

The
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The Economic Club of New York

115th Year
679th Meeting

Charlie Cook
Political Analyst, The Cook Report

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Signature Luncheon
In-Person/Hybrid Event

Moderator: Bob Rubin
Former U.S. Secretary of the Treasury

Introduction

President Barbara Van Allen

Ladies and gentlemen, please take your seats. We have a large audience that's also online waiting for us to start. So we're going to go ahead and get started. Thank you.

Good afternoon and welcome to the 679th meeting of The Economic Club of New York. I'm Barbara Van Allen, President and CEO of the Club. It's an honor to be here with all of you today in a milestone year. This is our 115th anniversary. We hope you will join us for our anniversary dinner. It will also ___ on November 14th. (Audio Issues)

The Economic Club of New York, as many of you know, is the nation's leading nonpartisan forum for discussions on economic, social and political issues. We've had more than 1,000 prominent guests appear before the Club over the last century. A special welcome to members of the 2022 Class of Fellows. The Fellows are diverse, rising next-gen business thought leaders. And also students from the CUNY Graduate Center, the NYU Stern School of Business, the Gabelli School of Business at Fordham University, and Rutgers University who are also joining us virtually. As a reminder, we are taking applications for our 2023 Fellows Program. (Audio Issues)

Today, I am honored to welcome a friend and our special guest, Charlie Cook, the

Founder of the Cook Political Report and political analyst for the National Journal Group. Charlie founded the independent, nonpartisan *Cook Political Report* in 1984, serving as its Editor and Publisher for 37 years, stepping down in 2021.

Charlie Cook: You're not going to read that whole thing...

President Barbara Van Allen: I'm not. He is looking (Audio Issue) like issues that I am hoping to (Audio Issue)

The format today is going to begin with remarks by Charlie, followed by a conversation, and we are delighted to have Club Member and ____, Bob Rubin, Former U.S. Treasury Secretary, doing the honors of moderating the conversation.

In addition, we will have an open Q&A here in the room as well as the chat box on Zoom. And as a reminder, the conversation is on the record. We have media in the room. And Charlie, if you're ready, the podium is yours.

Remarks by Charlie Cook

Thank you, Barbara. It's always an honor to be here in front of the group. (Audio Issues)
Anyway, thank you very much. It's just an incredible honor. And actually I just want to

introduce two people from, dear friends from my hometown, Charlotte and Don Walter. Don is a Federal Judge there, in Shreveport, and just good, good, good friends. And so they're here as my guests.

What I'm going to do is just do a really, really tight, what the numbers seem to be, where things seem to be going, and then we'll get Bob up and do a good bit more, more conversational.

Let me start off with the House of Representatives. First, this is only the second time in a hundred years that we've had a new Congress come in with the House this close. And a lot of you don't realize that the House came within 32,000 votes in five congressional districts of flipping in the last election. So Democrats held on but just by the skin of their teeth. And right now, they're basically, you know, 218 is the barest majority in the House, and there basically is 193 seats that are sort of leaning likely or solidly Democratic, 193. And there are 211 seats that are leaning likely solid Republican. So there are only 31 toss-up races.

And this is where the math gets really, really challenging for Democrats. Republicans only need to win 7 out of the 31, so 23% of the toss-ups. Conversely, Democrats need to win 25 out of the 31, so 81%. So that while, yes, it's possible that Democrats could hold on, it's relatively remote. And if you were to take those 31 toss-up races and give

Democrats, every single one of them, every one, they would have a net gain of 1 seat. And conversely, if you gave every single one of them to Republicans, Republicans would have a net gain of 29. And so if you were going to, you know, just sort of establish those as sort of the tails of the curve and, you know, a 10 to 20-seat gain, something like that would probably be the most likely for Republicans of the House. So more than the five seats that Republicans need.

If the election had been held six months or so ago, you know, the outcome would have been very different. I still don't think it was, you know, at least 60 or as many as 60 that Kevin McCarthy said at one point, or the 40 to 70 that Newt Gingrich said at one point, but it would probably have been more in the 20 to 35, 20 to 30, 20 to 35 range.

Something like that. And at that point, think of it like a spotlight, and the spotlight was on everything that President Biden and the Democratic majority would not want it to be on. You know, the economy, inflation specifically, how people feel the country is doing, illegal immigration, rising crime rates, it just couldn't have been at a worse, so it was a spotlight.

And then after the, the spotlight, it was as if it became more of a floodlight. And it still fully illuminated all the problems that Democrats had but it started bringing also, lighting up problems that Republicans had, which were normally, basically the fallout from Dobbs as well as Former President Trump taking on a more visible role and what I call

the Trump constellation of issues, you know, like election-denying and January 6th and just sort of some, a lot of folks just, they would just much rather have another Republican, a different Republican running. So that chances are pretty, pretty, pretty darn high that Republicans win the House. But probably not, at the bottom end it would be a margin about like what Democrats have today, or maybe say ten more. So that's sort of where the House is.

One of the things that's hurt Democrats, though, is that they had 35 members retire and it's usually harder to hold on to an open seat than one involving an incumbent. But it's sort of, they're intertwined because a lot of these incumbents ran because they thought it was going to be a really bad year and why run the risk of losing or winning in a really difficult environment. And so it was just easier to say, you know, I've put in a long time, it's time to go, but that became sort of a self-fulfilling thing.

