

# **The November Elections and Their Ramifications**

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Good morning everyone. I am Steve Smith, Director of the Weidenbaum Center on the Economy, Government, and Public Policy. Welcome to another one of our monthly breakfast programs. Today the subject is the elections and their aftermath and I am your speaker.

Let me take up the subject of the elections and their aftermath. As you recall there were elections last week. They are quickly forgotten in the news, I know. What I'd like to do today is to do three or four different things quickly and then entertain questions and get some discussion.

The first thing I would like to do is simply tell you where we are at, what the election results look like, and what their immediate consequences are. I will go over some of the things political scientists always look at when examining election results. I will briefly offer some comments on the instant explanations that have been offered for the election outcomes, then turn to what is next both in politics and in public policy, and finish with a look at the 2004 elections. I'd like to do this in 25 minutes or so.

On the hand out that I think most of you had at your seat, you can see where we are. As you know the Senate convened yesterday -- the Congress did yesterday in a lame-duck session. In this new lame-duck session, the house membership, of course, hasn't change much, but because of the situation in Minnesota with the death of Paul Wellstone and his replacement and the situation in Missouri where we had a special election where Jim Talent will take over the seat upon certification of the election results,

this lame-duck session could actually prove interesting. Although, it is probably less interesting than it would have been had the democrats managed to maintain majority control of the Senate for the new Congress. With the republicans gaining majority control in the new Congress, there is not nearly as much interest on the part of the Republicans to rush through legislation here during the lame duck. The result is that the lame-duck session is probably not going to be quite as important as it might have been.

You can see on the handout that the Democrats maintain a majority, for the time being, thanks to the fact that Jim Jeffords, of course, remains an independent and effectively caucuses with the Democrats for the purpose of maintaining majority status. And Dean Barkley, the independence party Senator from Minnesota appointed by Jesse Ventura to replace Paul Wellstone, has chosen to remain an independent and to caucus with neither the Republicans or the Democrats, therefore having no effect on majority control of the Senate. This means that Tom Daschel is indeed the majority leader until Jim Talent replaces Jean Carnahan, in which case the numbers shift then and the Republicans have a majority in their own right even with Jeffords counted in the Democratic column.

Just as a point of clarification, you know there is never a vote in the Senate to determine majority status. What happens is that the presiding officer, the Vice President, recognizes the leader of one party or the other as the majority leader. There is no vote. It is simply a matter of the presiding officer recognizing who is in the majority and treating its leader as the majority leader. So, while in a regular new Congress we might have an additional regular vote on committee assignments -- where actually having a majority vote could matter -- for the purpose of simply determining who is recognized as majority leader, there is no vote. It is simply a matter of precedent in recognizing the leader. That is important potentially because it means the majority leader of one party or the other is

recognized as majority leader, and by virtue of that recognition gets recognized to speak before any other Senator is recognized to speak. Therefore, he has the opportunity to offer motions to bring up legislation. That's the importance of that majority status.

Now that the Republicans have a regular majority in the new Congress, that kind of recognition isn't nearly as important to them as it would have been if they had merely a temporary majority in the lame duck. So as soon as Jim Talent manages to get certified as the Missouri winner and then sworn into office in the Senate, the Republicans will be considered the majority, and the presiding officer will recognize Trent Lott as the majority leader. In the mean time, and probably for a period of a week or two here, it looks like Jim Talent might be sworn into office about a week from now if things go according to plan. Then, Tom Dasher still basically runs the show.

The lineup in the new Senate is listed below. As you can see, the net gain of two seats for the Republicans is what gives them their majority status. We still have the Louisiana run-off on December 7th to determine the outcome there. It looks like a very tight race there with a 50-50 chance that the incumbent Democrat could retain the seat. So that could be an interesting outcome. In the House, too, you can see the plus-6 for the Republicans.

I think the first thing to say about these results is that they represent a very incremental change in the membership of the Congress. Now in the Senate, because of the change in majority control, it has more than incremental consequences, and certainly the across the board win for the Republicans represents a big surprise in a mid-term election of a Republican President, but the outcomes themselves do not represent a wave in American politics.

Someone reported a count yesterday, that I haven't been able to verify, that more or less confirmed what pre-election poles showed. One Gallup pole showed, in response to the generic question, "Do you intend to vote for the Democratic or

Republican candidate for Congress?" it was a 48 to 48 tie in the pre-election Gallup pole. It looks like there would be a 50.1 to 49.9% break in the two-party vote, favoring the Republicans every so slightly, then, in the actual election outcome. So, while many of the close races, as in Missouri, broke in favor of the Republicans, in fact in place after place across the country, these were very marginal victories. There were very few shocking upsets going in either direction.

### **Some key facts that I think are worth noting**

This is a fairly typical Congress with respect to the number of new representatives – nine new Senators plus Senator (sic) from New Jersey who will remain in the Senate. We had four House incumbents pitted against House incumbents. They broke three to one for the Republicans, and only four additional House incumbents lost their seats, for a 98% success rate for incumbents seeking reelection in the general election. This number is right up there with recent elections. Sometimes it's dipped down as low as 93% in the last ten or fifteen years, but the incumbent success rate remains right up there where it's been for pretty much a generation. There were open seats that broke slightly in favor of the Republicans. I don't have handy the count of these that were previously held by Republicans or Democrats, so I'm not sure what the net effect is.

