

NATIONAL PRESS CLUB NEWSMAKER LUNCHEON WITH SENATOR ELIZABETH DOLE (R-NC) CHAIRWOMAN, NATIONAL REPUBLICAN SENATORIAL COMMITTEE; SENATOR CHARLES SCHUMER (D-NY) CHAIRMAN, DEMOCRATIC SENATORIAL CAMPAIGN COMMITTEE

MODERATOR: JONATHAN SALANT

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MR. SALANT: Good afternoon, and welcome to the National Press Club. I'm Jonathan Salant, a reporter for Bloomberg News and president of the Press Club.

I'd like to welcome club members and their guests in the audience today, as well as those of you watching on C-SPAN.

Please hold your applause during the speech so we have time for as many questions as possible. For our broadcast audience, I'd like to explain that if you hear applause it is from the guests and the members of the general public who attend our luncheons, not from the working press.

The video archive of today's luncheon is provided by ConnectLive and is available to members only through the Press Club's website at www.press.org. Press Club members may also get free transcripts of our luncheons at our website. Nonmembers may buy transcripts, audiotapes and videotapes by calling 1-888-343-1940. For more information about joining the Press Club, please call us at 202-662- 7511.

Before introducing our head table, I'd like to remind our members of future speakers: On October 30th, Myles Brand, president of the NCAA; and on November 30th, David Paulison, director of FEMA.

If you have any questions for our speakers, please write them on the cards provided at your table and pass them up to me. I will ask as many as time permits.

I'd now like to introduce our head table guests and ask them to stand briefly when their names are called. Please hold your applause until all of the head table guests are introduced.

From your right, Mike Forsythe of Bloomberg News; David Lightman, Washington bureau chief of The Hartford Courant; Judy Holland of Hearst Newspapers; Bob Benenson, editor of CQPolitics.com; Brian Nick, the communications director for the National Republican Senatorial Committee; Marc Heller, Washington correspondent for the Watertown Daily Times.

Skipping over our first speaker, Angela Greiling Keane, associate editor of Traffic World magazine and the vice chair of the National Press Club speakers committee; skipping over our second speaker, John Allen (sp), reporter for Congressional Quarterly and the member of the National Press Club speakers committee who arranged today's luncheon. And John, thank you very much.

Tim Funk, Washington correspondent for The Charlotte Observer; Barbara Barrett, Washington correspondent for The News & Observer of Raleigh, North Carolina; Sheila Tuppert (sp), staff writer for the Hotline of National Journal; and Chuck McCutcheon, a national correspondent for Newhouse News service. (Applause.)

A year ago, it seemed unlikely that the Democrats would win back the Senate. The party had to defend 18 seats, the Republicans 15. And several Democratic incumbents faced tough re-election campaigns.

Flash ahead to today. Polls show the Democrats with a real shot at winning the six seats they need to win the majority. Still, many Republican senators are touting their accomplishments and using the power of incumbency to try to rebut strong challengers. The party is targeting some Democrats as well.

Trying to keep the Republicans in control is Elizabeth Dole, whose own election four years ago helped the Republicans win back the majority they have held for all but about 15 months since 1995.

For Senator Dole, landing the chairmanship of the National Republican Senatorial Committee is the latest accomplishment in a long career of public service. She has served the administrations of six presidents, including two Cabinet posts. She was the first woman to serve as Transportation secretary, and then was secretary of Labor. She received speaking roles at four Republican conventions. Senator Dole also ran for the White House, where she introduced a press secretary named Ari Fleischer to presidential politics.

In the private sector, she served as president of the American Red Cross. She is the wife of former Senate Majority Leader Bob Dole, the Republicans' 1996 presidential nominee and the person who once said this of Senator Dole's counterpart, the chairman of the Democratic Senatorial Campaign Committee and our other speaker today: "The most dangerous place in the world is between Chuck Schumer and a television camera." (Laughter.)

Perhaps we should say that another place you don't want to be is between Senator Schumer and a campaign contribution. He raised more money for his 2004 re-election campaign than any other official except President Bush. And he hasn't stopped.

As chairman of the DSCC, he has outraised Senator Dole and the Republicans, giving the Democrats plenty of money to compete. Senator Schumer also knows -- has shown that he knows how to defeat Republican incumbents. He ousted three-term Senator Alfonse D'Amato to win the seat in 1998 after 18 years in the House of Representatives, where he led the fight to pass both a waiting period for handgun purchases and a ban on assault weapons.

He passed up a chance to run for governor of New York this year in order to chair the Democratic Campaign Committee and land a seat on the Senate Finance Committee. He also sits on the Judiciary Committee, where he has used his position to oppose those nominees from President Bush that he feels are out of the judicial mainstream.

Before today's luncheon, we held a coin toss to see which speaker went first. Senator Dole won the toss and asked to speak second. Senator Schumer asked if he could have the money to help Jim Webb in his race against Virginia Senator George Allen. (Laughter.)

Let's welcome Senators Schumer and Dole to the National Press Club. (Applause.)

SEN. SCHUMER: Well, thank you, Jonathan. And it is so good to be back here again.

You know, Jonathan called me about a month and a half ago about coming here, and he said, "Do you believe in free speech?" I said, "Of course I believe in free speech. It's part of the First Amendment. It's enshrined in the Constitution. It helps all your members." He said, "Good. Could you give one?" (Laughter.)