The Senate, the way I would look at the Senate really quickly is each party has exactly 45 seats in the Senate that either are not up at all in 2022 or they're up but they're completely safe. Democrats have 9, 36 that aren't up and then 9 that are safe. Republicans have 29 that are not up and 16 are safe. But it equals 45. So each party has five seats that are genuinely in play, now not equally in play but genuinely.

And for Democrats, you know, their most vulnerable seat, I think I Catherine Cortez

Masto out in Nevada. You know, Nevada has taken just a real, it got hit more economically speaking from the pandemic than any other state. It's a state where over 40% of the voters didn't live there the last time Masto was on the ballot. And so they really just sort of don't know a whole lot about her. And this was one case where Republicans nominated somebody that wasn't that bad. You know some other places; you can't say that. And so he should, it's really more of a straight up Democrat-Republican race at a time when, you know, it's probably not good to be wearing a blue jersey there. I would sort of, you know, Arizona, Mark Kelly is up some.

But one of the things you'll see with all these, I mean the Democratic states that are in some degree of danger – Georgia, Arizona, to a much lesser extent Colorado, New Hampshire and Washington State – and you'll see with the Republican states as well, that there are a lot of races that are in single digits. I mean small, low to mid-single digits.

And part of what's happened is that nowadays, you just don't have defections. You just don't have Democrats that will ever vote for any Republican anymore. And you don't have Republicans that will vote for any Democrat no matter what. And so you have high floors, low ceilings. And so if you're a, this is a slight exaggeration, but only slight, if you're in a competitive state or district, if you can walk, chew gum, and not foam at the mouth, you're within striking distance. And that just keeps a lot of volatility in play and

why it's so rare to have, in even a remotely competitive state an incumbent governor, senator that has like a double-digit lead.

But really Georgia, Nevada and Georgia are the two that we're watching sort of most closely. And Georgia, people will say, well, you can't have happen come out what Herschel Walker has had and have any chance of winning. And my response is I understand that. I said exactly the same thing after the Billy Bush tapes came out too. So we're just sort of in a new world order where people, partisans, and whether they're Democrats or Republicans, they just put blinders on and choose not to see flaws in their own side's candidates, but, boy, they've got a microscope and ready to pounce on anything on the other side.

For Republicans, I think their most vulnerable state is one that Democrats sort of haven't really gone into big time, and that's Ohio, the open seat where Rob Portman is retiring and where J.D. Vance, who was the author of *Hillbilly Elegy*, against Tim Ryan, who is like a moderate Democratic Congressman. And I would describe Vance as having a metabolism problem, which is a very nice way of saying he's lazy. And a Republican in a state where it tilts, six, seven, eight points more Republican than the country as a whole, shouldn't have a problem, but if you have a Democrat that's probably better than Democrats deserve in Ohio, and a Republican who is adverse to breaking a sweat, you can sometimes have some of these imbalances out there.

North Carolina, I think that's an open seat, a Republican open seat where Ted Budd's kind of, I think he's starting to pull away a little bit. Certainly Ron Johnson who is the only Republican incumbent in real trouble, but he's kind of widening out. I think Pennsylvania, we have not seen quite as many polls of late. We've got a debate coming up on the 25th and it's going to be really key. And when people ask me, who do you think is going to win in Pennsylvania, my response is I don't know who is going to win, but I think the state of Pennsylvania is going to lose because each side nominated their worst candidate. And I think it's going to be a hard time for either one of them to be particularly effective in that body. But, you know, races, places, and this is the floors and ceilings things where you wouldn't expect Florida to be competitive. And I don't think Rubio is going to lose, but right now, you know, he's less than five points ahead. Well, but again it's the floors and ceilings. You just have lots and lots and lots of those. So that's kind of where we are right now.

I think to the extent that, you know, if you look at Nate Silver's FiveThirtyEight, I think he has a 67, 68, something like that, percent chance of Democrats holding on to the Senate. I would put it more closer to 55%. And I think to the extent that Democrats have an advantage, it is that status quo works for them. As long as Kamala Harris is the Vice President, they can have status quo and still be a majority, and Republicans actually have to have a net gain of one.

But we're going to have a whole lot of very, very close races. And more of these states are more early vote, and so it may take a few days for us to kind of really find out what's happening in some, particularly in the West, and some of them are entirely vote-by-mail. And the other thing is that there's a very, very real possibility that there will be a Georgia runoff on December 5th or 6th and that you could have the Senate hanging in the balance just as it did two years ago because there is Libertarian running. And back in 2020, a Libertarian candidate that nobody ever heard of got 2.3% of the vote. And, you know, in a close race, that's easily enough to tip it. In fact, one of those two seats, David Perdue was the elected incumbent in one of them, he missed winning without a runoff by 3/10ths of a point. He got 49.7% of the vote.

