if that can happen, if the decision can come down before the election, we've done polling up there and when you ask them that question, he comes out

on top. And it's just a question of whether that can happen before the election. I hope that it does.

I think I mentioned before I thought it was pretty outrageous that the Justice Department—It's fine if they believe they had a case, they should have brought this case. They've had this evidence way ahead of time. To wait and to have this happen right during the election when there's really no time to defend yourself, I thought was pretty outrageous for our Justice Department to do that. And, you know, they did it the last day that they could do it, and I thought that was pretty unfair, to bring it right in the middle of the election. Having said that, it really is, it's all about whether or not he is acquitted or convicted.

**MS. SMITH:** I think this question was directed at Senator Schumer, but I'd really like to have both of you answer it. Wasn't there a Hillary factor in getting more women to run this cycle? And how has that held up?

**SENATOR SCHUMER:** Well, let me first say that Senator Clinton has been hugely helpful in all of our Senate races. She is helping the candidates, she is raising money. And even though she was busy running for President, I had asked her to help us with recruiting of both men and women candidates back in the early recruiting states, and she did and she did a great job.

Let me say this, I think all things being equal, women candidates are stronger than men candidates and I look for them, aside from the fact that I think it just would be good for the Senate as a whole to have more women in the Senate. We have, of course, Mary Landrieu, our incumbent, who is running again. But we have two great women candidates, Jeanne Shaheen and Kay Hagen. Last year, we added two to our caucus, Amy Klobuchar and Clair McCaskill and they've done an amazing job. Both of them are great Senators who've made their mark in many ways. And I think both Jeanne and Kay would be the same.

And so, we're going to continue to look for women candidates as Democrats because A, it's a good goal for the good of the country. But also, all things being equal, as I said, women are better candidates these days.

**SENATOR ENSIGN:** I think Hillary, as well as other women in the Senate, have been a great inspiration to a lot of young women across the country who are thinking about getting into politics. I look at Pat out here and I know she inspired a lot of women over the years, and it literally is, when people look for role models, they look for people maybe in certain professions. Whether it's women executives today, whether it's women politicians, certainly Sarah Palin, I believe, is going to inspire a generation maybe of Republicans coming up as far as women running for office.

And I think that's good. I think it's—You know, diversity. I think Barack Obama being an African-American candidate for President is good for the country as far as inspiring young people to maybe think, "Gees, maybe I could do that." I think those kind of role models are very, very positive and I think that Hillary Clinton has been a positive role model for a lot of young women thinking, "Well, maybe I could achieve. I could run for—Whether it's local government, or whether it's federal government some day, or even the highest elected office in our land."

**MS. SMITH:** Senator Ensign, this one is directed to you. What does the selection of conservatives like Bob Schaffer in Colorado and Jim Gilmore in Virginia say about where the Republican Party is headed?

**SENATOR ENSIGN:** Well, first of all, Bob Schaffer in Colorado is an outstanding candidate. And he's the kind of reformer that we need in Washington, D.C. When he was in the House of Representatives, he took on the leadership when he disagreed with them and he fought. And he was the kind of person that no matter what kind of pressure you put on him, he was the kind of person who would shake things up. And those are the kind of people you need in the U.S. Senate. You need people who will get in and go in there and kind of shake things up a bit and be able to stand up for the principles and stand up to special interest groups. And Bob has done that throughout his career.

And so I was very pleased that the Republicans in Colorado chose Bob to be the candidate and I think he's—Whoever it was was going to have a tough time in Colorado. It's a tough—You know, it's a toss up state, and Republican or Democrat it's going to be a toss up state.

But the direction of the party, we are a big tent party. And we have moderate candidates out there, we have conservative candidates out there. And I believe that you have to pick and you match. If you look at—You want to talk about the moderate end of our party, most of the Republicans they're trying to defeat are moderate Republicans. And if they defeat those moderate Republicans, the Senate still goes left because most people are going to defeat them with, if they defeat them, are very far left candidates.

But our party has always been a party of a big tent, of different ideas. And you look at the makeup of the U.S. Senate, there's very few "conservative Democrats" left in the U.S. Senate. But there are a lot of still moderate Republicans left in the U.S. Senate.

**MS. SMITH:** You want to comment on that?

**SENATOR SCHUMER:** Yeah, I do.

**MS. SMITH:** Okay.

**SENATOR SCHUMER:** I think it depends how you look at it. I would say the opposite. I would say you could count, certainly on one hand, maybe even on one finger, the number of moderate Republican Senators left in the Senate. When a candidate votes with George Bush 90 percent of the time and he's generally acknowledged to be the most conservative President we've had in a long time, it's very hard to call those candidates, and you can name them, I can name them, moderates. They are not of the old moderate Republican school, the Rockefeller, Clifford Case, Mathias, John Sherman Cooper, group. They're gone.

Whereas I think we do have an active wing of more moderate Democrats. Again, this really depends how you look at it. But I would certainly not call people like Dole or Sununu, Coleman Smith, moderates. They're not. They once in a while cast an independent vote. But their overall voting record, 90 percent with George Bush, every major issue with George Bush? Please, those are not—Unless Americans consider George Bush moderate, you can't consider these people moderate.