So here I am. I didn't even get the quarter from the coin toss, and I am still here giving the speech.

Anyway, it's good to be here and see all of you as we're on the eve of another election, the great peaceful passing of the torch that happens every two years, and it's a wonderful thing.

Now, to just give you a little view of our overall landscape, if I had asked two years ago if you all thought we'd be talking about Democrats picking up seats in 2006, you would have smiled politely, listened to my pitch, and probably gone along with the conventional wisdom that a generation of Republican domination was ascendant on Washington.

But here we are, two weeks from Election Day, in a position we never thought we'd be in -- and I'd have never said this a few months ago -- on the edge of taking back the Senate.

Now, let's be clear. It's not a done deal. It's hardly a certainty. And nobody on our side in the Senate is breaking out the champagne. But we are on the edge, something we didn't even think we'd be about three months ago. And we feel good about winning a good number of new seats.

A year ago, the focus was on the more traditionally competitive states like Pennsylvania and Ohio. But the progress we've made is betokened by the fact that both sides admit that the battleground states are now the border states of Missouri, Tennessee and Virginia. People didn't think those seats would be in play. People didn't think they'd be competitive, maybe with the exception of Missouri. And now they are.

And the reason is very simple. People in every part of the country, North and South, East and West, want change. People think America needs a new direction, plain and simple. They are fed up with foreign policy, where the Iraq war seems to have devolved into a civil war and we are ending up policing it.

And it's not much better in North Korea, which has nuclear weapons; Iran, which seems to be on the path to getting nuclear weapons. And even the great foreign policy victory of this administration in the war on terror, Afghanistan, is now getting worse and worse, and a good portion of the country is controlled by the Taliban.

And so the wind is at our backs, and the bottom line is we're in a much stronger position heading into November than we thought we'd be. Plain and simple, people are not happy with the president, whether it comes to foreign policy or domestic policy. And they don't want a rubber-stamp Congress. And so we are doing well.

The best evidence of all of this is that George Bush has become an albatross for Republican candidates. The president says we shouldn't cut and run in Iraq. Well, from one end of America to the other, Republican candidates are cutting and running from the president and his policies.

Maybe they'll sneak in the back door of a fundraiser that he has for them, but they sure don't want to be on his platform or even to have pictures taken with him. In fact, you don't see a four-letter word in any Republican candidate's ads: B-U-S-H. Nor do you even hear of a 10-letter word very often: R-E-P-U-B-L-I-C-A-N. I think I got that one right.

So the bottom line is that their candidates, whether they be incumbents or challengers, are running from the president and his platform. They're trying to show that they are independent of George Bush. That says something.

And then you have something else. I'm sure if you asked Karl Rove in the beginning part of 2005 what the 2006 elections would ultimately boil down to, he'd say security, foreign policy, the war on terror, the war in Iraq.

One of the major developments in this campaign is that foreign policy has become a Democratic asset. As I mentioned, people aren't happy with what's going on overseas. And as a result, foreign policy is no longer the GOP's strong suit.

In fact, again, look at the ads. Don't listen to me or even to Elizabeth. Just look at the ads. Again, I don't recall a single Republican senatorial ad talking about Iraq. But Democrats are, and not just in blue states like New Jersey and Rhode Island, but Democrats are talking about a change of course to the war in Iraq in traditionally southern, Republican bastions, like Tennessee and Virginia.

And when Republican candidates start talking about these issues, they tie themselves in a knot. One of them, Conrad Burns, talks about a secret plan that he couldn't tell anybody about to deal with the problems in Iraq. Another, Rick Santorum, started talking about "The Lord of the Rings" and the eye of Mordor. I think that says something too.

And one more point: People know where Democrats stand on security. I think President Clinton said it best. Democrats want to be both strong and smart when it comes to the war on terror. And we've seen a whole lot of strength from this administration, but not very much in terms of smarts. So that is a change.

And, of course, domestic issues are a traditional Democratic strength, and people are looking to us for change on those issues more than ever before. Again, people say, "Well the economy -- economic numbers are moving up." They are. But if you break them down a little bit, the overwhelming benefits have gone to the very highest-income people. People in the top 1 percent, people making over \$300,000 a year, have a huge percentage of the wealth, the income and the gains from this country.

The average middle-class person -- they're not feeling terrible about things; don't get me wrong. Democrats make a mistake when they say that. But they're feeling a squeeze. Tuition costs go up, and this Republican-controlled Congress rejected an amendment to make tuition tax-deductible and put in its place tax breaks to oil companies.

The cost of health care goes up. Gas prices have gone down a little, but ask most Americans; energy costs are still way too high, and there are no real policy answers from the administration. We have answers. We'll make tuition deductible. We'll create much better health care and cost-efficient health care to people, including getting Part D of Medicare back in shape and not making it just a giveaway to the drug companies. And we'll get a real energy policy that doesn't just listen to the oil companies.

So here's where we are. The Republican candidates have nowhere to turn. It's as though they're in a little room where all the exits are locked. The foreign policy door is locked. The domestic policy door is locked. And now, because of the Foley scandal, the values door is locked as well. And so they're getting kind of desperate and they're resorting to nasty, personal, unfair, misleading attacks on our candidates. That's the October surprise. But that's not working either.