And, you know, that's why, you want to start wandering up here? I was just going to say my last...how was I going to say this? I think it's ironic, I had expected and I'm going to get a little bit more macro, I had been expecting that President Biden would be sort of a center-left, incremental president. And they've gone, you know, a lot more aggressively than I would have thought. And I have a theory that coming out of the November election, Democrats had 48 seats, Republicans had 50. You had two runoffs in Georgia. Democrats hadn't won a runoff in Georgia in 20 years, a Senate runoff. And had President Trump acted like a ten-year old as opposed to a four-year old, Republicans would have held on to both of those seats and the Senate would probably be 52 Republicans and 48 Democrats and Biden would have been sort of positioned exactly

where, you know, I think a lot of us thought he was going to be. But when the unexpected, won control of the Senate, they just sort of called an audible and changed the play. And so we'll see.

But it is my honor to do this with Bob, and I will warn you in advance, he's going to tell you, and he will actually be telling the truth, that I am the worst fly fisherman on the planet. But I just wanted to go ahead and preemptively tip that off just so that, take a little bit of air out of that balloon because that's what he always teases me about.

Conversation with Charlie Cook

BOB RUBIN: It's the part of this conversation that I enjoy the most.

CHARLIE COOK: Insulting me...(Laughter)

BOB RUBIN: And you give me so much opportunity...

CHARLIE COOK: Is your mike on? Did we need to turn these on or they're already turned on? They're automatic.

BOB RUBIN: Is mine on? Do I have to re-insult Charlie...?

PRESIDENT BARBARA VAN ALLEN: Talk...

BOB RUBIN: Charlie, let me ask you this. Take the prognostication that you made with respect to the races in the House and the Senate, what odds would you put on the Democrats getting the Senate and what odds would you put on the Republicans getting the House?

CHARLIE COOK: I think that most of the Silver and prediction markets and things are giving Democrats, you know, or Republicans, I should say, a 70% or so chance of taking the House. And I think that sounds about right to me. I know it sounds, and when I use the, when I mentioned, well, if you give Republicans every toss-up, you know, they'd have a net gain of 29. If you gave it to the Democrats, they would have net gain of one. That may sound outlandish, but sometimes things like that happen.

And in 2020, Republicans won every single House toss-up in the country. So, you know, that can happen when there's a gust of wind at the very end. And in that case, it was sort of the Blue Wave suddenly became the Dead Sea with some of the rhetoric that Democrats had employed during the primary campaign and the aftermath of George Floyd on defunding the police came back and bit them on the rear end. For the Senate, I wouldn't go any higher than 55 or 60% chance of Democrats holding the Senate. I would not go any higher than that and the conventional wisdom is substantially higher

than that.

BOB RUBIN: (Audio issue)... won by 70%.

CHARLIE COOK: And one thing is that people, average people...hang on a second, I think she may replacing yours out...I'll talk while he's doing that. Normal people now just completely blow off polling. And I would just say, I think polling, it's not as good as it used to be because it's so hard to get representative samples, but it's not as bad as most people think. But at the same time, it's not as precise as some people seem to want to think. And when you see a poll average of a candidate having a point and a half or a two-point lead, nowadays, as far as I'm concerned that's no lead at all.

BOB RUBIN: Charlie, take your 70% for Republicans in the House, 55 - 60% for Democrats in the Senate...

CHARLIE COOK: Down below 70, but yes.

BOB RUBIN: Down below 70, okay.

CHARLIE COOK: Oh, 70 in the House, I'm sorry, in the Senate, yes, I'm at 55. Okay, I'm sorry.

BOB RUBIN: Now, once this is over, looking back and trying to analyze if you've gone wrong, where will you have gone wrong? Not because the outcome is wrong, but because there's something in the analysis once you look back on it that you hadn't taken into consideration adequately.

CHARLIE COOK: That's exactly what happened in 2020 is that after President Trump messed up in that September 29th debate, you know, it just seemed a fait accompli that Democrats were going to, you know, pick up everything and win by big margins. And that's when I think this, you know, to me it's like 30% of the electorate considers themselves Republicans and 30% Democrats and then 40% Independents. But three-quarters of the Independents aren't really. And so they either lean Republican and vote Republican or lean Democrat and vote Democrat.

So it's really only 10%, 10% really in the middle. And I think it was that 10%, the true Independents, that started thinking about what was all this defund the police stuff? And what exactly does a Green New Deal do? And does Medicare for All, what does that do for my private health insurance? And I think just a lot of rhetoric started coming back to them. And at the end of the day they decided to, by a close call, to give Joe Biden the keys to the car, but not a full tank of gas or a credit card. And you had, you know, Democrats, well, they won, the 50th seat was won by a margin of 55,000 votes out of 4.5 million in Georgia that day, 55,000. Wow! That's close.

And as I said, they came within 32,000 of losing the House. And Biden, for that matter, won the presidency by 126,000 votes scattered across four states. So we didn't see that, there was that last gust of wind that we just sort of didn't see. And, you know, right now we've got that 10%, that really cross pressure, that are upset with President Biden about the economy and inflation. And they were kind of late in recognizing this, very late, and one could argue, created some of it before the Russians invaded Iraq. But on the other hand, they're kind of upset with Democrats on the abortion issue and see Republicans as sort of Trump-enablers. So they're deeply conflicted.

