

© 2010, CBS Broadcasting Inc. All Rights Reserved.
PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS CBS
TELEVISION PROGRAM TO "CBS NEWS' FACE THE NATION."



October 24, 2010 Transcript

GUESTS: KARL ROVE
 Fox News Contributor

 REPRESENTATIVE CHRIS VAN HOLLEN
 D-Maryland

MODERATOR/
PANELIST: Mr. Bob Schieffer
 CBS News

This is a rush transcript provided
for the information and convenience of
the press. Accuracy is not guaranteed.
In case of doubt, please check with
FACE THE NATION - CBS NEWS
(202) 457-4481

TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, it's all about the money, or is it? Whatever it's about, the midterm election will be the most expensive ever. How expensive--3.7 billion. That's billion with a B. With nine days to go, both sides have their big guns on the stump.

PRESIDENT BARACK OBAMA: And I want to have a partner in the United States Senate named Harry Reid.

BOB SCHIEFFER: And the air waves are swamped with television ads. How much impact will all this money flooding the air waves have? We'll talk to one of those who's a key player this year. Karl Rove, one-time strategist for George Bush now a key fundraiser and Fox News contributor; and the top strategist and fundraiser for House Democrats, Congressman Chris Van Hollen of Maryland.

I'll have a final word about New Orleans, the city that's coming out of a nightmare and showing the rest of us a thing or two.

But first, Karl Rove 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.

BOB SCHIEFFER: And good morning again. And we welcome to the broadcast this morning, Fox News contributor Karl Rove who has emerged as one of the key players in fundraisers in this election, which the Center for Responsive Politics estimates will cost 3.7 billion dollars. Mister Rove, thank you for joining us.

KARL ROVE (Fox News Contributor): You bet.

BOB SCHIEFFER: Let me just do a little shorthand here because if you add up the money raised by the congressional committees and the two national parties, Democrats have raised seven hundred fifty million dollars to the Republicans' five hundred million dollars. But when you turn to these so-called outside independent groups, when you add up what they are bringing in, Republicans seem to be out raising Democrats about two to one. The two groups that you're associated with alone expected to raise around sixty-five million dollars. And a lot of that money is coming from anonymous donors. So I-- I-- I want to just start with this. Why is the public interest served by flooding our politics with money from people who don't want other people to know they've contributed?

KARL ROVE: Well, this has been going on for a long while. In fact, you left out a big player in this. Four unions alone will-- will have-- according to their own announcements spent two hundred and twenty-two million dollars in-- in money on elections this year.

BOB SCHIEFFER: But we know who they are.

KARL ROVE: No, no, no you don't, Bob. Here's the disclosure report for the-- for-- for one who's going to spend eighty-seven and a half million dollars--the American Federation of State commun-- local and Community Employees. There's their disclosure where the money has come from. That line-- that one line right there. They're going to take in one hundred ninety

million four hundred and seventy-seven do-- thousand eight hundred and twenty-nine dollars, and that's the extent of where you know where it's coming from. So there's a lot of money floating around in politics that's not disclosed.

BOB SCHIEFFER (overlapping): Well-- well, let-- let's get back to my question. Now why is this in the public interest--

KARL ROVE: Look, Democrats--

BOB SCHIEFFER (overlapping): --to have these anonymous donations to come in.

KARL ROVE: Bob, I don't remember you having a program in 2000, when the NAACP spent ten million dollars from one single donor, running ads anonymous leave contributed, attacking George W. Bush. The-- suddenly-- everybody is gone spun up about it this year when Republicans have started to follow what the Democrats have been doing and create 501(c)4s, which can use less than half their money for express advocacy. But you have the environment America, feminist majority, humane society, legislative front and they were all-- vote-- Vote Vets, Human Rights Campaign, Planned Parenthood, League of Conservation Voters, Natural Resources Defense Council, Defenders of Wildlife and a bunch of others which are all liberal groups that have been using 501(c)4s with undisclosed money for years and years and years and years and years and spending tens and billions of dollars. And it's never been an issue until the President of the United States on the day when we have a bad economic jobs report, when we lose ninety-five jobs in September, and the unemployment rate is 9.6 percent, the President of the United States goes out and calls conservatives at the Chamber of Commerce and American Crossroads GPS, and says these are threats to democracy because they don't disclose their donors. I don't remember him ever saying that all these liberal groups were threats to democracy when they spent money exactly the same way we are. Once we copied what the liberals did, liberals got upset.

