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TELEVISION PROGRAM TO "CBS NEWS' FACE THE NATION. "***

CBS News

FACE THE NATION

Sunday, October 22, 2006

GUESTS: Senator CHUCK SCHUMER (D-NY)
Chair, Democratic Senatorial
Campaign Committee

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***FACE THE NATION - CBS NEWS
202-457-4481***

BOB SCHIEFFER, host:

Today on FACE THE NATION, 16 days before the midterm elections. Could the Democrats take it all? At first, Democrats talked only about retaking the House. Now polls are showing the Senate may be in reach, as well. What are the issues driving this midterm election? Iraq, dissatisfaction with President Bush, the economy. Will the Republicans cash advantage and turnout effort hold back the Democrats? We'll get a rundown on the battleground races and states with the party's chief fund-raisers and strategists: Democrat Chuck Schumer of New York and Republican Elizabeth Dole of North Carolina.

Then we'll check in with political analyst Amy Walter of the Cook Political Report, who's keeping track of all the House races. I'll have a final word on political excuses.

But first, countdown to the midterm on FACE THE NATION.

Announcer: FACE THE NATION, with CBS News chief Washington correspondent, Bob Schieffer. And now, from CBS News in Washington, Bob Schieffer.

SCHIEFFER: And good morning again.

With us, Senator Dole, who's in the studio with us this morning, and Senator Schumer, who is in the studio with us this morning. And we should point out that the positions they have, both parties pick one senator each year--or for a four-year cycle--to be the chief fund-raiser for Senate candidates in their party, and--and to be in--in--in some ways the chief strategist for the senators, or people who are running in their party. And that brings us to--to Senator Schumer, and to Senator Dole, because that's the positions that they hold in their parties.

Well, let's set the stage about where this election is. At this point, going into this election, the Republicans in the Senate hold the majority. They have 55 seats, Democrats have 44. There is one Independent who votes to organize the Senate with the Democrats, so that's where we get the number 45. The important thing: the control of the Senate will go to the Democrats if they can pick up another six seats. If Republicans can prevent them from doing that, they will hold a majority.

So let's just start with a softball, Senator Schumer.

Senator CHUCK SCHUMER (Democrat, New York; Chair, Democratic Senatorial Campaign Committee): We like those.

SCHIEFFER: Can the Democrats do that?

Sen. SCHUMER: Well, you know, I never would have said this a few months ago, Bob, but we are right on the edge of taking back the Senate. It's not a done deal, it's hardly a certainty, but we are feeling very, very good. A couple of points that show that: The battleground states have shifted. It used to be Democratic readouts, like Pennsylvania and Ohio, now it's down in the

border states: Virginia, Tennessee and Missouri.

And second, people really want change. And Republican candidates are--incumbents and non--are running away from George Bush. You know, the president says Democrats want to cut and run in Iraq. Well, Republican candidates want to cut and run when George Bush comes to town. They don't want to be seen with him in public events, they like to sneak in the back door and get the fund-raising. And in fact, if you look at Republican candidate commercials, they're missing a four-letter word: B-U-S-H. They're missing a 10-letter word: Republican. People want change, they don't want a rubber-stamp Congress, it's helping us dramatically.

SCHIEFFER: Senator Dole?

Senator ELIZABETH DOLE (Republican, North Carolina; Chair, Republican Senatorial Campaign Committee): We're going to keep the majority in the United States Senate. And Chuck, I'll to put a wager on that. I think, you know...

Sen. SCHUMER: Oh, another one.

Sen. DOLE: ...we've talked about that before.

Sen. SCHUMER: Right.

Sen. DOLE: I think this time...

Sen. SCHUMER: It was a dinner, OK.

Sen. DOLE: ...we need to shake on that, OK. We're going to keep...

Sen. SCHUMER: We'll have a nice dinner, regardless.

Sen. DOLE: All right.

But...

SCHIEFFER: So why are you going to keep the Senate?

Sen. DOLE: ...let--let me say first of all that obviously a midterm is a tougher term always. And when a president has been re-elected, that--that adds to it. So our candidates for a long time have understood that they've got to have strong campaigns, good teams, raise an enormous amount of money, good war chests. And they're running aggressive campaigns out there. Also, we have a number of excellent challengers who've stepped forward--Michael Steele, certainly, in the state of Maryland, Tom Kean in New Jersey, Mark Kennedy in Minnesota, Mike McGavick in the state of Washington, Michael Bouchard in Michigan--and they're running great races.