There's an old cliché: If you don't have the law, argue the facts. If you don't have the facts, pound the table. In the context of this campaign, when you don't have domestic policy, argue foreign policy. When you don't have foreign policy, pound your opponent.

But we knew they'd do this. It's what they always do. When you have nothing positive to say and you want to change the subject away from their fealty to George Bush, they attack the opponent. But that doesn't work either for two reasons. First, we hit right back.

It used to be, when they hit us with the old two-by-four, Democrats would say: "That's not nice. Why are they doing that? The charges aren't true anyway." But I learned my lesson in the D'Amato campaign. You got to hit them right back. You got to answer the charge and go right back at them, and that's what we've done, and it's worked in state after state after state.

And more importantly than that, when people are not happy with the direction of America, the kind of negative attacks that the GOP is seeking as a last resort don't work. The public's smart. You know, when things are good, yeah, the attack is fine. But when things aren't good, they say to themselves, "Well, saying candidate x had this problem 20 years ago isn't going to make my tuition costs lower; I'm not going to be left with anything the day after Election Day." So when people want change, the negative attack in itself has less of an effect, and that's what we've found.

Finally, turnout. The last thing that's talked about in this election is the turnout strategies of both parties, and people are asking what's going to happen there. Well, we know that the GOP has a very good turnout machine, the 72-hour machine, and wouldn't deny that. But we've been preparing for this for a long time. At the DSCC, when we mapped out our budget, we allocated about \$20 million right at the get-go. We've now spent considerably more, but you have to spend way in advance to do what we did to deal with the turnout in equality in 2004. And so we've done things that the DSCC has never done before.

For instance, in several states -- Missouri and Montana come to mind -- we created our own voter file. There was no voter file. We created one. It's a very good one. It's going to help us significantly in those two states. We -- in state after state, we planned and built a turnout organization, in some cases, working with incumbent Democratic governors, and in others not. And so we are in good shape when it comes to a turnout organization. We don't have their years of experience, but at the very minimum, the gap is going to be considerably less.

And then there's one other thing about turnout. When your side is enthusiastic and the other side is not and busy fighting with one another, it's a lot easier to maximize turnout. And that's what we have found, even in the commercials. A million dollars of an ad with our message versus a million dollars of an ad with their message of equal quality, we seem to gain in the polls when that happens, because, at least in this 2006 election, people are more open to the Democratic message. Same thing with turnout. Bottom line is that for us, turning out Democrats will be like bringing water downhill, and for them, it'll be like carrying water uphill. So I don't think turnout is going to be this big October surprise that many have said that it would be.

So, the bottom line? People want change. They know they're not going to get it by voting for a Republican, rubber-stamp Congress. Second, Democrats have laid out a strong argument for a new direction throughout this campaign, in every part of the country. And so here we are, two weeks from Election Day, in a position we never thought we'd be in. It's hardly a certainty; it's not a done deal, but we now find ourselves on the edge of being able to take back the Senate.

Thank you. (Applause.)

SEN. DOLE: Well, ladies and gentlemen, it's a great privilege and pleasure to be with you here today. Jonathan, thank you so much. And Chuck, you and I are going to have to stop meeting like this, aren't we? (Chuckles.) We've been having a number of joint sessions recently, and I'm sure that there'll be more.

And ladies and gentlemen, let me just start by saying that there are many issues that you'll hear me talk about in a few minutes that are affecting our races throughout the country. A topic that could dominate a debate in Phoenix may not even be discussed in St. Louis. There are many different dynamics in play at the state levels, so a uniform description, and certainly generic ballots, are often inaccurate measures for what's going on in the states.

But one issue that's certainly having an effect on the political environment is the Iraq war. If I said otherwise, I know you would all tune me out for the rest of my talk, because it wouldn't be believable. And that's clear to anyone who watches TV, who reads the paper, or has looked at a poll. Iraq has a great effect on the political environment, and it's the greatest issue on the minds of the American people.

Right now, as they have been for many weeks, national Democrats and their candidates are seeking to exploit the Iraq war to gain an electoral advantage. Currently, ads are running in states around the country that charge that the Republican candidate wants to, quote, "stay the course." Clearly, "stay the course" was something that was said in terms of pursuing the long-term strategic objective and not leaving before the job was done. We have to remember that many Democrats were calling for an immediate withdrawal at that time, and many still want it today, immediate withdrawal.

Well, let's talk about the consequences of leaving before the job is done. Chuck and some in his party describe a phased redeployment, and others are talking about, as I've said, just leaving altogether. But the bottom line is, what does leaving Iraq at this point accomplish?

We have Iran and Syria on either side of Iraq, and both of these countries are supporting insurgency groups. Let's just focus on Iran for a moment in terms of the likelihood of that country exploiting the chaos in Iraq for their benefit, not to mention Iraq's enormous oil supply. Here you have a rogue nation that clearly wants us to leave Iraq, clearly wishes us harm. Are we now going to give them the perfect situation they're looking for by leaving Iraq before we've finished? No way. That's the last thing we can afford to do, in my mind.