BOB SCHIEFFER: Well, I-- I want to go back to the original question. I mean because by your logic, we might as well go back to the days when people just brought cash in suitcases and gave it to people.

KARL ROVE (overlapping): No, I-- you know, Bob, Bob, not-- not at all. Remember every one of these donors to those 501(c)4s has to be reported to the IRS and the IRS reviews those reports and if they're foreign donors or other illicit donors I'm sure the IRS acts on it. It's not the old days when Democrats with-- Lyndon Johnson Democrats came in with big bags of money and so forth. And-- and-- and let's just be honest. I would like to have a different system but we have the system we have. And if liberals do it and nobody complains about it, it strikes me as somewhat hypocritical when conservatives begin to adopt their-- their strategies and follow their models and conservatives get criticized by the President of the United States by name. I appreciate he'd helped our fundraising. In fact, anybody who still wants to contribute can go to our website and contribute. But the President of the United States had no problem at all when Democrats did this. In 2008, President Obama received the benefit of over four hundred million dollars of spending by outside groups on his behalf. Most of whom, did not report a single donor. And it was not a threat to democracy when it helped get him elected.

BOB SCHIEFFER: All right. One of the people who did contribute to one of your organizations and whose name was made public was the man named Bob Perry, I think, a Texas homebuilder. He gave seven million dollars.

KARL ROVE: Mm-Hm.

BOB SCHIEFFER: What does someone expect for a seven million dollar donation?

KARL ROVE: Yeah. Well, I can't speak to others but I know what Bob Perry expects and that is absolutely nothing. I've known him for thirty years. He's one of the most selfless individuals I've ever known and I've never received a phone call from Bob Perry asking for a darn thing. He is a true believer. He believes in our country. He's concerned about its future. He gives away most of what he earns what-- to charitable and political and philanthropic causes and lives a modest lifestyle. And it's the kind of person that Ame-- Americans should be proud to have.

BOB SCHIEFFER: If-- I-- I have to say. If we ran a poll around the country, how many people do you think would agree with you when you say that someone would give seven million dollars to anything and not expect something in return?

KARL ROVE: You know I don't care what the poll might say. I just know the man. And the man is a decent, deeply religious patriotic American guy. And God bless him for doing so.

BOB SCHIEFFER: You know we've talked about these outside groups some of which require disclosure of the money that they get. Some of which don't. You're tied to two of them. One that has a one way--

KARL ROVE (overlapping): And-- and Bob-- and Bob Perry gave to the 527--

BOB SCHIEFFER (overlapping): Yes.

KARL ROVE: --which was disclosed.

BOB SCHIEFFER (overlapping): Yes.

KARL ROVE: And disclosed all of its donors.

BOB SCHIEFFER: But, you know what, Mister Rove, back in 2004 in August, you talked to John King--

KARL ROVE: Mm-Hm.

BOB SCHIEFFER: --of CNN.

KARL ROVE: Mm-Hm.

BOB SCHIEFFER: Here's what you said then--

KARL ROVE (overlapping): I remember what--

BOB SCHIEFFER: --about these groups.

KARL ROVE: I remember well what I said.

BOB SCHIEFFER (overlapping): Well, let's listen here.

KARL ROVE (CNN, August 31, 2004): I'm against all the 527 ads and activities. I don't think they're fair. I don't think it's appropriate. They're-- they're misusing the law. There-- there's-- they all ought to stop.