For example, you know, Chuck talks about the president. The president's name is not on the ballot. Now, he'd like to make it a referendum on national

trends, but let me just say that Tom Kean, for example, is running on ethics in New Jersey. He is a person who is a reformer, he's tried--been working hard to get rid of pay-to-play in New Jersey. And his opponent is right now surrounded by a federal criminal investigation.

You look at the state of Minnesota, certainly Mark Kennedy, congressman, is running hard out there. Look at Maryland, and Michael Steele in Maryland is speaking about change in Washington. But his opponent, Ben Cardin, cannot say that. He's been in government for 40 years. Look at Michigan...

SCHIEFFER: So...

Sen. DOLE: ...the state of Michigan, which is...

SCHIEFFER: Before we run through these...

Sen. DOLE: Yeah.

SCHIEFFER: ...one by one, let me just ask you. Are you saying that Iraq is not the overriding issue here, that it is--in all these races it's local issues that count?

Sen. DOLE: The--I think that certainly local issues, the choice between two candidates, as Tip O'Neill used to say, is always very important.

Let me say about Iraq, Bob, that first of all, you know, I'm from North Carolina, and we have a lot of troops from North Carolina who are over in Iraq. We have a number of military bases, and I'm just so darn proud of those young men and women and the job that they're doing, and I think Chuck would agree with me...

Sen. SCHUMER: Sure are.

Sen. DOLE: ...that we keep them in our thoughts and prayers.

SCHIEFFER: Well...

Sen. DOLE: Now, yes, Iraq is of concern, no question about it. And I think that--that here, you know, people agree that perhaps, for example, the--the--the Baker Iraq Study Group...

SCHIEFFER: Mm-hmm.

Sen. DOLE: ...will have some additional options or observations which could be useful. I worked for Jim Baker for a number of years in the White House.

SCHIEFFER: Well, let's--before we--we'll talk about Baker in a minute.

Sen. DOLE: Yes.

SCHIEFFER: Let's just go back to Senator Schumer here. Do you think the

election is about Iraq? Because Senator Dole is saying it must be about a lot of things.

Sen. SCHUMER: Let me tell you what it's...

SCHIEFFER: Maybe Iraq is a concern.

Sen. SCHUMER: Right. What it's about, Bob, is people want change. People are not happy with the direction America's going, and they're certainly not happy in Iraq. An overwhelming majority of people--Democrats, Republicans, Independents--don't like it. The president says 'Stay the course' and no one see what it's all about. For the first time, Bob, foreign policy led by Iraq have become a Democratic strong point. And again, it's shown. Our candidates are talking about these issues, they're running commercials talking about their view and the need for change in Iraq, not just in Democratic strongholds like New Jersey and Rhode Island, but in places like Tennessee and Virginia. The Republican candidates twist themselves in a pretzel, because they know people want change, but when asked, 'Well, what are we going to do in Iraq?' one of them said, 'Well, there's a secret plan. Can't tell you about it, but it's secret.' Another compared it to "The Lord of the Rings." Well, we're not going to have wizards be solving this problem in Iraq. So Iraq is a problem, but so are domestic policies.

SCHIEFFER: Well, let's just run through...

Sen. DOLE: Bob, Bob...

SCHIEFFER: Yes.

Sen. DOLE: ...if I could just say here--I think this is a very important point. Voting for Democrats, or having Democrats take--take over the Senate is not going to fix the--the issue in Iraq. That's not going to--to happen. What it will do, if the Democrats were to--to take over the Senate, it will weaken our security. Because Democrats have--have opposed the Patriot Act, which is a very important tool in fighting the global war against terror. They--they have voted against the missile defense system, which is so important in protecting us from rogue nations. And they've voted--they've also opposed the terrorist surveillance program. So I think it's very clear between these two parties which one will provide the stronger tools to fight this global war against terror. And I just have to say, if you--I'm--I'm going to take a...

SCHIEFFER: Are you saying it would be dangerous if Democrats won?

Sen. DOLE: I'm saying that if the Democrats were to take over the United States Senate, it will weaken our economy, it will weaken our security and it will weaken our shared values. So if you want to see your taxes increase, then vote for Democrats.

SCHIEFFER: What is shared values? What does shared values mean?

Sen. DOLE: And shared values means that they would be pushing judges who, instead of interpreting the law and the--and the Constitution would be, if they don't like a law, they just change it. They'd be making law from the bench. And so it does impact our shared values as well as, you know, as, again...