BOB RUBIN: Let's look at one of those issues, Charlie. When the Dobbs decision was announced, as you know, I talked about it, there were a lot of Democrats who were energized and they felt this really was going to give them an issue that they could take to the polls. I get an impression, but maybe my impression is wrong, is that a lot of that momentum has been lost. And that there have been a lot of Republicans who were energized to go to the polls because of their view on abortion. Your perspective...

CHARLIE COOK: Well, you know, it's absolutely normal for the party in the White House, for their voters to be maybe satisfied, maybe complacent, maybe a little disappointed, maybe deeply disillusioned, but not real fired up. That's normal. And that's exactly what was happening before the Dobbs decision. And Republicans conversely couldn't wait to vote. They hated what had happened two years earlier in the election

and hate everything that Biden and the Democrat majority was doing so they just could not wait.

So the Dobbs decision comes out and first there's "the decision" and then there are all the stories about the trigger laws that had already been in place but were not enforced because of *Roe v. Wade* and new actions by some legislators that were extremely restrictive. So that it brought that intensity for Democrats up to the point where actually in the Fox News poll that came out the other day, and by the way, it is a pretty good poll, it actually has Biden with a slightly better job approval rating than most of the other polls. But anyway...

BOB RUBIN: What do they have him at?

CHARLIE COOK: Forty-four maybe. Actually, wait a minute, I actually have that written down. They have it at 46 approve, 53 disapprove as opposed to *New York Times*, it has 39 approved, 58 disapprove. And the two averages are at 43. So Fox had it actually, Biden's approval rating three points higher than the overall average.

BOB RUBIN: Charlie, just sort of relevant to, FiveThirtyEight is around 43% or something...

CHARLIE COOK: They're both, yes, both RealClearPolitics and FiveThirtyEight. But the enthusiasm level, I think, is even and the question is what does the 10, I think we've going to have a massive turnout. And then that 10% in the middle, that's the group that, I think, ultimately fundamentals matter, and ultimately I think the economy is going to trump abortion with more voters.

BOB RUBIN: Well, that sort of gets into our next question. Looking at Republicans and Democrats, how important is it to get out the base, that's one, versus appealing to the Moderates and Independents?

CHARLIE COOK: I think the parties have gotten to the point where they're really, really good about getting their base out and they know just what the rhetorical red meat it is, you know, to throw out there. And they've gotten really good at it. I think they've really lost their ability to reach into the middle. It's like they forgot how to do that. And it's the ___ voters in the middle, the question is who are they madder at?

But, you know, if you think of 2018, we had the highest midterm election turnout in 104 years. And then in 2020, we had the highest presidential level turnout in 120 years. So I don't know if we're going to hit records like that. And in both of those, there were two groups that turned out big numbers: the people that loved Donald Trump and the people that hated Donald Trump. And that total is pretty close to 100%. So I mean, I think

you're going to get a massive turnout but the question then is, for these conflicted voters in the middle, what's going to be the thing that was top of mind at the time they make or made their voting decision?

BOB RUBIN: Okay, that takes me to the next question. What do you think, what do you think the Democrats think their best closing argument is? What do you think the Republicans think their best closing argument is? And what do you think would be most salient?

CHARLIE COOK: I don't know of a positive argument that Democrats can make right now that would close well. And so I think they're going to have to have a scorched earth message. And I think for Republicans, it's just reminding, reminding people about the economy. And, you know, I think the word "transitory" is going to get a lot, I mean they're going to basically replay every time the Biden administration downplayed the possibility, likelihood, severity of inflation. And, you know, I think if Democrats hold on to anything, they should thank the abortion issue and Donald Trump for it, if they hold on to anything.

BOB RUBIN: It's interesting, Charlie, I was talking to one of the senior people in the White House the other day. We were talking about economic policy and one thing and another. And I said, leaving aside the policy issues, I think the biggest mistake you all

have made is exactly what you just said, calling inflation transitory. Why become Prognosticator-in-Chief when nobody really knows what's going to happen? And you get stuck with it if you happen to be wrong, which unfortunately they turned out to be.

CHARLIE COOK: Well, I think “transitory” became a new word in a lot of people’s vocabulary that wasn’t there before. And, you know, a politician should never make a memorable statement. It comes back and bites them on the rear end.

BOB RUBIN: Let me ask you another one if I may, Charlie. There are a number of Senate races, I gather, where they’re very tight, in which there are third-party candidates running. What are the chances that third-party candidates will prevent a victor from emerging?

CHARLIE COOK: Well, Georgia’s the one that I’m most focused on because it has that requirement of hitting 50%. And one of the things, mistakes we make, I think we all, a lot of us make, is we focus on the margin, the spread, as opposed to what’s the top number. And it’s how close is the leading candidate to 50 so that if all the undecideds broke the opposite way, would they win or not? And that’s an example where in Wisconsin, where Ron Johnson is 48½, I mean he’s really close to 50. In most of these other races, the leaders got 45 or 46. So he’s a lot closer to being able to kind of close the deal there. And I think Wisconsin and North Carolina are the two states where the

crime ads have worked best against Democrats.

BOB RUBIN: I was watching something on my exercise bike last night and it was a Republican candidate but I'm not sure what it was for, either Senator or a Governor, I'm not sure which and I'm not sure which state. But they asked her, if you lose, will you accept the loss? And she said I expect to win.