I agree with Jim Baker, who was my boss in the Reagan White House and, of course, our former secretary of State. Jim has warned that a rapid withdrawal from Iraq would invite countries like

Iran and Syria to fill the power vacuum. And let me be very clear about that scenario, folks. We'd likely have no other choice than to go back to Iraq and face an even more difficult scenario. Nobody wants that, and that's why the stakes are high and our mission is critical.

So it's unfortunate to me that Iraq is being used as a political football. It really is. My friend Chuck Schumer said in a newspaper yesterday that Republicans are running away from foreign policy, whether it's Iraq or in general. And he's said virtually the same thing today, a few minutes ago. That's just blatantly wrong, and that's why I wanted to address the Iraq issue up front in my remarks.

I'm very proud of the 26,000 North Carolinians who are deployed right now, mostly in Iraq, and all our young men and women from across the country. And I know Chuck Schumer and the Democrats are proud as well. But I wholeheartedly disagree with assertions that there hasn't been anything achieved, or that those who have been injured or paid the ultimate sacrifice have done so for nothing. It is vital to complete this mission in terms of our national security, ladies and gentlemen, and for the future stability of the Middle East and indeed the world. So Iraq is certainly a significant factor in what is a very challenging environment for us right now.

But early on, even before I began this job as the chair of the National Republican Senatorial Committee, I knew that defending seats in this cycle would be a formidable task, because if you look back through history and tradition, you see that a midterm is always tougher, a midterm election, and when a president has been re-elected, then his party finds that it's even tougher. And so we have a situation, it's a midterm after the president was re-elected and, as I've said, history tells us that the incumbent party almost always loses a significant amount of seats.

The political environment has been very tough for Republicans for many, many months, really almost since the beginning of my term at the NRSC. No question about it. But our incumbents have understood the challenge before them. They've known this was going to be a tough cycle, and so they've planned accordingly. They've put together first-rate campaign teams and they've been out there raising the funds, the war chests necessary to get their messages across. As of the most recent reporting period, targeted Republican incumbents have a \$14 million cash-on-hand advantage over their Democrat challengers.

The Democrats' strategy is extremely clear and extremely simple: Republican candidates support President Bush and/or the Iraq war. Democrats want change. That's their strategy, and you heard it a few minutes ago.

It seems beyond logic that a candidate who has never served in Congress could be accused in a TV ad of voting with Bush, but that's exactly what's happening in Michigan -- exactly what's happening. So the Democrats are relentlessly working to make this election a national referendum on President Bush. But President Bush is not on the ballot, ladies and gentlemen, and voting for a Democrat in a Senate race will certainly not be a quick fix to the situation in Iraq. But that won't change the fact that we'll see these same ads talking about staying the course and privatizing Social Security, between now and Election Day. Right now, there are seven states featuring President Bush in attack ads against Republican Senate candidates, and we expect to see this continue through November 7th.

One point that I'd like to underscore that certainly defies the national political environment is the number of competitive races that we have in seats held by Democrats -- places like Washington, New Jersey, Maryland and Michigan. These are, of course, blue states where Chuck's committee has been spending money to defend seats. I'm sure they never could have imagined they'd be fighting to retain seats like these, but because of our outstanding challengers, that's the reality. We feel very good about these opportunities, and certainly national Democrat money going into these states is money that is not attacking our incumbents.

In New Jersey, the corruption issue is certainly dominating the landscape. Tom Kean is running as a reformer against more of the same. In Michigan, the economy is the number one issue because the state is severely lagging behind what's happening nationally. Michael Bouchard is running a campaign promising results for the state, and his message is resonating. In Maryland, Michael Steele is running on a message of changing Washington. His opponent, Ben Cardin, certainly can't say that, because he's been a career politician for 40 years, and 20 years of that in Washington. And folks, a poll that we'll be releasing today shows Michael Steele trailing by only three points; that's within the margin of error -- so, you can say you heard it here first.

So whether it's demonstrating that Harold Ford is out of touch with Tennessee -- more D.C. than Tennessee -- or the fact that Claire McCaskill still has the wrong positions for rural Missouri, we'll be talking about why our candidates are better fits for their states.

Now, one rumor that has found its way to different media sources is the notion that certain states have been conceded. That's very far from the truth, and we'll continue to fight for all our incumbents.

Some point to public polls and pronounce races as gone or unwinnable. I just want to give you a few examples of polls from the last cycle, for some perspective. A poll conducted late October 2004 showed Tom Daschle leading John Thune by eight points. A poll conducted mid-October 2004 showed Brad Carson leading Tom Coburn by seven points. Tony Knowles led Lisa Murkowski by four points. Betty Castor led Mel Martinez by seven points. And we all know that these folks who once trailed in these October polls are now serving in the United States Senate. So polls are moving around and the pundits are making their predictions, but we are focused on the bottom line, which is getting our message out to our voters and getting our voters out on Election Day. And of course, early voting is looking good, too, right now.

We'll keep the majority in the Senate because our candidates are gaining momentum at the right time, and they're talking about issues that matter at the local level.

While the Democrats talk about President Bush, our candidates will talk about their records, their achievements. They'll contrast them with their opponents. It's a choice between those two people at the local level. It comes down to that choice every time, and I think the quality of our candidates will prevail in helping us to hold the majority.