BOB SCHIEFFER: So why is it if they were that bad back then they're so wholesome now?

KARL ROVE: Well, I'm-- I'm not suggesting-- it-- it is what it is. And the choice is whether you fight the battle with one arm tied behind your back or not. As I say I wish we had a different system but we got the system we got. Think about this, Bob. In 2004, this doesn't count the unions. And remember, each election we have hundreds of millions of dollars of activity on behalf of the Democrats from the unions. Two hundred and thirty one million dollars spent by Democratic 527s, a hundred and sixteen million for Republicans. In 2008, it was two hundred and eighty seven million for Democratic 527s and a hundred and eight-seven million for Republican 527s. I didn't want my party to sit there-- and that's the 527s. That doesn't count the 501(c)4s where for all of these elections have been virtually all Democrat and virtually no Republican money through 5--

BOB SCHIEFFER (overlapping): Well--

KARL ROVE: --501--

BOB SCHIEFFER (overlapping): --well, let me--

KARL ROVE: --(c)4s.

BOB SCHIEFFER: Let me just ask you this. If you feel so strongly about it, would you pledge this morning that you'll work to have new campaign laws where we make all of these contributions transparent and we'll know who is giving them?

KARL ROVE: Well, I'm going to-- I'm for a new system, Bob. But I'm-- I'm focused on 2010. Right now I'm focused on trying to level the playing field. When you have-- when you have a organization that spends eighty seven million dollars and it's-- it-- it's announced it's spending eighty-seven million dollars. They said, we're the big player but we don't like to boast about it. And that's the amount of disclosure. And we've tolerated this for decades. The system may need something else.

BOB SCHIEFFER: All right. Let me ask you about these private groups. I-- I can't speak for the unions this morning. What happens--

KARL ROVE (overlapping): I wouldn't defend them either, Bob.

BOB SCHIEFFER: What happens after the election? Will you keep these organizations going?

KARL ROVE: Absolutely.

BOB SCHIEFFER: Are they going to have some money there. Are they going to continue to be in existence? Will they start running ads and--

KARL ROVE (overlapping): Well, the-- the--

BOB SCHIEFFER: --against the-- against Democrats?

KARL ROVE: Yeah. The-- the goal of the-- of these groups, and look, there's a chairman, there-- there's a board of directors chaired by Mike Duncan, the former Republican National chairman, the executive director of it-- the president of it Steven Law, the former general counsel of the U.S. Chamber of Commerce. And are-- are-- I believe their goal is, yes, to continue it and-- and to reserve as a permanent counterweight to the-- to the activities of the labor unions and these liberal groups.

BOB SCHIEFFER: Let's talk about the Tea Party a little bit. Rush Limbaugh said you feel threatened by the Tea Party because you and the-- the other establishment folks didn't have anything to do with forming it.

KARL ROVE: No, no. I-- I welcome it. I think it's one of the most positive and wholesome developments. What he took out of context was a comment I made in an interview with a bunch of hostile German reporters in which I said, "The Tea Party is not sophisticated." And then yet, in my definition of the word sophisticated, I was using the one about pretentiously or superficially wise. These are not people who are skilled in the ways of Washington. They don't want to be. They're ordinary Americans from Main Street America who have created a massive grassroots effort driven by a sentiment in this country. Even more important than the groups is the sentiment that's driving it, that the government is on a terribly dangerous course of spending too much money, running up too much deficit and taking up too much of our-- too much control of our lives with things like Obamacare. And I consider it to be wholesome, patriotic, and incredibly positive for the country. It's going to drive turn up at this election. Four years ago, eighty two million people voted in races for the U.S. House of Representatives. I would not be surprised to see it be eighty-five or eighty-six. I wouldn't-- I wouldn't drop over if it got to ninety million. And a large amount of that new participation in this year's election is being driven by a vast army of local grassroots organizations, organized around a kitchen table, organized in a community center, organized over a-- in a coffee shop of people who want to do something to save America.