### **Some of the other issues that are important to note in interpreting the outcome itself**

It's already been noted many times on television that this was only the third time since 1902 that the president's party managed to gain seats in a mid-term election. The other two were 1934 and 1998 – Clinton's second term. So this was very unusual and obviously the Republicans rightly take great pride in countering these historical trends. However, it did happen in the last mid-term election, too, in 1998, and so there is a story

here that is worth noting. The simple fact is that it is difficult to beat incumbents. This means that even the president's own incumbents are difficult to dislodge once they're in office. So the election-to-election swings in control of the various seats around the country are dampening considerably – we're not seeing big shifts, pro-president and then against the president – whether it's a Democratic or Republican President. We're seeing incumbents holding these seats very effectively.

Another important consideration this year was the success of incumbents in the redistricting process. The Republicans probably gained, by one reasonable estimate, a net of four or five seats simply on the basis of a favorable redistricting. So, a good part of the gain they actually experienced, six seats, was probably due to some redistricting advantages Republicans gained in a few states around the country. One good case in point is Minnesota, where the state had previously been divided into four districts in the metropolitan area and four districts in the so-called greater Minnesota area, redistricting produced an additional suburban district so that it's now five urban and three rural, with the new one being an exclusive suburban district. Well, that new suburban district went Republican. So, Minnesota, for the first time in a long time has an evenly split delegation – four Republicans and four Democrats. There is one net gain for the Republicans clearly associated with redistricting. Nationwide, as I say, there were at least a handful more that were probably due to redistricting. This means if you took the redistricted seat advantages away from the Republicans, the outcome was pretty much a wash.

While it's easy to pat the Republicans and especially the administration on the back for going to bat for House candidates in a way that the White House has very seldom done in the past. Frequently, the White House pays attention to Senate races but almost totally ignores house races. Even though they did give substantial attention to the House races this time, and it probably did make a difference in a few places, the

fact is that districting would probably make it about a wash and then the White House effort probably prevented the Republicans from losing the seats that many political science models would have predicted they would have lost – maybe as many as nine or ten seats altogether. So, the White House deserves some credit for what happened in the House races, but it has to be placed in proper perspective. We can't simply assume that if the Republican White House just does what it did this time next time and the time after that that it's going to maintain these advantages. Now, of course, once you have these seats and you have Republican incumbents in place, the Republican incumbents can do most of the work themselves to maintain control of these seats. So, a big part of the win this time in the House races was indeed due to redistricting in part.

Another thing to keep in mind is that very seldom does a party manage to win House seats – additional House seats – in three consecutive elections. As I point out here, this hasn't happened at all since the 1930s. In fact, the Democrats had managed to win additional seats in every election since the '94 election. So, in 1996, 1998 and 2000, the Democrats managed to pick up House seats, including that '98 midterm election. That meant that the Democrats had managed to pick off most of the vulnerable Republicans before the 2002 elections. So, the Democrats didn't have a lot of additional seats to pick up on the basis of the vulnerability of the incumbent, and so we wouldn't have expected the Democrats to do as well under those circumstances.

It's also worth noting that there nevertheless is this historical trend that everyone cites. Since 1950, I point out here, the average gain for the party that does not control the White House, we call it the out party, is 24 House seats. Obviously the Republicans reversed that by picking up six seats as opposed to losing 24. In the Senate the average is for the out party to pick up 4, and in fact the Republicans managed to net 2. So, in spite of all these other considerations, the Republicans did indeed manage to run counter to the historical trends.

Finally, there is this issue of the status of the Minnesota Senator – a minor little detail, though it's been essentially resolved. Minnesota state law is very unusual. It's very different than Missouri law. Minnesota state law says that if you win a general election – Minnesota was having a general election to fill the full six year term that Paul Wellstone vacated by way of his tragic death – the winner of the general election actually gets to fill the remainder of the unfinished term before taking up the six year term. Now this would have meant that Norm Coleman, the winner of the Minnesota contest, would take that Minnesota seat right away upon certification, just like Jim Talent. However, there's a Senate precedent that says that this would be unconstitutional. Norm Coleman basically bowed to that precedent yesterday by saying that he would not insist on taking the seat until January. The Senate precedent is based on the idea that a single election, in this case a general election for a six year term, can't be used to fill two terms, the remainder of an unfinished term and the full six year term itself, which would effectively give someone more than one term. That would be longer than the six-year term allotted for in the constitution. So, Dean Barkley, who is Jesse Ventura's right hand man and far more reasonable fellow than Jesse Ventura now has a little windowless office in which he and all of his staff are located, in the basement of the Russell office building, for his two month stay in Washington (audience laughing). So if you're in Washington – I think this should be a tourist curiosity – go by Dean Barkley's office in the Senate Russell building.

Now, the question is, what are the explanations for this pattern? To tell you the truth, during the past week there have been outrageous explanations offered on many occasions for what happened. Let me just review some of them. All of them are reasonable to some degree. First of all, the Administration and Republican Congressional leaders successfully managed the agenda. The war on terrorism and the possible war against Iraq meant that it was impossible for the Democrats to break

through and get public attention for their issues – corporate corruption, social security, health care and so on. This is a reasonable explanation.