Now, just to warn you ahead of time, I'm not making predictions on how many seats we'll end up with, but we will hold the majority. And I look forward to answering your questions on the specific races.

I do want to just answer one thing that Chuck Schumer said about none of our candidates running ads. Mark Kennedy has an ad up that goes as follows: "None of us like war and we've made some mistakes in Iraq. We're facing an enemy that must be defeated. Leaving Iraq now will create a breeding ground for new attacks on America. That's the harsh reality. My opponent says the answer is diplomacy, but you can't negotiate with people who want to kill you. I'm Mark Kennedy. Securing the peace is a lot harder than wishing for it. I approve this message, even though I know it may not be what you want to hear." That's a straightforward ad taken on a very important point.

So thank you for your attention and we'll be glad to talk about the races now. Thank you.
(Applause.)

MR. SALANT: If Senators Schumer and Dole can come up.

SEN. DOLE: Okay.

MR. SALANT: What do you have to do between now and November 7th either to win or keep the majority? Where are you going to concentrate your money and your personnel in the last 13 days?

SEN. DOLE: Shall I go first this time? Okay.

Well, first of all, let me say that we are spending money right now and we're in Rhode Island, we're in Maryland, we're in Ohio, in Montana, in Missouri, in Virginia. We're in about seven states right now. And obviously, you look on a daily basis at what's happening, and following the polls and the tracking and so on -- to the extent that you feel it's useful.

But I think, clearly, it's a matter of firing up your folks, talking to them about the important accomplishments that have been made. I mean, Chuck mentioned energy. Well, you know something, because of the energy bill that we Republicans were able to get through -- after all the years that it did not happen in the Clinton administration, and they blocked it the first years of the Bush administration -- that energy legislation has been producing results over the last year that are terrific.

I mean ethanol plants are up. I think 27 are in operation now. There are plans on the drawing boards for about 25 nuclear reactors. Wind power: It's moving because of this legislation.

Prescription drugs: Seniors -- even The New York Times has said, you know, they are overwhelmingly pleased and that they're paying far less for their drugs at this point.

And the fact that we have tax relief has driven our economy forward. And I surely want to take issue, this thing of the economy, the fundamentals are very strong. I mean, what we've got here is 6.6 million new jobs created since the tax relief of August 2003. We've got 4.6 percent unemployment. And certainly home ownership is at a record high and there's so much more -- so getting the message out.

And also, let me just -- and I know I'm going a little too long here -- but let me just quickly say that our candidates are talking about issues that are important contrasts with their opponents, such as the corruption issue in New Jersey: in Michigan, the fact that Michigan has 7.1 percent unemployment. And Michael Bouchard will work hard to make changes that will be beneficial, whereas his opponent's policies are not helping the state. She's against tax relief, against medical liability reform, for example, that would help small business.

Sorry for the long answer. (Laughs.)

SEN. SCHUMER: Well, thank you.

Basically I think we feel that we are bringing the fight to the Republican incumbents. We feel quite good about our Democratic incumbents, as well as the three open states that are Democratic-held. In fact, we believe we're ahead by double digits in every state -- every blue state -- well, not blue state, but democratically held state, except New Jersey where we've broken into a significant lead there as well, beyond the margin of error, but that would not be double digits. It would be probably around five to nine points.

And so we are taking the fight to them. We're feeling quite confident in a good number of states. And as I said, I think the battleground states, if you look not at what we say but where each party is spending most of its money, it is in Missouri, Tennessee and Virginia. And those are tough states for Democrats, no question about it. They're traditionally Republican states. Missouri a little more purple, but Tennessee and Virginia quite red, but we're doing very well in those states.

And look, we're two weeks away. Could things change? Yes. Could things slow down in terms of the momentum? Sure. But every week thus far it's getting better and better. And we are well prepared. We're prepared with the turnout operation. Our finances have allowed us to play defense in the blue states where we've had to with great success -- New Jersey and Maryland in particular. And we're spending most of our time, money, resources and focus in taking back red states.

MR. SALANT: What impact has the Mark Foley scandal, and the other congressional scandals, have on Senate races?

SEN. DOLE: Okay. Let me say, first of all, that, obviously, this is a very troubled man. It's certainly not endemic to the Republicans what happened here. It's a very sad situation.

But I look at this as there are difficulties; that it's a bipartisan matter in terms of ethical issues, and it requires a bipartisan solution. And I think that certainly in terms of ethics generally, more transparency is needed. Some progress has been made in that respect -- for example, on the earmarks issues -- but I think there's more to be done. And certainly that would be a top priority in this next Congress, and I feel very strongly about that.

In terms of the Mark Foley, that particular incident having impact on the elections -- you know, there could be some impact in terms of voter turnout. I do not think so. I don't see that and I don't believe that that would be the case.

SEN. SCHUMER: Well, my view is two things: first, the actual impact. Here we -- you know, hundreds of families send their children to Washington to be pages. It's supposed to be a great experience. And the fact when there might have been some danger to them that really nothing was done and it was swept under the rug is a tragedy in itself. And I think the American people see that.

Second, it's metaphor. It's a metaphor for a Congress that says one thing and does another -- talks all about values, talks all about protecting children, and then when they have the chance to do it, they chose politics over doing what they profess to believe.