CHARLIE COOK: I think that was Kari Lake, the Republican gubernatorial candidate in Arizona.

BOB RUBIN: I think you're right. And then she said again, I expect to win. She wouldn't answer the question. What is the risk that we'll have candidates who follow President Trump and not accept loss and what kind of chaos could that create? What do you think of the risk of that happening?

CHARLIE COOK: To me, you know, again we're kind of picking on Republicans here for a minute, but there are sort of two groups. There are the groups that just cannot accept that they might have lost an election. I mean that there are only two outcomes to any athletic or political contest, either I win or it's stolen from me, and those are the only two possibilities. But then there's a second group that is, they know better.

But for a Republican candidate, for you to say, look, I don't like President Biden. I didn't vote for him. I agree with everything he's done, but he did win legitimately. Basically that's like getting on a megaphone and saying I never want to win a Republican primary again and I don't really need, you know, I don't need my party's votes to win a general election. And that's a big ask. So they know better.

But, you know, I was with a friend last weekend going to a University of Michigan-Penn State football game, but he was one of the two handfuls of Republicans that voted for impeachment. And, you know, he's looked at, you know, I can't, that there's no, he would not, particularly with redistricting, he didn't have a chance of running again.

BOB RUBIN: But that's a slightly different question. I guess what I was focusing on, there have been several articles, the longest article I can recollect reading in the *New York Times* is by David Leonhardt. And he basically argued we're facing a constitutional crisis because our democracy depends on losers accepting the outcomes of elections. And now we have an obvious problem – this is not a partisan comment – we have an obvious problem with Trump. I noticed this comment last night.

There are, I think, over 200, you'll know the number and I don't, but it's between 200 and 300 people running for Secretary of State around the country – the Secretary of State, in many states, administers the election – who basically are saying that they

think, that if they're elected and if they think it's appropriate and at the extreme, they'll set aside the popular vote and submit their own electors. Are we facing the possibility of a constitutional crisis?

CHARLIE COOK: My wife calls me a pathological optimist and that is a good description of me, but I do have concerns. The thing is there's nothing systemic in the Republican party that makes them election deniers. I mean I think this is, there was no history of this before Trump. And the question is long after he's gone, you know, how quickly would it fade? But, you know, take, like the skepticism about voting by mail. There had never been a tilt in either party's direction. I mean whoever benefitted from vote-by-mail was whichever party did a better job in that particular state of using it, manipulating, or not manipulating, of using it, of getting their folks out. And so there's, you know, the Republican party has a long and proud history and this is, I think, more of an aberration and I kind of think it will eventually go away.

But I do worry that, you know, we do have some people that are exotic and potentially problematic, which is what I use instead of using "whacko" that in some of these races, that I worry about whether they would do the right thing in the way that, say for example, you know, the Governor of Georgia, the Secretary of State of Georgia. And there were any number of other states where Republican statewide officials, they did the right thing. Now they did the right thing at great personal and political risk but they did the right

thing. So I have near-term worries and long-term not so much on that little area.

BOB RUBIN: But let me just, if I may pursue that question, Cain said that you can be right in the long-run and go bankrupt in the short-run. Hopefully that doesn't apply here.

CHARLIE COOK: Is he the one that said, in the long-term we're all dead, or was that somebody else?

BOB RUBIN: I think he may have also said that, and that comment was probably right. The other comment may be right too. But I guess what I was driving at, Charlie, is 2024, if our system runs into the problem that David Leonhardt was describing, there was also a very long piece in the *Washington Post* saying the same thing. Both fundamentally referring to the possibility of a constitutional crisis. So I guess my question was if we get past 2022 and we elect a number of Secretaries of State who have the inclinations that I just mentioned, will our democracy itself be threatened? And will the threat to our democracy become a salient political issue for 2024?

CHARLIE COOK: I think we have to wait until after November to see, and I'm not talking about the normal run-of-the-mill legacy conventional Republicans, but the exotic ones. Do they actually win these Secretary of State races? Do they actually win these AG races? Because I mean I think Republicans are going to, whatever, they may very well,

you know, they're probably going to win a majority of the House. They could well get a majority of the Senate. But they're going to be leaving seats on the table because they nominated people that pursued these kinds of things and that I think quite a few of them are going to lose general elections.

The question is how many of them and where are they, for which offices, and in states that are the last five, six, seven states that decided the presidency, you know, are they more the conventional old-school Republicans that, you know, nobody likes to lose, but, you know. Or are they of the more exotic variety where, you know, they will...

BOB RUBIN: Yep, I got it. Here's a related question. It's usually both parties that have a lot of problems. Our country worked pretty well, at least in my opinion, when you had a Republican party that went from conservative to middle, and you had a Democratic party that went from Liberal to middle. And now the Democratic party, the activists are very largely more extreme than in the dynamic I was just describing, and the Republican party we just discussed.

What do you think could bring us, as a country, I'm not saying in 2024, but over time, what can bring us back to what we had, the two parties more or less in the manner, the manner I described? Which is to say the Republican party with conservatives to moderate with a few extremists and the Democratic party with liberals to moderates and

a few extremists, which could then function again because basically the people who were not on the extremes were able to work together, not all the time, and not as well as you would like, but well enough to deal fairly well with our challenges.

