

The Economic Club of New York

493rd Meeting
111th Year

Charlie Cook
Founder, The Cook Political Report

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Interviewer: Robert Rubin
Former U.S. Secretary of the Treasury

Introduction

Chairman Marie-Josée Kravis

I'd like to welcome you to the 493rd meeting of the Economic Club. Might I suggest that we take just a moment of silence to recognize the tragedy that beset, not only Pittsburgh, but our entire country this weekend. As you know, the Economic Club of New York is the nation's leading nonpartisan platform for discussions of economic, social, and political issues. More than 1,000 prominent global leaders and domestic guest speakers have appeared before the Club over the last century, and they've established a strong tradition of openness, tolerance, diversity of opinions, and excellence. And it is our mission to continue the quality of those discussions.

I'd like to recognize some of the 272 members of the Centennial Society who are seated at the front of the room, each of whom has contributed to the Centennial Fund which serves as the financial backbone of the Club. And I thank you very much. We also have joining us today several members of the 2018 Economic Club of New York Fellows Class, which is a new program that we developed a few years ago that enables us to introduce to the Club the next generation of diverse, forward-thinking business executives. 2019 applications for the Fellows Program are now available on our website, so please consider sponsoring high performance, next generation business leaders from your organization for the 2019 Class.

I'm very happy to welcome today, and to welcome back in fact, our distinguished guest, Charlie

Cook, who is one of the nation's leading independent and non-partisan authorities on American politics and U.S. elections. As many of you know, Charlie is the editor and publisher of The Cook Political Report and he's an analyst for the *National Journal*. He's also a political analyst for NBC News and in 1984 Charlie founded the independent, nonpartisan *Cook Political Report* with a staff of six people. It's now considered the Bible of political analysis in the country. And we welcome Charlie on this one-week before the midterm elections to share with us, not only his outlook on that election, but his view on underlying political trends in our country. Charlie has appeared on various networks. He's worked with a panoply of political organizations and news networks. And, of course, he served, and I'm sure you will see him on election night, as election night analyst.

Charlie was the co-recipient of the American Political Science Association's prestigious Carey McWilliams Award to honor major journalistic contribution to our understanding of politics. And in 2013, he served as a Resident Fellow at the Institute of Politics at Harvard's Kennedy School of Government.

Now, our format today will consist of some initial remarks by Charlie followed by a conversation with long-term Club member, former co-chairman of Goldman Sachs, former Secretary of the Treasury, Robert Rubin, who is also, of course, one of the founders of the Hamilton Project and a staunch – I should co-chair Emeritus also of the Council on Foreign Relations – and a staunch analyst of economic, political, and geopolitical trends, not only in the

U.S. but around the world.

As a reminder, you should know that the conversation is on the record. We have media in the back of the room. So, Charlie, please join us, and when you finish Bob will join us and continue the conversation. Thank you. (Applause)

Charlie Cook

Founder, The Cook Political Report

When Terry Checki asked me if I would do this, I said not yeah, but hell yeah. And I remember thinking again that somewhere in some graveyard somewhere there's a former Georgetown economics professor or two rolling over in their graves. But anyway, and actually you left out Bob's primary qualification, that we were roommates on a fishing trip a couple of summers ago. But anyway, thank you all very much for having me here. I'm sorry that there's just nothing for us to talk about. (Laughter) We'll just have to make something up.

I think the way I'm sort of framing it now is let me talk about four W's. What's up? What's it about? Who votes? And what's unique about this election? And then Bob will come up and make fun of me. November 6, I think we're going to have two different elections. And one election is for the U.S. Senate, and it is a deeply red America, a few purple competitive or light blue Democratic states sprinkled in for good measure. But keep in mind that 10 out of 13 U.S. Senate

races – the most competitive 13 U.S. Senate races this year – 10 out of 13 are in states that President Trump carried. Of the 17 Senate races where there's the slightest bit of doubt in the world about the outcome, in 14 out of 17, they're in states that President Trump carried. And this is a product of, you know, you always with the Senate want to look back and ask what happened six years ago, what happened 12 years ago? Twelve years ago, Democrats picked up six seats in the 2006 election. In 2006, they picked up two more. So that's why you have 26 Democratic Senate seats up and only nine Republican seats. And you've got Democrats up in some states that God didn't necessarily intend for Democratic senators to hold. And so, hence, even, so that, yeah, maybe there's a blue wave but does the blue wave really get to North Dakota and Montana and Nevada and some of these places. So, that's one election.