Let me give you a little background. Congressional leaders, especially Tom Delay and his chief **lieutenant** among House Republicans, met in July and decided that their best legislative strategy leading up to the elections would be to avoid issues that might give the Democrats an advantage or might split Republicans and create circumstances where their Republican colleagues would have to cast embarrassing votes. This meant a couple of things: keeping some issues alive that they wanted to work like homeland security and avoiding some other issues like many of the Democratic amendments that would be raised on appropriations bills. So, during the fall we heard the Republicans complaining that the Democrats were not making the necessary concessions on homeland security and that the Democratic Senate was not managing to pass all the appropriations bills. To be honest, both claims were deceptive, and, in fact, we know that first of all the Senate Republicans did filibuster the homeland security bill. They complained that their version of it wasn't going to be given a fair shot, and so they did refuse to support cloture motions that the Democrats offered, that were voted down, to bring the bill to a final vote, which merely would have sent it to a conference committee with the House Republicans. They did hold that up.

Secondly, on appropriations there were a number of Republicans, actually about three dozen Republicans in the House, who were unhappy with the level of spending the House appropriations committee was proposing in a number of domestic areas. They did not want to have to choose between their own party leadership and their own fiscal conservatism on those issues for the election. So, the easiest way to avoid casting embarrassing votes would be to keep those issues off the agenda. They did. This was a very successful strategy. So, they kept the homeland security issue alive in the view of at least some Republicans, and they also avoided the nasty votes that would have

been cast on appropriations bills. Now those issues will be taken up and I'm quite sure will be resolved very quickly. We've already seen almost instant movement on homeland security here in this lame duck session. So, the result was that the Republican leadership used the congressional agenda itself very effectively to avoid the dangerous votes and to keep other issues alive.

The other thing, of course, is what happened in the war of terrorism and the possible war against Iraq. As many of you probably recall, in August the administration claimed that it had the power, under the Persian Gulf War resolution and under the anti-terrorism resolution declared after 9-11, to take military action against Saddam Hussein. What they found, of course, was that public opinion, domestically, was not crystallizing behind the president's position as rapidly as they had hoped, and international opinion was not as supportive as they hoped. So, around Labor Day, they changed gears. They decided to go to Congress for congressional support, and they decided to go to the U.N. and the Security Council for support. The result was that almost all of the news during September and early October was about these Iraqi resolutions. The congressional effort and then finally the UN effort. This shifted the public's attention to the war against terrorism to Iraq and kept it off a domestic agenda the White House advisors told the President greatly advantaged the Democrats. We had corporate corruption, we had prescription drugs, we had patients bills of rights, we had education policy which the Republicans saw in the polls were generally advantaging the Democrats. By keeping the focus in national security rather than on social security. We saw it here in Missouri, national security ads by the Republican candidate and social security ads by the Democratic candidate. We saw that in race after race after race across the country. In these races across the country if you just changed the faces of the candidates, then they all looked very much alike. But the message that was being reinforced by the news, by what you saw on television and what you saw as the headlines in the newspaper was

the national security emphasis. It was used very successfully by the president in his Stump Speeches and by the republicans in their ads. All of these ads reinforced national security as being the most important consideration by what was going on in the real world as communicated through the media. So this explanation has a lot to it. Though it probably wasn't everything, it certainly was a big part of the picture. A second account is that, for a change, the Republicans out electioneered the Democrats. There's a lot to this as well. There's a little history to this. On the congressional side, the change was due to Newt Gingrich more than any other Republican. In the mid 1980's before Newt had been elected in 1989 as Whip of the House Republican Party, he began to urge changes in the way congressional Republicans approached electioneering. The old Bob Nyquist approach was to let each Republican run on his own. The general thought was that slightly more Americans consider themselves to be Democrats than Republicans. So we're better off allowing each Republican to tailor his or her message to his own state or district. Gingrich thought that made no sense. He suggested a couple changes in the way Republicans went about their business. He said that number one, we need to recruit candidates. We can't leave this to local parties and to local activists to identify themselves. We need to find the attractive candidates, train them, and make sure they get the money they need to run. So congressional Republicans, in particular House Republicans, began to build up a campaign machine that allowed them to effectively identify and recruit candidates. In the end, the House elections are contests among pairs of candidates and if the Republicans simply had the most attractive candidates, they could do a better job at winning the elections. If they could also make sure that they were guaranteed the funding, the training, and staff support to put on effective campaigns, you enhance your chances of winning the elections even further. That was part of the Gingrich message in the mid 1980's. Secondly, he said the Republicans should sharpen their message, not moderate it, but

sharpen it. Ultimately, Gingrich's sharpening may have done him in. But for a while, it seemed to work. You not only recruit candidates, but you recruit candidates of a particular kind. You recruit candidates that will be conservative Republicans in the House of Representatives or in the Senate and you sharpen the differences between the parties so you make clear what the Democrats stand for, trying to marginalize them. Push them off to the left and sell a Republican message that is more coherent. Now, the message has to be crafted properly. We know that President Bush's message of the compassionate conservative is the new rendition of that kind of message crafting. But Gingrich argued that it is the crafting that has to be done and it has to be done centrally. We Republicans have to speak with one voice. We have to have one message. We can't have all these scattered local messages. We have to have one message. But when the Republicans lacked control of the White House, it was more difficult to get that message across. With control of the White House, it becomes much more possible. So electioneering was a big part of the strategy. On top of their legislative strategy. They did a remarkable job of recruiting. What was particularly important about 2002 was that the White House and presidential administration was deeply engaged in the process of electioneering. This involved recruiting candidates, targeting Republican money to the marginal Republicans who had a chance to win and then putting the President's own reputation on the line by having him go out and campaign for them. President Bush set all records for campaign trips during this season. This was a remarkable effort on his part. In Missouri, Minnesota, and South Dakota the President basically handpicked the Republican candidate and helped that candidate fend off possible within party challengers to pardon endorsement and primary nomination. So the White House was deeply engaged in this process. The result was that Jim Talent really effectively started his campaign last January and February. Norm Coleman in Minnesota, though he was running for governor at first until the White House told him he was running for the