So I think it has had real ramifications both on the specific situation but also as a metaphor for a Congress that people really are fed up with. It's one of the reasons that the numbers have increased why people prefer a change in the Congress. The numbers after the Foley scandal went down dramatically when asked if you want to keep your members of Congress, House or Senate or look for someone new. And I think it's had a significant effect.

You know, here in Washington every day there's an issue du jour; very few sink into the public consciousness of the average person, who, quite frankly, is busy. He or she is busy with their jobs and their families -- the joys and sorrows of life -- and they don't have time to spend all the time we do looking at each issue. So only a few issues sort of sink into the public consciousness and stay there, and this is one of them. And I think it's going to have a significant effect, both in the specifics of what happened and as a symbol of a do-nothing Congress that says one thing all the time but does another.

MR. SALANT: Your final pre-election campaign finance reports are due tomorrow. How much money did you raise and how much do you have left?

SEN. SCHUMER: Look at the report tomorrow. (Laughter.) But we're feeling very good. We've set records already in terms of our financing. And interestingly enough, both in terms of small dollars, low dollar and high dollar, in both we've done better than ever before. A day -- a couple of -- a week ago or so we got \$900,000 in direct mail -- that's the smaller contributions -- which just knocked our socks off. And we're getting money from people who never gave before who are not hard-core Democrats.

I got a call from someone several months ago and he said the following: "I live in" -- and he gave the name of the suburb. It was a suburb of a large, western Rocky Mountain city. And he said: "I'm a conservative Republican. I voted for Bush in '04. I'm going to vote for the Republican candidate for president in '08. But the last year has showed me how we need balance in the Congress and I'm sending you a check." And he sent a very large check.

And the number of first-time contributors to the DSCC is very large -- as I said, most of them small-dollar donors, but many large-dollar donors as well. As a result, financially where we thought we'd be at a disadvantage we're at least even -- even with the RNC putting in money -- and it's enabled us to do both of what we wanted to do: to play defense in the states where we're defending -- in the blue states where we're defending -- and to be able to go on offense in the red states.

SEN. DOLE: Well, the National Republican Senatorial Committee has raised more this cycle than the last cycle. And again, I say that, you know, you have to go into the marketplace that exists -- the market that exists for you. And obviously, we've been flying into headwinds in this cycle.

Chuck just mentioned the wind was at his back. Well, you know, yes. It's been a tough cycle. And we know that, as I said before, it's a midterm, the president's re-elected and so on. You can look back through history to show, but -- that it's tough. But nevertheless, we have raised more and we also have expanded our high-dollar list as well as our low-dollar. We've done a lot of work in that respect in terms of expanding that low-dollar file.

And then when you -- you look at the fact that our candidates, the seven who've been targeted who are up for re-election, incumbents, and you compare what their Democrat challengers have raised, you see that the incumbents are \$14 million cash-on-hand richer than the Democrat incumbent -- Democrat challengers, rather.

So again, I would say take that figure, and then there's an obviously disadvantage for the Democrats there. You add the money from the committees -- and I give Chuck credit for being a great -- he's machine at the fundraising, no question about it. But we've done well too. You add that on top, and they still have a deficit.

And then you look to, okay, can the DNC be helpful -- the Democratic National Committee? Well, that's not going to work in his favor, because I think you're doing some of the voter turnout, actually. So that's not something that works for you. But we've been building a strong relationship with the Republican National Committee since at least a year ago. And indeed, in a year when it's not a presidential election, they're helping both the House and the Senate, and they're doing that equally. And they have -- when you put that on the top, we've got more lead on the targets, folks, so to speak. So we're going to have more money to spend and we do have a great voter turnout program.

Let me just add there that if you look at what happened in Rhode Island, there, in order to keep that seat in the Republican column, it was very important that the primary be won by Linc Chafee. And we worked very hard on that primary. Our team, as well as the RNC, for months was involved in working on the voter turnout. And indeed, 63,000 people turned out. That was the highest -- that was a record turnout in Republican primary history -- the most before was 45,000 people. That's a pretty good test of your turnout program.

MR. SALANT: Before we ask about individual states, I have a couple of issue questions.

Senator Schumer, this one's near and dear to your heart: Are the -- the administration today postponed a highly touted rule to enhance air cargo security. Was that the right move at the right time?

SEN. SCHUMER: Well, it isn't. And on the issue of homeland security, this administration has been pretty close to a failure.

They don't put in the resources, they don't have the focus, and they politicize it. And you put all three together, and we're not doing close to enough on issue after issues after issue.

One example: Something -- as a New Yorker, obviously, I think about this a whole lot. And what's one of the worst things that could happen to our nation? Somebody smuggles a nuclear weapon into the country and, God forbid, it explodes. That's the real danger that North Korea presents -- not a missile, which is years away, but North Korea has shown a proclivity when they get a weapon to sell it to somebody else. And if they sold it to a terrorist group, that would be terrible.

Well, one answer is to develop detection devices at our ports and at our borders. And it's not that the Department of Homeland Security or the Bush administration says no. They say, "Yeah, it's a great idea." And one year, for instance, I passed an amendment in the Senate that put \$500 million into develop these detectors, and they cut it down to \$15 million. They won't say, "No, it's a bad idea," but they just -- they don't like government; they don't like spending money on domestic things.