The other election is for everything else. And for the House Representatives, which is obviously getting a lot of attention, it's overwhelmingly in purple suburban America. And it is, you know, very sensitive to national trends, national tides, and this is where in these suburban districts specifically, or ones that have strong suburban components, President Trump's numbers ranged from bad to toxic.

And so that's like a really bad, bad environment, but keep in mind that in a majority of these states, because of the big gains Republicans had in 2010 in governorships – you know, they picked up half a dozen governorships in 2010, they picked up over 700 state legislative seats back in 2010 – because of that Republicans were in the position to do to Democrats what

Democrats had done to Republicans, drawing maps that help protect Republicans. Turnabout is fair play. So you've got this wall that is a structural barrier that helps protect the Republican majority to a certain extent and natural population patterns raising that wall a little bit higher because Democratic voters are highly concentrated and Republican voters are more efficiently spread around so that that mitigates a lot of this wave. But it is in purple suburban America where Republicans have their work cut out for them.

Then the other part of that second election, and frankly, I think the unreported story this year is what's going on out in the states. People forget that in midterm elections, three-quarters of all of our governorships are up in midterm elections, four-fifths of all of our state legislative seats are up in midterm elections, and people, you know, don't really think much about how over the last 20, 30 years, as Democrats have been increasingly, excuse me, as Congress and Washington, unable, unwilling to deal with a lot of problems, it's created a vacuum. And the states, state governors and legislators, have stepped in and filled part of that vacuum. Then when you have the big gains that Republicans had in state elections in 2010, and then they added to those gains in 2014, picked up another pair of governorships, picked up 300 more state legislative seats on top of the 700 that they had picked up back in 2010, which gets at why we're now at the point where Republicans hold more elected offices than they've held at any time since the 1920s.

But, because of that very, those Republican gains out in the states where they control, you know, the majority of the governorships, the majority of the state legislative chambers, and

Republicans have pursued a very aggressive policy agenda in the states, and whether you're talking about abortion to Medicaid expansion/contraction, and I'll let you pick whichever phrase you want, depending upon your ideology, voter access security or suppression depending upon your point of view, but a very, very aggressive agenda statutorily and in terms of policy, so that all of that is up in this election.

And from a policy standpoint, I think actually the state stuff is more important because even – and I'm jumping ahead of myself a little bit – even if you assume that Democrats pick up 30, 35 seats in the House, even if you assume that they have a majority in the Senate and that they are probably not going to win a majority – almost certainly not going to win a majority in the Senate now, and President Trump is still going to have a veto pen – from a policy standpoint, Washington in, this is actually less of a big deal than people think. I mean it's going to depend, you know, it will change who's got the gavels, who is going to be able to convene hearings, call oversight hearings, issue subpoenas, yes. But on a policy standpoint, much, much, much less. Out in the states, that's where the policy agenda is going to be much, much, much greater. So that's the what's up?

What it's about, really quickly, these midterm elections, and you all know this, they're almost always referenda on the incumbent party. And to the extent that you have a highly polarizing president, it's even more so. And to the extent that you have one-party control, where there is only one place for a finger to point, it's even more explosive. And since 1994, since 1994 these

midterm elections have gotten so much more explosive than they used to.

Three-quarters, three-quarters of Americans have very strong opinions about President Trump. And, in fact, in the most recent NBC/*Wall Street Journal* poll, 73% of Americans either strongly approved or strongly disapproved of President Trump. Wow! That's really, really strong. And when you ask just personally how do you feel, 27%, well, you have 70% strongly, having strongly positive or strongly negative. So there's an intensity of these emotions that make this more likely to be a referendum election.