SCHIEFFER: Well, let me--some of the...

Sen. DOLE: ...if you want to weaken the tools that we use to fight this war against terror, then that's exactly what the Democrats have done.

Sen. SCHUMER: Let me--let me just say, Bob...

SCHIEFFER: Will it make us weaker, Senator...

Sen. SCHUMER: Yeah. From one end of the country to the other, people want change. This stay-the-course policy that the president has advocated and the Republican Congress has rubber-stamped, it's just not good enough. And people everywhere are asking for change. We Democrats have a plan on Iraq, we would like it to be--next year to be a year of transition where we redeploy our troops, move them out of harm's way, and instead of policing this civil war--more Americans died in October than in any month this year--we would rather focus on four things: counterterrorism, which is a real danger to us, not the civil war in Iraq, force protection, logistics and training.

And Americans want change. The Democrats--here's the problem for Elizabeth and the Republicans: You can have a foreign policy that is both strong and smart. Yes, they've shown strength; they haven't shown smarts. And the policy is one big mess, everyone knows it. Today, they're all huddling in the White House talking about change, then the White House--then some spokesperson comes out...

Sen. DOLE: Bob...

Sen. SCHUMER: ...and says, 'No, no, no, we're not talking about change.'

Sen. DOLE: No.

Sen. SCHUMER: They are just tied in a knot. And instead of listening to other voices and--they're not. And the Republican Congress, instead of trying to figure out where we're--where--what we're doing right and what we're doing wrong, just says, 'Yes, yes, yes, yes' to everything President Bush says.

Sen. DOLE: This is...

Sen. SCHUMER: And because people are unhappy--they're unhappy abroad with Iraq, they're unhappy at home because the middle class is squeezed--they don't want a rubber-stamp Congress that is just going to say--whenever President Bush says 'Jump,' they say 'How high?'

SCHIEFFER: OK. Well, let's let Senator Dole respond.

Sen. DOLE: Well, I--there--there--there are so many things that I'd like to respond to here, but just quickly let me say that--that there have constantly been adjustments, and tactics do change, because this is--this is a--it's an unconventional war, for goodness' sakes. This is a very serious matter, and frankly, making a football out of sort of a political ball, football out of Iraq, I think, is--is not the right way to go at all. This is a very serious. It could...

SCHIEFFER: But--but--but, excuse me, didn't you just say...

Sen. SCHUMER: It's not a football; people are dying.

SCHIEFFER: ...it could make it more dangerous if Democrats. I mean, that's kind of...

Sen. DOLE: No, well, I'm just--that's...

SCHIEFFER: ...sort of political, isn't it?

Sen. DOLE: I--I think that that's just laying out the truth.

SCHIEFFER: OK.

Sen. DOLE: That's just simply laying out the record, that they have been against the terrorist surveillance act, against the missile defense system...

Sen. SCHUMER: You know...

Sen. DOLE: ...against the Patriot Act. But again, adjustments have been made. Talk of--right now, is of possible projection. You know, they're--they're--you--you have to adjust. You have to--to--to respond to--to the--to the fact that the terrorists, they shift, they change, and of course you have to make changes.

But Chuck mentions the economy. Let me, let me just say here that the economy is very strong. The fundamentals are very strong. Look at 6.6 million new jobs because of the tax cuts, which the Democrats would like to take away. They--they don't want to have permanent tax relief. There's 6.6 million new jobs. In terms of unemployment, it's at 4.6 percent. Home ownership is at record highs. It's a--it's a very positive view.

SCHIEFFER: Well, let's ask Senator Schumer.

Sen. DOLE: Yeah.

SCHIEFFER: What do you say about the economy?

Sen. SCHUMER: Here's what I say.

SCHIEFFER: Senator Dole says it's in pretty good shape here.

Sen. SCHUMER: Right. Well, the overall numbers are good. But if you look at the percentage of the wealth, the percentage of the income that's going to the top 1 percent, people making over 300, \$400,000, it's huge.

And then, I would to say to Elizabeth and all my Republican colleagues, all my colleagues, go talk to average middle-class folks making 40, 50, \$60,000 a year. They're worried about paying for tuition. And this Republican Congress eliminated a law I passed that would allow \$4,000 of tuition to be deductible, and they gave the money to oil company tax breaks.