And then, as I said, the focus keeps shifting. It's been a poorly managed department. So every few months they focus on a different issue, and then some news breaks that the terrorists were going to try this, and then they shift. And then a few months later the terrorists were going to try that, and they shift. And there's no real focus.

In addition, of course, there's much too much politics in there, in terms of who gets the contracts, how the money is distributed, et cetera. So they get a failing grade on this. And again, many of our candidates -- I mean, I can think of two offhand, Harold Ford and Bob Menendez -- have made this issues in their campaign, and they're being very successful with it.

SEN. DOLE: Let me just say that, first of all, we have worked hard to do a number of things to help with regard to the issue of securing our homeland. And I have to say that I'm -- this is going to be kind of tough, but I truly feel this way -- that if -- (laughs) -- if the Democrats were to take over Senate, first of all, you're going to see a weaker security situation because they have not supported -- they've tried to block the Patriot Act, to weaken the Patriot Act; they were against the terrorist surveillance program, against the financial surveillance program, against the missile defense system to protect us against rogue nations. I mean, they've dragged their feet on the funding to complete that missile defense system.

And so on all of these issues that really matter, in terms of which party will really be stronger in terms of protecting our safety and our security, it's very clear. I mean, the record is there and you can see it.

And certainly recently we've moved forward to secure our borders. The Homeland Security legislation has funding for securing the borders. Also legislation was passed -- separate legislation -- to secure the borders, with regard to unmanned vehicles and monitors and so on. And I think that's something the American people care deeply about. And with port security, there is \$5.5 billion in the legislation that went forward there.

So on many different fronts, we are working on homeland security. But nothing is more important than certainly what I said up front, about the importance of winning that war in Iraq. And obviously I think the administration has not been as clear in terms of showing the way that tactics have constantly been shifted and changed to meet the changing tactics of the enemy. And I think that we need to get that message out more clearly. But the strategy certainly is to have a safe and secure, stable situation in Iraq so that Iran and -- there's not a moving into a vacuum of power there, which could truly disrupt the Middle East and cause us to be attacked again.

So we've got to stay on offense, both on the war against terror and certainly with regard to our homeland security as well.

MR. SALANT: Now for the states. Why is Senator Santorum of Pennsylvania, number three in the Republican leadership in the Senate, in so much trouble?

SEN. DOLE: You're first again, I think.

SEN. SCHUMER: Okay.

Well, I just wanted to answer one thing Elizabeth said. On the Patriot Act and on all these other things, Democrats are for giving the president -- any president -- the tools he needs. You can do it within the rule of law, which this administration seems to ignore.

Classic example are the detainees. They passed a law -- they've gotten every one of the laws they've wanted passed -- and the courts threw it out. Who gains? The terrorists. Now they have all their lawyers busy suing. And if they simply would have abided by the rule of law, by the Constitution, that court -- hardly a liberal court; seven of the nine appointees are from Republican presidents -- wouldn't have thrown it out. And we're doing the same thing again.

On the Patriot Act, it passed 99 to one. Again, because Democrats were involved in that process, we were able to help shape it so that it would give the president the tool it needs -- the tools he needs, but stay within the confines of the Constitution.

Now as for Pennsylvania, and here's an example, I don't think the NRSC or the RNC has put a nickel in there, and Rick Santorum no longer has the financial advantage. He spent \$4.5 million in one month -- didn't go up in the polls. And Casey raised more money and has more money on hand right now.

They're not helping him. You know why? Because they know that he can't win. Why can't he win? Because he is so out of touch with Pennsylvania, his values are so different than the values of the average Pennsylvanian that he has, against Bob Casey -- a strong candidate, but someone who had not been in the Senate before -- he's always been behind by a large amount of -- by a large amount of points. And if my good friend Elizabeth thinks that this is a winnable race, I'd welcome her putting a couple million dollars in there. (Laughter.)

SEN. DOLE: We have already put money in, Chuck. You've not been watching the SEC reports.

No, seriously, we have certainly been supportive of Rick Santorum. In fact, ladies and gentlemen, he is without a doubt one of the most effective members of the United States Senate. Yes, he's in a leadership position, and there's a reason for that, because he is so very good at not only the policy and the positions that he has authored, but also knowing how to achieve the victory in a complex system in the United States Senate, knowing how to get the legislation passed.

I was up -- I've been several times to Pennsylvania, and I know that he is a -- he's a man who has been in tough races before and has won those races. And he is -- you know, he was two years in the Senate when he really was integral in the passage of welfare reform, which means that millions of families have, instead of a welfare check, they're getting a paycheck -- 3 million children lifted out of poverty. And there's so much more when you look at his record.

So I just want to say that I look at him, too, as the mayor of Pennsylvania, because every year he's in all 67 counties; he's been in 150 schools helping them with the funds they need; 700 fire departments -- very accomplished man.

And then you look at Bob Casey, and for a long time, Casey was really hiding behind surrogates, hiding behind spokesmen. People didn't really know much about what he stands for or believes in. He's run for four statewide offices in six years, and when he had just been elected to the treasurer's position, two months later he had a website up running for the United States Senate. And you wonder -- you know, before he even got his treasurer's website up. And you think, you know, what is his -- what does he want to accomplish in the Senate? What is the -- what does he want to do? Because it just -- it seems one race after another, he's just a persistent campaigner.