Senate, started his campaign in February. In Minnesota, the first campaign ads were put on the air, Coleman against Wellstone, in the third week in February, and the general election campaign has been on since that time. This is absolutely amazing. So the Republicans beefed up their electioneering effort. One final aspect of electioneering that the Republicans turned around this time was voter turnout. Unfortunately the voter news service, VNS, their whole system broke down, and they are not sharing data with the rest of the world yet. We can generally depend on VNS to see if there was a differential turnout among partisans of the two parties. Everyone's suspicion is that we know how much money the Republicans spent on turnout this time and it was roughly three times what they spent on turnout in 1998, the last midterm election. In a presidential year it's the President's campaign that runs that process. So the comparable election would be 1998. A lot more money spent on turnout and probably in addition to the president's own personal appearances, by all signs the Republican turnout made a big difference in a number of races. Here in Missouri with a roughly \$25,000, or rather 25,000 voter spread and in Minnesota with about a 40,000 voter spread, turnout could make all the difference in the world. That's about one percent in both places. So we're talking about a turnout making the difference, especially in the last few weeks of the campaign.

A third possibility that's been emphasized is what the Democrat's call 'Republican poaching' on democratic issues. And what they're talking about are Republicans who in campaign after campaign around the country committed themselves to a prescription drug benefit, committed themselves to a patient's bill of rights, committed themselves to additional federal funding for education, committed themselves for additional federal regulation of the environment, committed themselves for additional federal regulation of corporate accounting procedures, and other things that traditionally have been Democratic—so called 'Democratic issues'. Now these Republicans did this,

of course, with their own proposals. Surely more conservative, Republican proposals, but they did very successfully neutralize some of the issues that for years had greatly advantaged the Democrats. Just how persuasive those Republican appeals were on those issues, I'm not sure, but in looking at the ads across the country—the ads by Republicans were basically of three types. One were the national security ads; one were the basically attack ads on the opponent; but the third critical kind had to do with emphasizing these so-called Democratic issues: Elect me and I'll make sure you get a Medicare base prescription drug benefit. Republicans said this in state after state after state. And so clearly some adjustment on the part of the Republicans on the issue side, strategic adjustment I'm sure, made some difference. Exactly how we quantify that, I'm not sure. So, those were kind of the things the Republicans did.

Now, what did the Democrats do wrong? One thing, of course, its often said that they did not stand for anything. To a certain extent of course, it's hard to imagine that if they did stand for something that that message could have gotten through if very effective control of the agenda was exercised by the White House and by the President. So I'm not exactly sure how to fit that in, but it clearly is true that we had a gaggle of incoherent commentary from the Democrats across the country on issues like taxes and economic recovery. They did not, clearly, have a coherent message and I think that Democratic Congressional leaders are taking it on the chin now for that.

Finally the Democrats probably simply stood on the wrong side of some key issues. Their position on homeland security I'm sure cost them votes in many places in the country and its not quite clear what their stance on Iraq and what consequences that had, but there are Democrats that think that it probably cost them votes in at least a few places. The reason I hesitate on Iraq is that there are at least two places, Minnesota and South Dakota, where a Democrat who questioned the President's position on Iraq

actually saw an increase or a bump in their poll ratings, not a decline. So its not crystal clear what the Iraqi situation cut between the two parties.

So, what's next? The Democrats have to choose their Congressional leaders. It looks like Daschel isn't going to be challenged, though there was some talk that he would be. In the House, of course we know that Dick Gephardt has stepped aside. This fits an historical pattern of House minority leaders—Republican and Democrat—who, once their party is offered an electoral defeat, step aside before they are challenged or after they are successfully challenged. You may remember that Gerald Ford in 1964, after the '64 debacle for the Republicans, beat Charlie Hallock for the Republican leadership spot after the Republicans complained that Hallock had ineffectively articulated the Republican message during the previous year or two. And Gerald Ford, of course, made his rise in American politics by virtue of knocking off Hallock that year. It seemed inevitable that someone would have taken on Dick Gephardt after this election result and he simply choose to step aside.