And one interesting number in the NBC/*Wall Street Journal* poll, if you say how many people, both disapprove of the job the president is doing and have negative personal feelings about him, it's 48%. The flipside is that 41% both approve the job he's doing and have positive personal feelings about him. So, again, not a lot of people in the middle. This should be, you know, the Republicans clearly want this to be a referendum, up or down, on the economy, but because, but there is a tendency that voters have to punish a president in a midterm election or the president's party in a midterm election if they don't like what's going on, but they don't reward when times are going well. And having a president that's somewhat undisciplined and has a short attention span, it's hard for Republicans to keep the focus on the economy, which is obviously what they need to do.

Real quick, last two points. Who votes? Because a third fewer people in midterm elections vote

than in presidential years, there are two differences between the presidential turnout and the midterm election turnout. Attitudinally, it's people who are angry or afraid, people that have their noses out of joint for some reason disproportionately vote in midterm elections. People that are happy, that are satisfied, that are complacent or disappointed, you know, maybe they turn out, maybe they don't. Now, demographically, though, the drop off between presidential turnouts and midterm turnouts, it's disproportionately minority and it's disproportionately younger. And so that's something to keep in mind, and that plays obviously to Republicans' benefit.

And then finally, I do think that we're going to have a record, we're going to set a midterm record number of young people voting, but if 100 of them show up, that would be a midterm election record because young people just don't vote. They've never, ever, ever voted in midterm elections in any kind of decent proportion. Maybe we'll make history. Maybe, maybe. But I'm kind of from Missouri on that.

And the last thing, what's sort of, what unique twists about this election? And what was unique about 2016, remember, was at the end we saw a disproportionate turnout come out in small town, rural America. We saw this bulge come out in voters in trade-sensitive manufacturing areas, working class, Whites, non-college Whites, and that's both male and female. But it was that rural, small town vote that came in disproportionately that skewed all the models off. So, that's where the Kavanaugh and possibly – we don't know for sure – but Kavanaugh and the caravan, but certainly Kavanaugh, it galvanized Republicans. It got Republicans, it brought the

Republican intensity up to a point where it's close to the intensity level that Democrats had.

Going through August, there really was a sense of complacency or disinterest. I mean after all the president says there's a red wave and we don't believe polls anyway. Kavanaugh changed that, galvanized that, made an enormous difference in the Senate, more subtle, smaller differences in the House representatives. And it's just a guess that this caravan stuff, it's kind of a middle finger to a lot of that nationalistic Trump-backer that made a difference in the last election.

But, now what about the events of the last week or so, the pipe bombs and the shootings and all that? You know, there's no data yet. It's too soon, and to be honest most campaigns have stopped polling because we're now at the point where they can't really, it's past the point where they can make a lot of decisions. So we don't know. It's a decent guess that it sort of helped motivate a group of people up, but I think we're going to have a record high, a midterm election record high turnout. And, you know, you're all economists, to the extent that the turnout goes really, really, really high, it tends to wash out maybe some of the disproportionate turnout, I mean just turnout going up or down doesn't make a big difference. It's when it's disproportionate turnout going up or down. That's what gives you surprise outcomes in elections. So, that's what we're sort of, to the extent those turnouts go up, then maybe you may not see some of these weird anomalies out there.

But clearly, 2016, you know, who would have thought we'd see the biggest divergence between the popular vote and the electoral college vote in 140 years, since 1876. We all remember fondly when Samuel Tilden won the popular vote by three percentage points and Rutherford B. Hayes won the electoral college by one vote. Wow! That was something. And where the national polls were actually off, but a little bit, not much, but it was the polling in Wisconsin, Michigan, and Pennsylvania that was just totally, totally, totally off. And that's why you need to be careful when you look at these public polls in the individual states because there's a lot of schlock out there. You know what Republican and Democratic campaigns are looking at is far more sophisticated data than that, but the public polling really varies enormously. Boss? (Applause)

Discussion Session

ROBERT RUBIN: Thank you Charlie. I've known Charlie for a long, long time. And you can see why he's really the nation's outstanding political prognosticator. And, I think, Charlie, you're probably also the worst flycaster I've ever been with. (Laughter)

CHARLIE COOK: I think that's a fair assessment.