CHARLIE COOK: You know, science tells us that biological diversity is very, very, very important, and I think ideological diversity within each party is very, very, very important. And you want to have people that are moderating influences within parties. I think the ideological sorting that started in the 80s and 90s that if you had, you know, one single conservative DNA in your body, if you weren't already a Republican, you became one. And if you had one liberal DNA in your body, if you weren't already a Democrat, you became one.

And over time, between talk radio, cable network news, internet, social media, gerrymandering, group polarization, what you started seeing is the parties move out and that centrists in each party stopped voting primaries. And I think that ultimately is the problem and until, I think, more centrist-oriented people in one or preferably both parties start participating in primaries and say I want to take my party back over again, until that happens, I don't see, I don't see an out, a way out. But I think that's got to happen, but I don't, I can't say...

BOB RUBIN: Some people whose names you all would recognize and I have been

talking about how could you recreate a center, not that any of us are going to be able to do it. I'm not suggesting that. But these are people who are sort of pretty involved in things. And maybe you've got the right answer. Somehow or other getting those who lean more to the center re-engaged with the primaries.

CHARLIE COOK: Yes, I mean I think, you know, Republicans ought to seriously think about an affirmative action program for people that are left of center and Democrats ought to have an affirmative action program for people that are right of center. I mean I know that sounds naive, but to try to re-introduce ideological diversity.

Because the thing is, our country, we were pretty stable, you know. I mean if you think about it, going into '92, Republicans had won the presidency in four out of five presidential elections. President Nixon twice. Ronald Reagan twice. And Democrats won in '76 with Carter, which might have had something to do with Watergate and all that kind of pardon and stuff. And then from the other side, Democrats had won the House for 20 elections in a row, the Senate for 17 out of 20. So one party pretty much owned the White House, all but owned the White House. The other party all but owned Capitol Hill. But between the two, it worked. And it was this ideological sorting and the loss of ideological diversity that took a stable system and made us incredibly unstable so that now we've had four presidents in a row that have lost control of both the House and Senate on their watch. So from stability to volatility.

BOB RUBIN: I want to take the liberty of making one economic comment, if I may. I think we've got enormous problems in the short run – inflation, recession. Paul Volcker once said to me that when you have cyclical events like inflation and recession, they can take on a life of their own. The expectations can make them worse. And I don't know how much that affects the 2024 election, not by the time the midterms.

I think we have enormous long-term strengths. And I would rather invest in or do business in the United States than any other country in the world. But the trouble is, it seems to me the caveat to that is we have to meet usually consequential critical challenges. That gets back to exactly what you were saying.

A member had a question, Charlie, which is Florida. What happens in the governor's race, and probably more uncertainty, what happens in the Senate race?

CHARLIE COOK: Yes, Florida is interesting because it's a great example of the floors and ceilings that I was talking about a little while ago. And AARP has sponsored some really terrific polling where they've hired John Anzelone, who was Biden's pollster, and Tony Fabrizio, who was Trump's pollster to do surveys of likely voters statewide, not just 55 and older. And they've done this in about seven or eight states and all the detailed data is publicly available. But it was interesting, in their August survey, the share of the vote, DeSantis had 50% of the vote in the governor's race, Marco Rubio

had 49% in the Senate race, and the generic Republican for Congress had 48. And the generic Democrat got 46. Val Demings in the Senate race got 47. And Charlie Crist had 47. And it's like the battle lines are drawn. Very few voters in the middle.

And if you look at Republicans or you look at Florida, Republicans have been winning, they've been winning consistently the statewide elections recently, but never by big margins. I mean both DeSantis and Rick Scott won by narrow, narrow margins but, you know, it's binary. You either win or you lose, or at least until recently, you either win or you lose. So that I would be pretty surprised. If Marco Rubio is losing or if Ron DeSantis is losing, what that means is something is happening that's national that would be alarm bells going off. But I don't expect to see that happen.

BOB RUBIN: But could it be a little more specific, this is a question, not a comment, a little more specific in the sense that the Hispanic vote, which you would generally assume to be Democratic, now seems to be shifting?

CHARLIE COOK: Yes, Democrats, I think it's safe to say that Democrats have been taking minority voters for granted or treating them as, on the lines of skin pigmentation as opposed to what are the challenges, what are your concerns? And for, you know, Democrats were already having a problem with working-class Whites some time ago, or non-college Whites, and then they started having problems with non-college Latinos,

and to a certain extent, non-college African-Americans. And at some point you have to say, well, maybe this isn't about race at all. Maybe it's about having a problem, a party that's having a problem with working-class voters, just as simple as that.

But Democrats, I mean they're still winning big margins, huge margins with African-Americans and, you know, two out of three Latino votes. But when you lose ground among a group that you historically have won by huge margins, it's costing you. And I think Democrats were in denial for a long time that they had a problem and now that problem is there. And, you know, when Democrats became convinced of this emerging Democratic majority, they were assuming that they would hold on to their share of the minority vote and then start making inroads with upscale suburban Whites, particularly women. And well, okay, at least until the economic downturn, yes, they were making progress with this group, but they were bleeding support over here on the other side.