It does look like Nancy Pelosi, a San Francisco Democrat will take over as the House Democratic leader. Let me caution you—you say female, San Francisco Democrat, must be an extreme liberal. What in the world are the Democrats doing? Well, what I should mention is that Nancy Pelosi won the Democratic whip's job two years ago at this time on the basis of saying that the Democrats need to do what Newt Gingrich did in the late 1980s. They need to sharpen their message, they need to improve their electioneering. Nancy Pelosi before she was elected whip had raised more money for other Democrats than any other Democrat in the country. I'm not kidding. House Democrat, I should have said. So she is a dedicated electioneer and remarkably pragmatic when it comes to shaping a Democratic message. Now, to be sure, the Democrats will have to fight over exactly what that message is. The one thing that Pelosi is right about and that is that House Democrats as a minority party won't

have much effect on the public reputation of their party. What's going to matter more than anything else is how the Presidential contest—the race for the democratic nomination for President shakes out. That will have a far greater effect on the public's impression of the party than anything legislative, especially a minority party in Congress. So she's not unaware of her own limitations or of the possibilities she has. What she can try and do is keep the Democrats in the House out of trouble in an election year. And what I think you'll see from Nancy Pelosi is a remarkably reinvigorated effort on the part of House Democrats in the area of electioneering. That's one little known side effect. She is a liberal Democrat; she's got a liberal Democratic record, but she's been a very effective whip and she will emphasize electioneering. So the Republicans do actually have something to worry about. They have, of course, very good partisan reasons for beating up on her as an extreme liberal, but in fact what the Democrats see in her is something very different from what the Republicans are drawing to our attention. They see someone who promises to bring the Newt Gingrich blueprint to the House Democratic Caucus.

*[Question from audience:] Could you get her to say that?*

No, you could not get her to say that because candidates for leadership positions in Congress emphasize issues. They emphasize issues: this is what I believe in, we need to stand for something. Whenever we hear these people talking, the public is for public consumption. But she was elected in the year 2000 as whip with the support of many southern Democrats who thought she would do a far better job in electioneering than the alternative, who is Denny Hoyer, a moderate liberal from Maryland, her opponent at that time. So, no I would never expect her to say that in public, but we might see her colleagues trying to persuade us that she in fact is the right choice. You might see some comments from her to that effect.

Republicans. On the Republican side we're going to see today the election of Tom Delay as the new majority leader. As most of you know, Dick Armey has decided not to run for reelection to the House, so he's stepping down. Tom Delay and his team will be elected to the House leadership. Tom Delay is the point man on this legislative strategy that the House Republicans followed here since July. He more than anyone else was responsible for the successful recruitment of House Republican candidates and along with him will come Missouri's Roy Blunt, who is really his number one right-hand man, who's almost certain to be elected the Republican whip today in the House of Representatives. And then finally, and I think reasonably importantly for the Republicans, Deborah Price will be elected as the Conference Chair for the House Republicans, thereby becoming the highest elected woman in the Republican Party in Congress. So the big winner in the internal Republican Party politics in Congress really is Tom Delay. He is credited as much as Newt Gingrich was in 1994; he is credited with a combination of legislative and electioneering strategies that worked. On the electioneering side, the most important thing that Tom Delay did was to make sure that Republican money was not distributed widely to incumbents that didn't need it. The toughest thing to do as an incumbent leader is to resist the temptation just to give the money to your friends, already elected incumbents. He successfully resisted that temptation and made sure that Republican money from the House campaign committee and from interest groups that were coordinating their activity with the House Republican Campaign Committee were focusing on those races where the money was truly needed. His colleagues, even Chris Shays, who is maybe his chief Republican critic in the House and is the coauthor of the Shays-Mean campaign finance reform bill said that Delay deserves all the credit in the world for their electoral successes. So Shays is going to vote for Tom Delay for majority leader today he says. So he is the big winner, he and his team, which includes congressman Blunt. Finally, the Republicans are just now

beginning to engage in a debate about what to do with their majority status. One issue of course is whether they should run with some of the toughest issues such as making the tax cuts permanent. What should they do on the social questions of abortion and vouchers for schools? There will be a temptation among Republicans who emphasize the social issues to say that if we can't run with the social issues now, when can we. President Bush of course has not given the social issues great emphasis. He emphasized tax cuts as number one. And I think he'll continue to want to emphasize tax cuts as his number one issue, but maybe now in the form of an economic recovery plan or maybe in the form of the extension of the existing tax cuts and so on. He'll want to give that the emphasis. The question is whether or not the social conservatives in his party, who are saying if we cannot push the social issues now, when can we. Whether he can keep them at bay so that his priorities win out in congress. The task of leaders like Trent Lott and Tom Delay is, number one, to try to balance these competing interests among congressional Republicans. They are in a better position to do that than the President is because the President can't possibly be seen as choosing between these Republican causes. The congressional Republicans can because they can do this in private and simply say that this is our legislative agenda for the next three months. Take it or leave it. Now exactly how this will be balanced is not clear because Tom Delay's core support is among the social conservatives in the House Republican conference. So there is going to be a lot of pressure on Delay. He's already changed his ways. We haven't seen a lot of Tom Delay in the media during the last couple of years actually. That has been a deliberate strategy on his part. But now, he is the chief spokesperson for House Republicans. Denny Hastert simply as the speaker is not going to change his ways. He is not suddenly going to become the preeminent congressional Republican spokesman. Tom Delay is. So an awful lot of the responsibility rests on the shoulders of Tom Delay to articulate the balance on a legislative agenda that will suit

Republican interests. What's next on policy? We are running out of time. So I am not going to say a lot about this. I do think that there are congressional leaders... It'll probably be forgotten. Do we really want to run on Anwar as our energy policy? Homeland security legislation will be coming up in a matter of weeks or months. It won't be a big issue in 2004. So what are we going to do? What kind of agenda are we going to run on in 2004? That's the task for congressional leaders and for the White House is to see what that agenda is likely to be and begin to shape it. A couple of things on the next election and then I'll quit. The Democrats are in a bad way in 2004. In the Senate races, they have nineteen seats that they currently control that are up for grabs whereas the Senate Republicans only have to defend fifteen. So the prospects of the Democrats recovering their majority status are not good. The odds are against them. They simply have to defend more seats and some of these seats are western states that are not easy to defend on the part of Democrats. House redistricting greatly aided incumbents in general in 2002. It will continue to do so. So this means that the Republican advantage in redistricting doesn't disappear. It will continue to advantage the Republicans. So retaking the House on the part of the Democrats will also be very difficult and reasonably easy for the Republicans to defend. So that's an overview of what happened and where we are. Let me entertain questions.