ROBERT RUBIN: Yes, I think it is too. Okay, let's probe a little bit on the midterms and then I want to ask you a question or two about 2020 presidential politics, but let's start with this. Early voting, it's underway in all but eight states in the country. Do we have any sense of where

that's...Trump says that they're doing very well.

CHARLIE COOK: You could see anything you want to see. Yes, we're seeing really high early voting, but how much of this is a measure of intensity, of people, wow, they're just really, really jacked up? And how much of it is people that normally vote on Election Day that are just changing their behavioral patterns and just voting early instead of going to, you know, the local elementary school on Election Day and voting then? There are, you look at individual states, you see different things. For example, in Georgia, there is a lot of early voting in some of the rural counties around the state, like White rural, which one might think might have something to do with the governor's race and African-American Democratic nominee for governor. There's also, I was trading emails yesterday with a really, really, really smart Democratic analytics guy who is seeing some signs that some of those working-class Whites that spiked up in 2016, that we're seeing near 2016 levels of early voting with some of them, which obviously if you're a Democrat, it's got to scare the hell out of you. But, on the other hand, you know, we are seeing some rises in young. So you could cherry-pick data like you can in your business. You can cherry-pick data and prove whatever you want. But it's all pointing towards a really big, big, big turnout. But it's not all blue-wavy. There's some suggestion that there's something else there too.

ROBERT RUBIN: Charlie, taking everything into consideration that you've said plus everything else that's relevant to these elections, what odds would you put on the Democrats getting the

House? What odds would you put on Republicans keeping the Senate? What is your likely range with respect to the Democrats in the House, the net pick-ups, if they do win? And on the Senate side?

CHARLIE COOK: Let me do the House first and say this is what I would have said mid-summer and this is what we're saying now. Mid-summer, we were saying 75% chance that Democrats pick up a majority in the House, that it was more likely going to be between 25 – they need 23 seats – between 25 and 45 seats, but if it wasn't between 25 and 45, the odds of it going north of 45 were greater than south of 25. That it was asymmetric. Now, oh, I'd still say 70%, a chance of Democrats taking a majority, but I'd go more 20 to 45, and I wouldn't put as much emphasis on the north of 45. North of 45, south of 20, it's pretty much a normal distribution in the House. So, it's like the floor has come, excuse me, the ceiling for Democrats has come down and probably hardened some so it's less likely of there being a Democratic blowout, like 40, 50 seats, something like that. In the Senate, you know, the deck was always stacked against Democrats, but they did have a 30, 35% chance of getting a majority back in the summer. And then you had Kavanaugh and that changed a lot. In places where Democrats had had really high hopes, in Tennessee, and their hopes, for example, their hopes haven't been dashed, but...

ROBERT RUBIN: Where's Tennessee now?

CHARLIE COOK: It's north of Alabama...(Laughter)

ROBERT RUBIN: No, no....

CHARLIE COOK: Boy, he walked into that one...(Laughter)

ROBERT RUBIN: Yeah...that's revenge for my commenting on his fly-fishing, which is even worse than my not knowing where Tennessee is. But anyway, go ahead.