BOB SCHIEFFER: I-- I want to get back to that but I must ask you about something you just said. Are you saying, have you come on FACE THE NATION this morning and said for the record that Rush Limbaugh takes things out of context?

KARL ROVE: Well, in this instance, he-- he didn't-- he may have commented before he saw the entire interview. Look, he's a friend of mine. And he is more-- he is almost more than anybody else is responsible for helping encourage people to educate themselves about the-- the impact of the spending, the deficit and Obamacare so that they have become politically active. He has a vast audience and that audience and-- and others have talked to that audience as well. And people have come to-- think about it. The President of the United States has the biggest bully pulpit in the country. He's got vast majorities in the Senate and the House. And yet, the health care bill goes from being a-- as a general concept favored by American people in the early part of 2009, by two to one to when the bill actually passed--forty-four percent of the Americans favored it, forty-seven disapproved of it. And today, if you take a look at the average of the polls over the last several months, it's an average of forty percent of the American people favor the bill and nearly fifty percent today don't favor. It's the only piece of major social legislation that I've seen in modern times that became less popular after it was passed.

BOB SCHIEFFER: Let me get right to it. Do you think Sarah Palin is going to run for President and if she does, do you think she'd be a good president?

KARL ROVE: Well, I don't know whether she is going to run or not. And if she runs, she would be a formidable candidate, but look, there are going to be several geological ages that are going to come and go before the 2012 Republican presidential nomination fight gels. It's going to be like the Democrats. Who at this point, in 2006, was saying, oh, yeah, it is going to be that guy, Obama? He's got-- he's got it. And I think we're going to face the same process on the Republican side where every one of these prospective candidates, if they decide to enter the race, has strengths that they need to work on magnifying and weaknesses that they need to endeavor to-- to overcome or challenges that they need to overcome. And, you know, we don't know how that is going to play out. It's going to be a very interesting contest to watch.

BOB SCHIEFFER: You have been very hard on the President. You at one point called him and utter disaster.

KARL ROVE: Mm-Hm.

BOB SCHIEFFER: Can you think of anything good that this president has done?

KARL ROVE: Well, sure, he has continued President Bush's policies in Iraq by not engaging a precipitous withdrawal. I think he has done very positive things in some of his education policies by insisting upon standards and by taking on the idea of-- of pay-for-performance with teachers. Absolutely, there are things that I think he has done well.

BOB SCHIEFFER (overlapping): Do you--

KARL ROVE: Well, in Afghanistan-- I think he made a courageous decision in Afghanistan, much against the hard left base of his party, but the right decision. Now that doesn't-- that doesn't mean that I agree hundred percent with the decision in Afghanistan. I think he's shown too much interest in making that July target a hard date for withdrawal and I think that would be a mistake.

BOB SCHIEFFER: Final question. What's going to happen on election night?

KARL ROVE: This week Charlie Cook, the respected analyst, said there were ninety-one Democrats seats up for grabs. Stewart Rothenberg said ninety-one up for grabs. Politico said ninety-nine Democrats seats up for grabs in between five and nine Republican seats. There's a very smart academic and American enterprise institute named Henry Olsen who said, you know, if you look at these wave elections like we're facing, the Republicans or the out party gains about seventy percent of those seats that would translate into a gain of sixty-four to sixty-nine seats in the House and about eight or nine seats in the Senate. Now I think it's going to be slightly less than that in the House because the Democrats have an advantage in money, but money doesn't win it for you. We had more money than they did in '06. You have to have sufficiency or adequacy. And I think the Republicans are going to get that. And then, the other thing is-- is the intensity. If you look at Gallup this week, for example, the Republicans maintain a huge advantage, thirteen points-- excuse me-- eleven points in the-- in a low turnout-- a high turnout election and a seventeen-point advantage in a-- in a low turnout election that would look like four years ago. And the intensity maintains itself.