*Question 1: There is a general perception that Senator Daschle ran circles around Trent Lott these last couple years from the standpoint of being able to gather attention and focus on issues that were particular to him and Lott seemed to fade into the distance. What's Lott's future now and how effective will he be remaining in the same place?*

Response: Yeah, the question is basically, what happened to Lott and what's going to happen to Lott. I think you're right, you know when Jeffords switched parties, or

deserted the Republican Party, Lott took an awful lot of heat for that. It was said that he did not pick up on signals that Jeffords had been sending and react to them in a timely way. It's hard to know if there was anything to that. But Lott has since said that there are some things that he's going to do differently. I think he is going to worry an awful lot about the moderate Republicans. Now, keep in mind that with 53 votes the Senate Republicans do not have a large majority, they need 51 just to win a normal issue, and they need 60 to break a filibuster. So they desperately need the support of moderate to liberal Republicans like Susan Collins and Olympia Snowe from Maine, Arlen Specter from Pennsylvania, Chaffee from Rhode Island, and so on. And they can't get by without them. There are just not enough moderate Democrats to substitute for these people. They have to keep these people first in the party and then in support of the party position. So I think what we're going to see on Lott's part is a lot more consulting with those moderates in his party. This will be a real test of his leadership ability because the conservatives in his party, the vast majority of his party, will not be happy with concessions made to these moderate Republicans. But he's going to have to argue and I think in the end will be able to argue effectively that they need their support. The alternative is to fail and now that they have majority control of all three policy making institutions, the White House, the House and the Senate, they can't get by with failure any longer. They must succeed. And so I think that will be a persuasive argument and I think we'll see a more effective Trent Lott than we saw in the year before they lost their majority control—That's my guess. Tom Daschle on his part, one of the reasons Tom Daschle is not in trouble is that actually Senate Democrats thought he did a good job. He managed to be a fairly effective, though irritating to Republicans, spokesman for his party. He's soft-spoken, not particularly harsh or partisan. He's kind of low key, but he stuck to the party line when it came to substance. So Senate Democrats are not blaming, oddly enough, Daschle. So he's really in no trouble at all. He and his party

have a lot to worry about and there are certainly going to be disagreements that he is going to have to referee within his party. So there are challenges for him too. But he's not in any real trouble. The real challenge here I think is for Lott.

Question from Audience: You mentioned it briefly but the permanent tax cuts, the state tax repeal requires a super majority. How much more attainable is it going to be after this election?

Well, it's more attainable because there are more Republicans in both the House and the Senate even though just marginally. There are a number of Senate Democrats who I think would support some extension of the tax cuts enacted about a year ago. I don't think they are going to be too keen on extending, making permanent everything that was in the tax bill a year ago. So there's going to be some hard negotiations that go on.

What I've read is that the White House has already recognized that they can't get everything in the way of an extension that they would like. So they're looking for ways to quietly consult with Democrats like John Brow to see how far they can go, and they'll go as far as they can. Then there will be tension among Republicans about the choice that the President and congressional Republican leaders make. Not all Republicans will be happy with this, and I think there will actually be some serious trouble within the Republican Party on this question. But I think ultimately they'll pick up enough democratic votes and they will be quite hard-nosed and pragmatic about this.

Question from audience: How critical should we be of an elected official who once elected on a party slate does what Jeffords did and said I don't care about that. I want to do the other. Should they not wait until the next election to do that?

This really comes down to a question of values. In Jeffords case, public opinion in his home state was quite favorable to him after his party switch. So who should decide? In this case, his electorate was reasonably favorable. In my own view, (Interrupted by question from audience) How was that determined?

By public opinion polls. He had the luxury of not being up for reelection right away. Do you know what Phil Graham did in 1981? He resigned his seat in the House of Representatives. Then under Texas law, the governor provides for a special election. He ran for that same seat as a Republican and was handily elected. Generally, I guess that's a good idea. The Senate situation is different, however, in that if you would resign your seat the governor appoints. You don't get a chance to run for election in a special election immediately. So a Senator who switches party and resigns literally loses the seat unless there's some cooperation from the incumbent governor. So it is a different situation in the Senate. House members do have the luxury of, within a few weeks, being able to run for the seat under their new party label. Now there is this interesting case of Dean Barkley this time where he was appointed by Jessie Ventura the day before the election last week. For a week, he was talking to congressional Senate leaders of both parties saying I might caucus with the party, thinking this might tip the balance in the lame duck session that makes the most concessions to Minnesota. He was willing to trade in his independence party label for pork. I didn't think that was such a good deal either. Some Minnesotans said, well ok, if we bring a few hundred million dollars then maybe we can get it. He did the right thing and decided not to join either party caucus and to remain an independent with respect to Senate party control. That's a tough issue. Senators just don't have the luxury that the House members have to run for re-election.