But yes, we have put money in Pennsylvania, and Rick has funds now that will carry him through. And we're right in there. We're going to protect our incumbents, and he's certainly won tough races before.

MR. SALANT: What are the prospects for Montana and Missouri, two places where Republican incumbents are facing strong challengers?

SEN. DOLE: My husband happens to be in Montana today, as a matter of fact. (Laughs.) And you know, I think that no question about it, Conrad Burns has been moving up. And also, Jim Talent is looking good in Missouri, no question. I was just there week before last, and Jim is another very effective member, as is Conrad Burns.

You look at Conrad's record, and here's a man who has really produced for his state. Now, you know, occasionally he may say something that he shouldn't say. (Laughs.) He's an honest guy, and so that may happen. But while we may not always know what he's going to say, we know how he's going to vote. He is going to vote for Montana, and his record is incredible -- what he's been able to do for that state. He has tremendous seniority. He's able to -- you know, I just can't imagine trading him for a guy who is really -- in terms of fitting that state, Jon Tester is to the left of the mainstream in Montana. So I think that Conrad's got a good shot of closing this race and winning this race.

And I think that Jim Talent is going to win Missouri, and the polls are looking good there.

SEN. SCHUMER: Well, let me agree with Elizabeth. Conrad Burns sometimes says things he shouldn't say. (Laughter.) He also does things he shouldn't do, such as sending lots of earmarks to Indian tribes in northern Michigan because of a relationship with certain lobbyists around town. And he doesn't represent Montana. He's gone Washington. And the people of Montana know it. That's why I haven't seen a single poll where Burns, an incumbent, is above 43 or 44 percent in a state, as Elizabeth says, that's a Republican state.

Jon Tester is like Bob Casey. Bob Casey represents Pennsylvania values. It's not always the values I would agree with, but it's Pennsylvania values. Jon Tester represents Montana values. There's no one more Montana than him -- third generation wheat farmer from Big Sandy; somebody who served in the legislature but still goes home during session to plow his fields, do the planting.

And at a time when people think Washington has lost touch with what they want, both Bob Casey and Jon Tester -- and Claire McCaskill who I'll talk about in a minute -- represent the values of their state.

Now Missouri is a tough state for us, for Democrats, but Claire McCaskill is a great candidate, and she's doing extremely well as well. We believe we're going to win in Missouri, and the reason is very simple -- same as with the other two. Unlike Jim Talent, who has voted with President Bush I believe it is 94 percent of the time, they now go -- you watch their ads. It's amazing. I watched them in the Senate and whenever the president needs the vote, they do it. When the president says, "Jump," they say, "How high?" And now their ads are talking about how independent they are. It just doesn't match up, and the public knows it.

That's what's happened in Missouri. Jim Talent has been one of the president's loyalist followers. Missourians want change. Claire McCaskill is right in touch with Missouri. I mean, one of the great things that she did that's serving her so well, she spent months and months and months -- she realized that rural Missouri is key to Democrats winning. And she got in an RV with her mom and just visited every part of Missouri talking to the people there about issues that matter to them.

And as a result right now, the majority of the polls -- and our own private polls -- show McCaskill ahead and gaining. So we are feeling very good about those two states, and we'll see what happens on Election Day. Those two states that were mentioned are two that we've had a really good turnout operation. And I don't think the Republicans are going to do better than us in turnout when it comes to Missouri or Montana.

MR. SALANT: Before we ask the last question, I'd like to offer you both National Press Club coffee mugs.

SEN. DOLE: Thank you very much.

SEN. SCHUMER: Thank you.

MR. SALANT: -- suitable for having a hot beverage while you're watching the election returns -- (laughter) -- and certificates of appreciation for appearing here today.

Thank you very much.

SEN. DOLE: Yes, indeed. Thank you. (Applause.)

MR. SALANT: Last question: Who is the one candidate whose victory or defeat on November 7th will astound the experts? (Laughter.)

SEN. DOLE: You know something, that's a place I'm not going to go. (Laughs.)

Let me just say that, as I've mentioned, we are protecting our incumbents, and certainly we are very excited about the fact that Chuck is having to put money into a number of blue states where we have candidates, challengers, doing extremely well.

So folks, it's a tough cycle, but we're going to retain the majority in the United States Senate. And thank you again for being with us today.

SEN. SCHUMER: Well, let me say, again, I'm going to join Elizabeth in not picking out a single state.

But again, we are feeling very optimistic. It is tough, but it didn't look like it's tough for the Republicans. It's a tough map for us, though. And the idea that, oh, this is a tough map for Republicans -- if you may remember, back in 2005, when people looked at the states that we had to win in, most people were predicting Democrats would be lucky if we'd keep our 45. That's how things have changed. And right now, I think I could say I'd be disappointed if we just kept our 45.

So I don't know if there are going to be any surprises on Election Day, because I think people have (sessed ?) it out very, very well. But we feel the wind is at our backs. We feel the people want change in America. They don't want any more rubber stamps. We feel we've run very good campaigns and now we'll just have to wait and see what happens two weeks from yesterday.

Thank you. Thanks for listening. (Applause.)

MR. SALANT: 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.

Good afternoon; we're adjourned.

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