And the Democratic Socialism with people who they or their parents may have escaped from a country where Socialism, that really hurt. I mean Socialism to a lot of people means more than just liberalism on steroids. And I think that was one of the things that happened at the tail end of the 2020 election, that we didn't see so much at that moment, but became very clear once the dust settled.

BOB RUBIN: We have a complex system. Now, Charlie would be delighted to respond

to questions, if anyone would like to raise a question.

QUESTION: Michelle Caruso-Cabrera. In the name of ideological diversity, I ran against AOC in the summer of 2020 in the Democratic primary as a centrist. Wondering, I've heard other prognosticators talk about the elections and one told me that no matter what, in every race, because Republicans are so undercounted, and he still thinks they are undercounted, add two points to every Republican candidate in the country. Do you agree with that?

CHARLIE COOK: Well, on the generic ballot test, for some reason I think Democrats have to be ahead by two points to break even in terms of like the national House popular vote, so on that. I don't know, to me any systemic under-sampling, it's not of Republicans generically. It's of a certain kind of voter that tends to be more Trump-y and less Mitch McConnell-y, just to kind of use those as a choice. They're low-trust voters that just will not, they either won't pick up the phone. They won't look at online surveys. They just have strong feelings against institutions and media and all that. And they're just not getting interviewed. And pollsters are trying to figure out, you know, either (a) how do you interview them, or (b) how do you measure them so that you can weight them up and try to account for it. But it's not just because they're Republicans, it's because they're a certain kind. But it would not be sort of the conventional, there's not been a chronic under-sampling of Republicans over the last decade or two.

And I also should add that the polling in 2014 and 2018 midterm elections was actually pretty good. The two elections that are off were the two that had Donald Trump's name on the ballot. And some of the confusion, some of the people that are convinced that polling is so bad, it's because in their minds the polls said that Hillary Clinton was going to win the presidency in 2016, when the national polls basically had her three points ahead and she won the national popular vote by two points. It never occurred to me that it was going to be any more accurate than that. But where they were off were just in three specific states – Michigan, Wisconsin and Pennsylvania.

So I don't, you know, the polling profession has challenges and it's not as precise as it was ten or twenty years ago, thirty years ago, with Caller ID and voicemail and things like that. But it's not without value so it's better than most people think and not nearly as precise as some people who are splitting hairs on who is going to win this Senate race and that Senate race more than they think. I mean for people that are convinced they know what's going to happen in the U.S. Senate, I'm really happy for them, because I'm not. I've got the scars to prove it.

QUESTION: Fred Hochberg. Bob, you talked, and Charlie, about at one point politics worked better in this country. We seem to be at a place that many Democrats are unhappy with the system. They feel that politics are holding back, whether it's progressive change, whether it's on immigration, schooling, LGBT issues and so forth,

fossil fuels. And on the other side, you have a lot of Republicans who feel like government is not doing enough to stop all this progressive energy. So that seems to put us at a real stalemate because there is no common ground in the middle right now.

BOB RUBIN: Could I make...Fritz Mondale once said something to me, Fred, that I think is directly germane to this. After he lost, we spent a lot of time together. You're not going to find common ground in the sense that you mean it, I don't think. But it worked when there was a give and take. Trent Lott – I was in the Oval Office when it happened – Trent Lott and President Clinton did not find common ground on the '97 balanced budget agreement, which led to a balanced budget in '98. What they found was that Trent Lott was willing to give up certain things and President Clinton was willing to give up certain things. And so by virtue of that, they were able to find a place from which they could move forward, and that's what we've lost in large measure.

(Inaudible comment)

BOB RUBIN: Well, right now. Yes, right now everybody has a litmus test and nobody's going to do...but we've got to get back to the place that Trent Lott and President Clinton, who are not exactly so friendly with each other, were able to get to with respect to that bill.

CHARLIE COOK: People want to see things in a binary way. Everything is simple, black-white, good-evil. And I don't know, maybe I was just a high school debater, but when you do, half the time the affirmative side of the question and half the time, the negative, you kind of realize that there's some merit in both. And, you know, that the world isn't quite as cut and dry. I mean that's one of the reasons why I started my newsletter, was that I had come up in one party and found myself voting for the other party 40% of the time. And I wasn't going to change parties. I was just becoming a swing voter. And I don't think that there are nearly as many people that are true Independents as they think they are. But it is an important group and I think the parties have, it's easier to throw red meat or red tofu, or whatever, it's easier to do that than it is to say how can we put together a coalition? How can we put together 50%?

And that's one reason why I'm intrigued by rank-choice voting. And I will tell you, 30-odd years ago, somebody came into my office pitching it, and I practically threw him out of my office because I thought it was complicated. It was a solution in search of a problem. You know, the system is working fine. And I have real regrets over that. And I don't think it's a silver bullet, but if you're looking for things that could help offset. So somebody that could say, well, I may not be able to get 50% of people's first choices, but by being their second choice for people, and I think it will incentivize them to run to the middle a little bit, a little bit more.

BOB RUBIN: But the structure is just not there, open primaries.

CHARLIE COOK: Yes, I think open primaries are one...

BOB RUBIN: I agree with you on rank first voting.