Sen. DOLE: And you--and you didn't vote for the trifecta, which had the tuition tax credit.

Sen. SCHUMER: They're talking about prescription--they're talking about--they're talking about prescription drugs, they're becoming more and more expensive. There's a doughnut hole there. Why? Because when the drug industry said, 'We want the government to pay top dollar for drugs and not negotiate with us,' they said, 'Yes, sir.' They're talking about...

SCHIEFFER: All right. Now, just a minute.

Sen. DOLE: I must answer. I must answer.

SCHIEFFER: Let me just say--all right, we're going to say, you got--I'm going to give each of you 30 seconds to say why it's in--in--in America's interest for your party to control the Senate. I'm going to start right with you, Senator Dole.

Sen. DOLE: OK. Because the tax relief that's been provided will be continued, because we'll stay on offense in this global war against terror, because the prescription drugs that we were able to get through, which even The New York Times has said is--is overwhelmingly popular, as opposed to what Chuck just said. People are getting the drugs for much less. Because we are strong on the energy--alternative energy policies. We will continue to secure our borders, and we will move forward with judges who are going to interpret and not make laws...

SCHIEFFER: All right.

Sen. DOLE: ...from the bench.

SCHIEFFER: Time's up. Senator:

Sen. SCHUMER: I would say to the American people: We know we need change. Democrats, Independents, Republicans say we need change. We need change in Iraq, we need change in the rest of foreign policy, where North Korean policy isn't working, they're now nuclear. Iran is ready to get nuclear weapons. Even Afghanistan, which was supposed to be the one success, a good part of the country's controlled by the Taliban.

I'd say here at home, the middle class needs real relief and we are not getting it when it comes to paying for college, when it pays for--when it comes to health care...

SCHIEFFER: Ding.

Sen. SCHUMER: ...when it comes to energy...

Sen. DOLE: That's it.

Sen. SCHUMER: ...give us a chance, we will...

SCHIEFFER: Time's up.

Sen. SCHUMER: ...present the change you need, not a rubber stamp.

SCHIEFFER: OK. All right. Thanks to both of you. Thanks very much.

Back in a moment to talk about the situation in the House of Representatives.

(Announcements)

SCHIEFFER: And joining us now is Amy Walter, the senior editor of The Cook Political Report, who in my view probably knows more about the standus--the standing and the status of races in the House of Representatives than anybody in the country. She spends her whole life thinking about this day after day, year after year.

Ms. AMY WALTER (Senior Editor, The Cook Political Report): Yes. Thank you very much. It's still running in my head.

SCHIEFFER: Amy, I'm glad you're still alive and still with us.

Ms. WALTER: Yes, thank you.

SCHIEFFER: Let's look at what the situation is right now. In the House of Representatives, the Republicans have 232 seats, the Democrats and have 203. One of those who votes to organize with the Democrats is an Independent. They win the House, to get control, the Democrats would have to pick up 15 seats and hold all the seats that they have. At this point, Amy, what do you think is going to happen?

Ms. WALTER: You know, had we had this conversation a year ago, I would have said, well, 15 seats, it seems like a small number. But it's actually a pretty steep hill because of just the structural advantages that Republicans have in the House. They're prepared for this. They're incumbents are battle tested, redistricting made districts safer for incumbents. The money that's involved in races now. It just makes it so much harder for a challenger to beat an incumbent. So I said, you know, it's probably likely that Democrats pick up seats, but that Republicans can hold on.

Now it looks like those structural advantages just aren't there anymore. There are already a number of seats that Republicans are running behind today, even before we start talking about what kind of wave might be out there. So they're probably already 10 or so seats behind now and it's the wave--the where--where we are right now, it suggests that Democrats are going to make significant gains, probably in the 18, 20, maybe even 25 seats.

SCHIEFFER: How many races at this point do you think are competitive?

Ms. WALTER: Well, and here's the big disparity. When you look at the number of Republican-held seats that we consider competitive, it's about 50 right now. The number of Democratic seats we consider competitive, closer to seven.

SCHIEFFER: Now, this does not mean that you have to come to the conclusion, or your analysis shows that--that Republicans are going to lose all 50 of those seats that are competitive?

Ms. WALTER: Oh, not at all. It just shows that these 50 seats right now I think are in play where Democrats have a shot. Some of them, a little bit more of a longer shot, some of them they're pure toss-ups. You know, it could go either way. And in so many of these districts, we're looking at places like Connecticut, the suburbs of Philadelphia, suburban Chicago, places that, you know, Republicans have held on to partly because the strength of the individual candidates. The strength of the individual Republican incumbent. That now does not become as important. All politics is local, except when it's not. And this year it's not.