BOB SCHIEFFER: Karl Rove, it's always fun to interview you.

KARL ROVE: Thanks. Good day.

BOB SCHIEFFER: Thanks for coming by. We will be back and get an entirely different point of view in just one minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And we're back now with the Congressman Chris Van Hollen, the chairman of the Democratic Congressional Campaign Committee. He's in Minneapolis. He's the chief strategist for House Democrats. Well, Congressman, you heard Karl Rove. He says all this money pouring in is good for what ails you. And he's-- he says that Republicans are just doing what Democrats have been doing for a long time. What's your-- what's your take on that?

REPUBLICAN CHRIS VAN HOLLEN (D-Maryland/Chairman, Democratic Congressional Campaign Committee): Well, Bob, Karl Rove just told you he did not want the voters to know who is spending these tens of millions of dollars essentially to buy a Congress that does the bidding of special interests around the country. We had a bill in the House and the Senate, it was called the Disclose Act. It would require all these different interests whether they are left, center or right, to disclose, to tell the voters who they are, so the voters could exercise their own judgment. Every Republican, but one voted against it. In other words, every Republican voted to keep the voters in the dark because they knew that when the voters connect the dots and they see the connection between what these special interests are spending and the special interest agenda that they want to pursue, they don't like what they see.

BOB SCHIEFFER: Why do you think all this money is pouring in to these groups that are raising money for conservatives and Republicans?

REPUBLICAN CHRIS VAN HOLLEN: Well, it's-- it's very clear, what you have is a whole group of big money special interests who had their day. I mean they ran Washington when George Bush and Dick Cheney and Karl Rove were in the White House with the Republican Congress. In the last twenty-two months, their power has been reined in and they want to get back. Let me give you some examples, Bob, of-- of what we did. Wall Street reform, we said we're going to hold the big banks accountable so that no longer our taxpayers left footing the bill for their reckless decisions. Big banks didn't like that. Big banks didn't like it when we said you're not going to get a big cut of the student loan program, the college student loan program, we're going to give that money directly to students, so they can afford college. Multinational corporations didn't like it when we started to close these perverse loopholes that act-- actually rewarded them when they shipped jobs, not goods, overseas. These special interests don't like the fact that their power has been reined in and they're fighting back by spending tens of millions of dollars to try and buy a Congress that will do their bidding again. It's as simple as that and that's why Karl Rove and these groups don't want to tell the voters who they are because voters are going to figure out that they they're trying to punish members of Congress who voted to rein them in and they want to buy members of Congress who will do their bidding again.

BOB SCHIEFFER: You know, some people say that when political parties or candidates begin to talk about the other side getting secret donations, it's really the-- the remark of a doomed campaign because that they say you're just trying to shift the subject to something else because you've got a bad economy and you've got a lot of people out of work. I-- I have to say do you think people go to bed at night worried about secret campaign contributions or are they worried about whether they're going to have a job tomorrow?

REPRESENTATIVE CHRIS VAN HOLLEN: Oh, I think they're worried about whether they're going to have a job tomorrow. And I think they would worry, about the fact, that the folks who

ran the show for eight years and drove the economy into the ditch and served the interest of some of these special interests like insurance companies that saw their profits quadruple during the eight years under the Bush administration, they're worried about going back to those kinds of economic policies that helped a few at the expense of the many. Look there's a reason that this group 60 Plus, for example, which is funded by the insurance companies is spending all this money. They would benefit greatly, from the Republican plan to privatize Medicare. And that's just not a theory. That was the alternative Republican budget last year that was voted on by John Boehner and all the Republicans in the leadership. It would cut Medicare by seventy-five percent. Turn it into a voucher program. And essentially turn seniors over to the private insurance industry. That-- that may be very good for the insurance industry. They would get a windfall. But it would be very bad for seniors. Just as the Republican plan to privatize social security, which George Bush the other day said was his biggest piece of unfinished business, would be great for the folks on Wall Street, but it would be terrible for seniors who would have seen huge losses in their social security retirement, if that had been in place during the financial meltdown. But, look, the-- these big interests are fighting hard to get back in power. And I think the American people are waking up to that fact. And that's why I think you're seeing a closing of the political energy gap that's been talked about.