**MS. SMITH:** I'd like both of you to take a stab at this. How accurate do you think polling is this year in election where there's heightened interest among young people and minorities which are traditionally harder to reach by telephone polls?

**SENATOR ENSIGN:** You know, I think polling in the last couple of elections has been questionable. It's getting more difficult from a technological standpoint to get accurate polls. And that's the reason, actually, you see some of the averages. You look at, okay, there's four polls out there and so what are the averages?

And when I went back and I looked at the 2006 elections, some of the pollsters were very accurate in some of the races and were very off in some of the other races. So, I don't know. I think it's getting more difficult to poll, but still it's your best measurement. It's your best guess of where the races are going to go. So I don't know that there's any magical answer out there. Some of the polls, you're going to see on election day, some of the polls are correct and some of them are not going to be right.

**SENATOR SCHUMER:** One thing I would say, and it is hard, and I agree with John on this, but in '06, and we had a large variety of pollsters. We don't have one pollster do all our races. By and large, they were very, very accurate. And the one place I would say, because I know this is a related question, relating to the Bradley factor and everyone's wondering how much there is, but

our polling in Tennessee where Harold Ford ran, was on the money. Unfortunately, Harold lost and we put a lot of effort into the race. But the race was 51/48 and a few days before, our polls predicted 51/48.

MS. SMITH: Senator Ensign, you're here at the Press Club, so we must ask you this kind of question. Your blocking action on a bill that would require Senators to file their campaign finance reports electronically, the rules committee chairwoman has promised a hearing on the amendment you want, which is to disallow outside groups to file ethic complaints. Are you willing to commit so reporters can have timely access to the names of donors to Senate campaigns to withdraw your objection?

**SENATOR ENSIGN:** Great question, so we can explain exactly what's going on in the U.S. Senate. First of all, my job would be easier if we had electronic filing. We would like to know their stuff earlier than we know it right now with the paper reporting. And it would be much easier for our whole NRSC staff if we had electronic reporting. So, I am 100 percent for electronic reporting. I've said that many, many times.

I offered Diane Feinstein, "I want an amendment to that bill." And I said, "You can set up a 60 vote requirement, one hour debate up or down, and if the amendment fails, pass the bill. That's all you have to do." I've offered that as unanimous consent time after time after time and she has refused. So, it isn't me blocking the bill, it's her blocking the amendment. Because I'm pretty sure the amendment would be defeated, but I want a vote on that amendment.

And what the amendment says is today, because I am concerned about the United States Senate, I'm concerned that any group can bring an ethics complaint, any individual can bring an ethics complaint against a Senator without disclosing who they are. They can write it on literally a napkin and then the Ethics Committee has to start an investigation. And by the way, your opponent can then say, 'Oh, you've got a Senate ethics investigation going on against you."

It can destroy, literally, the institution of the United States Senate. And once again, to attract good people to office, you want legitimate ethics complaints, but you don't want all of these frivolous ones that take up all of the time for the Ethics Committee and make the partisanship much worse in the U.S. Senate.

**MS. SMITH:** Let me just do a follow-up and say where has that happened?

**SENATOR ENSIGN:** Where has what happened?

**MS. SMITH:** Those kinds of ethics complaints.

**SENATOR ENSIGN:** Oh, we have them—First of all, that's an other thing. The Ethics Committee can't disclose anything about any of these findings. But there are many, many cases in the U.S. Senate, in the Ethics Committee. But because they can't talk about it, they can't say, "This is frivolous, this is not frivolous." But there are many, many cases that have been brought against the United States Senators.

**MS. SMITH:** Thank you. We're almost out of time, but I'd like to bring a couple of things to your attention before we close. We have some upcoming speakers on October 23<sup>rd</sup>. Bill Joel, the Grammy award-winning singer/songwriter. On Friday, we have Dan Hesse, who's the CEO of Sprint. And on November 5<sup>th</sup>, Howard Dean and Mike Duncan, chairmen of the respective party committees will be here.

Second, I'd like to present our guests with a traditional National Press Club mug. Thank you very much.

**SENATOR SCHUMER:** Worth less than \$50, we hope.

**MS. SMITH:** Oh, absolutely. (Laughter)

**SENATOR SCHUMER:** So we don't have to return it.

**MS. SMITH:** That's not real gold.

**SENATOR ENSIGN:** Is this real gold on top?

**MS. SMITH:** Not real gold. Not real gold. So thank you very much both for coming.

**SENATOR SCHUMER:** Thank you very much. Good job, John. (Applause)

MS. SMITH: Thank you both for coming, and thank you to the audience. I'd also like to thank National Press Club staff members, Melinda Cooke, Pat Nelson, JoAnn Booz and Howard Rothman for organizing today's event. And thanks to the Press Club Library for its research. Video archive of today's luncheon is provided by our Broadcast Operation Center. Many of our events are aired on XM Satellite Radio and available for download, free download on iTunes, as well as at our website. So please contact archives@press.org.

Thank you very much and we're adjourned. (Gavel sounds.)

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