SCHIEFFER: I remember when--when Newt Gingrich and the Republicans swept the power, and Democrats woke up the next morning and said, 'What happened? We didn't even see this coming.'

Ms. WALTER: That's right. That's right.

SCHIEFFER: In that election, Newt Gingrich, of course, managed to nationalize it. He managed to make it a Republican vs. Democrat, not local races. The Democrats kept saying at that point, 'No, it's all politics is local.' I was struck this morning by Senator Dole who now says that all politics is local.

Ms. WALTER: That's right.

SCHIEFFER: And you hear Chuck Schumer saying, 'No, this is about Iraq and about the president and some other things.'

Ms. WALTER: That's right.

SCHIEFFER: How do you view that? What do you think this election--is this shaping up to be another a--'94 when the Republicans came to power? Or is it still all politics is local?

Ms. WALTER: Well, it sure looks more like the nationalized. And the candidates really have very little impact on whether you can nationalize an

election or not. It's just happens. And certainly, I think you're right, that Iraq is the issue that really nationalized this election in many ways, and the feelings about President Bush. And there's very little that you as an individual candidate can change the environment.

What you hope to do as a candidate is to insulate yourself from that environment. Be prepared, like you said, see the wave coming, see the bad storm, build your house strong enough to--to sustain yourself, raise the money, run the kind of campaign that puts the, you know, puts the Democratic challenger on the defensive. That's what the Republicans were hoping to do is to say, 'We can, with enough money and time and support and--and--and the kind of campaign technology we have today, protect ourselves from another '94.'

SCHIEFFER: And as you look at these races do you see most Republicans out there staying the course with President Bush or are they trying to put distance between President Bush and themselves? Senator Schumer says that they're trying to put distance.

Ms. WALTER: Absolutely they are. I would say that there are more Democrats right now that are using President Bush in their ads, than there are Republicans using President Bush in their own ads. And obviously, the ones that Democrats are using are not in a positive way. That's certainly different from 2002, when we had both Democrats and Republicans using that as their popular president in their ads. But when the president's approval rating is down at 38 percent, just imagine if you're a Republican incumbent in one of these Democratic-leaning districts in the Northeast, it's going to be even lower than that. So they've survived in the past, many of these incumbents, because they have distanced themselves from the president. It's getting harder now.

SCHIEFFER: About 20 seconds left.

Ms. WALTER: Yeah.

SCHIEFFER: What other issues, beyond Iraq?

Ms. WALTER: Well, what Republicans are really hoping is that issues like terrorism--you obviously heard Senator Dole make that point--immigration and taxes are going to bring a lot of those Republican voters home. Democrats know that their base is much more enthusiastic, and they're going to turn out no matter what.

SCHIEFFER: And I must say for our viewers, we always add this caveat, if the election were held today, it looks this way.

Ms. WALTER: That's right.

SCHIEFFER: The election is not today, it's going to be in November. We'll be back with a final word in just a minute.

(Announcements)

SCHIEFFER: Finally today, I ask you, how you're doing on excuses in the Mark Foley congressional page scandal? Remember when this story first broke, congressional excusers, who apparently knew of this, first described the e-mails that Foley sent to a 16-year-old page as "overly friendly, not explicitly obscene." My first thought was that great line from Robin Williams' new movie, when a presidential character denied wrongdoing. "I did not have sex with that woman, but I wanted to."

Then we heard that whatever he had done, Foley had checked into an alcohol rehab, the obligatory stop now for national celebrities caught in scandal. My question: Does getting drunk make it OK for a grown man to prey on 16-year-olds, or for congressional leaders to cover it up?

From chapter two of the excuse manual came word that as a child, Foley was abused by a priest, but was now cooperating with authorities, naming names. Which brought a 69-year-old man out from under a rock some place, with an excuse to gag a buzzard.

It's always dangerous to say we know enough, but haven't most of us with an IQ higher than our age figured out two things here: that Foley is a creep who should be kept away from kids, and that congressional leaders knew that--how could they not have known?--yet chose to ignore it. I have a request: My barf bag is at the ready, but spare me anymore detail. I know all I need to know about this one.

That's it for us. We'll see you next week right here on FACE THE NATION.