Question from audience: Steve, the optimistic scenario is that by 2004 the Iraq war will be over. You know, that's a black hole because if that war doesn't go as scheduled, it has a chance to blow everything else off the map. Actually, my question is talk about mandating.

Well, the party that wins the election always exaggerates the mandate that they have. It's their job to do that. But I don't think there's going to be much of a mandate that the

Republicans...-Well, a mandate means nothing. It's your own claim about what the meaning of an election is. What matters is whether anybody defers to that mandate, and I don't see any Democrat in Congress deferring to that mandate. So I'm not sure that there's a clear mandate. I think if there was a mandate, it would have to do with the national security issues that the President gave emphasis to in his Stump speeches and that probably made some difference in a few of the elections around the country. But on the domestic agenda, most of the issues that divide Republicans and Democrats were de-emphasized by the Republicans and the administration during the campaign season. So there's not a big mandate on the issues that we generally look to like taxes, the size of government, and so on. Those issues were not front and center in the Republican campaign during this mid-term election.

Question from the audience: I have some questions about judicial appointments as far as the effect it will have on the supreme and appeals court.

Well, I think it will make a big difference potentially on judicial nominations. The Democrats have been able to hold-up many judicial nominations simply by failing to bring them to the Senate floor. Now, instead of Patrick Lahey as the judiciary committee chairman, it will be Orin Hatch. There are other interesting chairmanship changes too, by the way. That's certainly one of the more interesting and important ones. Now the task for the Republicans is to prioritize these judicial nominations. This will be more of a challenge than it might seem at first. They probably do not want to bring the most conservative nominees to the floor right away because they might be filibustered and filibustered successfully. If that happens, the rest of their legislative agenda gets backed-up, and they create a reputation problem for themselves on all the other nominations. So I'm guessing that Orin Hatch and his advisors are working with Trent Lott and other Republicans to see if they can sort out these nominations working with the administration to set some priorities on who they can send up of the backlog of

nominations already in place. Surely the most important nominations are the Supreme Court nominations, and I think we can expect Chief Justice Renquist to announce his retirement in the not too distant future. There's speculation that others like Stephens are not in good health and may decide to retire. Justice O'Connor, of course, is another possibility. I think the Republicans would just assume see Justice Renquist announce his retirement first so they could field the chief justiceship. That might involve promoting one of the existing justices. Many Republicans, of course, would like to see Scalia promoted to chief justice and that might present a strategic challenge for the Republicans. Others are saying it's time we got Orin Hatch on the court because, among other things, it would be easier to get him through the Senate than it would an equally conservative nominee from the outside. So on the Supreme Court side the speculation is just running wild and, of course, only the justices themselves know when or if they intend to retire.

*Question from the audience: Missouri and St. Louis-Any thoughts about how this relates to our prosperity and our needs both in the state of Missouri and as well as the bi-state metropolitan area? And related to that, is Talent's election for four years or for six?*

It's for four years. This was a special election to fill out the remainder of the six-year term that Jean Carnahan started as an appointee. Remember that Mel Carnahan won the last election. She was then appointed to fill in. Under Missouri law, you hold the position until the next general election, which is treated as a special election. So she has it for. -Well the main effect on Missouri is probably not a lot different than it is for the rest of the country. Missouri might be implicated in a couple of ways. Biotechnology is extremely important to Missouri, and I think this keeps in place a congressional majority and a White House with the support of a congressional majority that's supportive of

biotech development. I think, on the defense side, we're going to see a continuing expansion of the defense establishment, which is important to every defense industry including the important industries located in Missouri. But surely Missouri's interests are not fundamentally different from the rest of the country's. The question is whether—you know we have some decent economic growth—during the past few days I've seen a couple of Republican economists question why we needed an additional cut in interest rates, for example. When you take a look at it, the growth in disposable income has actually been quite strong during the last year. The economic growth, Murray will correct me if I'm wrong, but it's around 3%, which is not bad. Now it's not the 4%+ we saw sometimes in the Clinton administration, so the administration might be worried about the comparisons. But historically, you know, we're not in bad shape. I think—and I'm speaking way out of my element here—but I think the world economy has a lot more to do with the future of the American economy than anything Congress can do over the next two years. And so I think what the President hopes is that world economic and political stability will allow world economic growth to kick in and help the U.S. economy and his own electoral prospects in 2004.

*Question : You've talked a lot about the advantages and disadvantages of redistricting. What happened in Iowa in this past election, with its non-partisan redistricting?*

Well, the Iowa districts were restructured a little bit, but the only race there that was very troublesome for the Republicans was Jim Leach who even with the new, reconfigured district managed to hang-on by a thread. But if you know Jim Leach's record over the past twenty-five years, he's always held-on by a thread. So he managed to do just what's necessary to win, which the Republicans prefer to a Democrat, but they don't like Jim Leach. So this is good news, bad news situation for the Republicans. There are a

few other states, you know Minnesota's redistricting was not done bi-partisan, it was done by a federal court. In a lot of these redistricting, Texas—done by a federal court. So increasingly, districting is, and even if it ends up with an incumbency advantage, increasingly is done in a non-partisan way or by a non-partisan source. Even the federal courts have proven a remarkable ability not to create too much resistance to their plans by drawing districting lines that make incumbents happy.