CHARLIE COOK: Yes, and I would also argue that I would like, I'm against ditching the Electoral College because, well, first of all, the smaller states and Republican states are never going to go along with it. But (b), you would just have presidential candidates running around between six or seven major metropolitan areas and not go to the rest of the country. What I would rather see states do is more of them do what Maine and Nebraska do where whoever wins a congressional district gets that elector and whoever carries the state wins the other two. I mean in the last election where you had Joe Biden and Donald Trump both going to Omaha. Why? Because the Second District of Nebraska, which is basically Omaha, was up for grabs, even though the rest of the state was bright red. And I think you would incentivize candidates to go around and to broaden their appeal if you put in the right incentive structure for that to happen, if that makes any sense.

QUESTION: Jeff Schoenfeld from Brown Brothers Harriman. Thank you both for your insights. What would it take for Biden to be a one-term president in terms of the

outcome of the elections? Do you think he has an inclination to be a one-term president?

BOB RUBIN: I just don't want to be quoted.

CHARLIE COOK: Discretion being the better part of valor on Bob's part. You know, the funny thing is I think a whole lot of Republicans do not want Donald Trump to be their nominee and a whole lot of Democrats do not, close to 60-odd percent, over 60%, do not want Joe Biden to be. And I think the thing that would most likely cause President Biden to seek a second term would be Trump's running. I'm the only person that's ever beaten him. I may be the only person, the only Democrat that can, so I'm obligated to run if he is. I don't know if I agree with all those statements, but I think he would feel like he has an obligation to run. But that if Trump were not running, that Biden may well look at the polls, look at his age, and just say, you know, as much as I'd love to be president for a little bit longer, this isn't going to work.

I think the problem with that is that I think there's a really good chance that former President Trump doesn't make a decision or doesn't indicate what he's going to do soon after the midterm election so that it kind of puts Republicans in a bind but it also creates a bind for, well, for Biden. Does he get in? Does he not get in? And the guy I'm trying to watch, Ron DeSantis, who I think has come up with, I think he has reverse-engineered

the Trump appeal. You know, how do you have the Trump message and appeal without the baggage, the personal baggage? And I think he's come up with a pretty good way of doing that. I would not be surprised to see DeSantis just real soon after the midterms just jump in, just run. I don't know whether President Trump is going to run or not, but I'm in. And it may, you know, I think it might make things a little interesting.

I mean personally, if I were former President Trump, I would be focused on three things. Number one, staying out of jail. Number two, not getting bankrupted. And number three, keeping the family business together. And that those would be pretty much a full-time job. But my brain doesn't work the way his does and so I have no idea whether he would do that or not.

But I think both parties, I think both parties would be better off with a new slate. And who on the Democratic side it would be, I have no earthly idea. None. I think it would be a big field, big, big field. And I think on the Republican side, if Trump steps aside, it will be a big field. If he doesn't, it'll be a small field. But as Ed would tell you, the Republican Delegate Selection Program, rules are very different from Democrats. And the more opponents that Trump would have, the more likely it is that he'd be the nominee because of how they do, they don't have proportional representation. It's winner take all. So it would matter how many people are running against him if he were to run.

PRESIDENT BARBARA VAN ALLEN: Okay, thank you. What a terrific conversation. You both were just amazing. Thank you. I just want to run through real quick our agenda coming up for the rest of the year. We have Lee Zeldin, speaking of Congress, candidate for Governor of New York, here on October 26th. Actually, I'm sorry, that is going to be a webinar. And Kathy Hochul, we're hoping to confirm the Governor, and await word there. Sebastian Mallaby, author and Paul Volcker Senior Fellow for International Economics. He has a new book on Silicon Valley that's actually in the ranking to be selected for FT as one of the top, if not the top business book. He'll join us again on a webinar on October 27th. We just confirmed actually yesterday, Jake Sullivan, Assistant to the President for National Security Affairs. And that will be a luncheon here on November 7th. Keeping with security, we have The Honorable General Mark Milley joining us, the Chair of the Joint Chiefs of Staff, also for a luncheon that same week, November 9th. On the 10th, we have a webinar with James Runcie, the CEO of the Partnership for Education. And we also have on the 10th, that will be a webinar, and then that day for lunch, Steve Squeri, the President and CEO of American Express. As mentioned earlier, we have our 115th anniversary celebration dinner the night of the 14th. And then Arvind Krishna of IBM will join us for a Signature Luncheon November 17th. John Williams will be joining us for a webinar on November 28th. Mike Wirth of Chevron will join us in person December 1st for a luncheon followed on the 7th of December by HUD Secretary, Marcia Fudge. And then we have our end-of-the-year dinner with Joe Manchin December 8th. It sounds like he's still going to be important in

the next Congress. So please keep watching our website. At this juncture, I hope it's full frankly.

And please also, thank you to those of you in the Centennial Society joining us today. We really appreciate your support. It represents the backbone of support for the Club. If you're not a member of Centennial, now is a great time to consider becoming one. And if you're already one, upping your level to the next level, as those funds are so important to the Club, particularly during these times. And thank you all for attending. Those of you that are joining us online, thank you. We'll see you next time. And everybody else, please enjoy your hot lunch. Thank you.