BOB SCHIEFFER: Congressman, why do you think it is the President's had such a hard time getting his message across? You say that he has a lot to brag about--health care reform, reform of Wall Street and so forth. But it doesn't seem to be catching on with people.

REPRESENTATIVE CHRIS VAN HOLLEN: Well, any time you have this many people who are still out of work, it's tough. But I think what the President is breaking through on is just to remind people that the night before he was sworn in, we were losing seven hundred thousand jobs every month in this country. Now we're not where you want to be. The pace of the recovery is not where anybody would want to be. But we have seen eight consecutive months of private-sector job growth. And why would we go back to a set of economic policies that served these special interests that are now spending all this money because their powers been reined in, it served the-- the big oil companies. It served the biggest insurance companies. It-- it served all those guys very well at the expense of everybody else. Why just as we're coming out of these would we go back to the policies that got us into the mess to begin with? You know, if you look at who would be the-- the chairman of the Energy Committee if the Republicans, took over, he's the guy who apologized to BP, when the President want to hold BP accountable. If you look at the guy who would be the head of the Budget Committee, if the Republicans took over, he's the architect of the plan to privatize Medicare and social security. And finally, John Boehner who would be the Republican leader, he's the guy that huddled with the Wall Street lobbyists to kill Wall Street reform, and now has said that he wants to repeal Wall Street reform. Well, they will be-- they will be popping the champagne bottles on Wall Street, if these guys get elected. There's no doubt about that.

BOB SCHIEFFER: All right.

REPRESENTATIVE CHRIS VAN HOLLEN: As will all the other big special interests be having a big celebration.

BOB SCHIEFFER (overlapping): All right. Very quickly, we have about twenty seconds. What happens on election night?

REPRESENTATIVE CHRIS VAN HOLLEN: Well, I'm confident the Democrats are going to retain their majority because the American people are connecting the dots between these tens

of millions of dollars of secret special interest money. When we look under the curtain we're beginning to see who these groups are. And, the fact, that they want to take us back to a day when special interests ran Washington. And if you look at some of the early--

BOB SCHIEFFER (overlapping): Okay. Got to go.

REPRESENTATIVE CHRIS VAN HOLLEN: --early voting states, their early voting states are showing good news for the Democrats.

BOB SCHIEFFER: All right. Thank you so much, Congressman.

Back in a second.

REPRESENTATIVE CHRIS VAN HOLLEN: Thank you, Bob.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally, today I went back to New Orleans last week--one of my very favorite places. And you know what? After the worst five years any city could have, New Orleans is humming again. The city shared the recession with the rest of us, but for New Orleans that was just the half of it. Katrina left eighty percent of the city underwater. And six months ago that was bookended by the worst oil spill ever which sent its economy for another loop. Yet, at a conference on innovation sponsored by the Daily Beast, the city's dynamic new Mayor Mitch Landrieu told me that while Washington was rendered dysfunctional by all the partisan wrangling, his city had no time for such distractions. It had to come together and attack its problems head on. Well, here's the news. It is working. New businesses are starting up faster than the national average. There's still a way to go. But a daring experiment in charter schools already has the educational system in better shape than before the hurricane. Facing the highest murder rate in the country, Landrieu did the unthinkable and brought in the Justice Department to investigate his own cops and root out corruption. For now, Landrieu wants the rest of the country to hold the applause. There's still too much to do, he says, but he sees his city becoming a lab for innovation that the rest of us can learn from. And here's the best part. In the midst of it, New Orleans remains more fun than any place I know--the best food, the best music and the best people. Check it out. New Orleans still knows how to show you a real good time.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And we'll see you next week right here on, FACE THE NATION.