*Question: Steve, would you comment on polling? I'm particularly thinking of the Florida gubernatorial race that was a neck and neck race where the Governor won just by three to two.*

Yeah, I don't know much about the Florida case, to be honest. Polling across the country actually was reasonably good. Barry Seeskin here gave me a copy of Charlie Cook's report yesterday, in which he pointed out that based on his account just before the election, which is almost entirely based on the poll results that he was getting from states and districts across the country; based on those poll results there were no upsets. So the polls actually did pretty good. The problem in House races is that we have very few polls. We just don't get polls on House district races very much, from independent sources. And so we're always guessing on House races, but the Senate races all proved as close as the polls said they would be. *[Audience Remark: What did the Post-Dispatch do?]* Well, this isn't really the place for me to rip into the Post-Dispatch, but the Post-Dispatch relied on Zagby and Zagby's track record this year was terrible not only here, but in many places throughout the country. Where we had independent polls—major newspapers, television station polls—we didn't have the same problems we had with Zagby. Zagby has, I think the story about Zagby is he was, he and his enterprise were greatly over-extended this year and many newspapers which liked the way he had

predicted outcomes in the last couple of cycles came to depend on him and I think they regret it. Now, I would far prefer major newspapers like the Post-Dispatch to develop their own professional polling enterprise; ultimately you may have to contract for many of the services, but you have to have the analysis and write up done by yourself. It's not enough to have a newspaper article that quotes Zagby. Zagby's in the polling business, he wants to sell his reports so he writes newsworthy reports. That's a lot different than the judicial interpretation of polling results that we deserve. All right, I'll get off my high horse here. I know we're running over, but let me just take one or two more questions.

*Question: What, if any, will be the effect of campaign finance reform on the next election cycle?*

Well, as you know, the new campaign finance regime has already started. The parties can no longer collect the large sums of soft money that proved really critical to both sides this time around. I don't know what's going to happen. We already know that significant efforts are already underway to undermine the whole enterprise. One way that this is happening is through individuals, mainly former party leaders, creating independent Political Action Committees of their own and collecting ungodly sums of soft money that used to be going to the parties. They promise to spend the money just like the party had done in the past. So, I don't know what to call them, shadow parties, pseudo-parties, one-man parties, whatever. But if this goes like it seems to be going already, we'll have just as much soft money in Congressional elections the next around as we had this time; it will just move from a some-what more diverse set of sources—that is, middle men—rather than official parties being the middle men, it will be these independent players, who have connections with the parties. [*Audience: Will those flows be identifiable?*] Yes, all that has to be recorded. We know that the soft money is

collected and how it's spent. These are Political Action Committees that have to register and file with the F.E.C., just like the parties had to, so that's not the issue. But the intent of the law, of course, was if anything, to cut out the soft money and it's not going to cut it all out, that's for sure. Maybe one more question.

*Question: What are your thoughts on what happened in New Jersey and what effects did that have on the election in New Jersey and also the rest of the country?*

Well, of course the situation in New Jersey was a little unusual. I don't know that it had much of an effect elsewhere in the country. Frank Lautenberg won the election handily after substituting for Torecelli, as you remember, at the last minute. Torecelli dropping out after his own poll numbers had plummeted and it looked like he had no chance to win. But, Lautenberg was a very popular Senator before he retired voluntarily in New Jersey. He is extremely well known and actually a political opponent of Torecelli's; they were really archenemies in New Jersey Democratic politics. And so in Lautenberg, they found someone who was disassociated with Torecelli, was well known for not having anything to do with Torecelli, so they just had, you know, the right candidate at the right time. We know what the overall results of the election were, but I don't think that the New Jersey situation had much of an effect on other races. The other case where we had a last minute substitute of course was Minnesota where Walter Mondale didn't manage to pull it off. He lost by less than a percentage point against a remarkably talented and energetic Norm Coleman, who is about as good of a statewide candidate as you could pick. I mentioned earlier that he was handpicked by the White House, but you may not know the whole story. At the time, back in January of this year, Tim Pawlenty who actually won the Governorship in Minnesota now, was about to announce his own candidacy for the United States Senate. On the morning of the day in

which he was going to hold a press conference to announce his candidacy for the Senate, he got a phone call on his cell phone in his car as he was returning home from a dental appointment with his daughter, and Dick Cheney was on the other end of the phone, "Tim, you're not running for the Senate. We want Norm Coleman." Because the White House had polled Minnesota and discovered that Coleman had a far better chance of knocking off Paul Welstone than did Tim Pawlenty. Coleman had run for governor unsuccessfully in 1998 against Jesse Ventura, handled the race very well, came in a close second as it turned out, and remained a very popular mayor of St. Paul. Having been a Democrat and then switching parties while mayor and was a real cheerleader type of guy that did wonders for St. Paul, actually credited with an awful lot of change in that city. So, he was a perfect candidate, but in the end I think he won the race because he was a quality candidate. Now, you all know that there are other complications in Minnesota during the past week and no doubt they made a difference when a race is that close, but you have to first be in the running and Norm Coleman is the guy that brought them there. So there's a case, clearly, where there was White House involvement. Hand-picking Coleman I think made the difference.

Thank You.