CHARLIE COOK: We have it in the toss-up category, but if you sort of read our narrative analysis, there would be now a finger on the scale for Marsha Blackburn, the Republican. Bredesen was counting on getting 10 or 15% of the Republican vote and it looked entirely plausible pre-Kavanaugh. And post-Kavanaugh, it could happen. This is where there is a disparity in the private polling and the public polling. The private polling is showing this is about a one-point race one way or the other. The average, if you just looked at RealClearPolitics, is about 6 ½. But you've got a bunch of races that have sort of moved over a point or two towards Republicans – Senate races since Kavanaugh. Right now, I'd say the middle point is Republicans pick up one seat and then, you know, no net change to, Republicans up two. Then you get to the outer ends where you get, Democrats get two in a majority or Republicans pick up three seats or something like that. But, you know, in the summer there was a really good chance that we were going to have a billion or two spent on the U.S. Senate with no net change whatsoever. Now it looks more like Republicans are going to see some gains. So that, without naming any names,

you could watch one cable network on election night and Republicans have defied history, they've picked up seats in the U.S. Senate in a midterm election. Wow! Look at that! And, oh, by the way, the House just flipped. You could tune into another network, Democrats have scored despite congressional district boundaries and all of this. Democrats have picked up 30, 35, 40 seats in the House and they've picked up a majority, and, oh, they lost a seat or so in the Senate. You could see, and the thing is, and with people tuning in to what they want to hear, I think you're going to have a lot of really satisfied people the morning after the election because they will have seen what they want to see.(Laughter)

ROBERT RUBIN: Charlie, let's, just for the sake of discussion, 2016, I think it's fair to say most prognosticators were kind of off. On Brexit, they were off...

CHARLIE COOK: Kind of off...

ROBERT RUBIN: Yeah, okay, well, I'm trying to be kind. Brexit, they were off. They were off on Andrew Gillum in Florida. They were off on the Joe Crowley loss here in New York. If it turns out that these prognostications, which are all in the neighborhood, I think, of yours, turn out to be wrong, why will they have been wrong?

CHARLIE COOK: Gosh, you always ask me that...

ROBERT RUBIN: I'm on the House side, by the way. The Senate seems like it's...but on the House side...

CHARLIE COOK: First of all, which direction...

ROBERT RUBIN: Let's say the Republicans keep the House.

CHARLIE COOK: Republicans keep the House. That means that you saw those working-class Whites, working-class Whites, small town, rural, who think if Democrats come in they're going to impeach and try to remove our president, that they think that Judge Kavanaugh was badly treated. And, you know, basically the grievance thing just picks up. And, you know, there is very little evidence that Latinos are going to turn out, outside of Nevada. African-Americans, we're watching outside of Florida and Georgia, is it, you know, I'm not sure they're turning out really big numbers. I think the women's thing, I think that's real, I think that is big. The young folks, I'm a little skeptical about. But I think it means that the people, the people that unexpectedly surged in 2016 will be doing it again responding to President Trump. And notice his travel schedule, there is actually a lot more, a lot of logic. He is going into places, he's going into Senate race states where he can make a positive difference. I mean he hasn't always gone exactly where it made sense, but right now he really is, and he's generally staying away from these swing suburban, competitive House districts where he could do a lot of harm.

ROBERT RUBIN: Charlie, you mentioned before, so we partly covered this, but partly we didn't. You mentioned Georgia and Florida. We have African-American gubernatorial candidates. What is the probability of that one to materially increase Black turnout in the House seats? And then I think you told me on some other occasion that in the governorships in the Midwest, and I think you mentioned it now, Democrats are probably going to do pretty well. It might help down in the House races.

CHARLIE COOK: Well, the African-Americans, I think that's going to be more localized in Florida and Georgia.

ROBERT RUBIN: That was my question, those two states.

CHARLIE COOK: Yeah, Florida and Georgia, but you know, Florida and Georgia are not pockets where there are huge numbers. I mean you look at New Jersey, Virginia, Minnesota, Texas, that's where their big pockets of lots of competitive House races. Fewer in, in fact only one in Georgia, and there are a couple in Florida. So it won't, it may make a huge difference to save Bill Nelson, you know, in the Senate race there. That's where we're trying to figure out what effect will Hurricane Michael hitting the panhandle, a very Republican area, does it affect the Republican vote? Or does it just affect polling? Or does it affect both? The Midwestern, you know, if you think about this election, the 2016 came down to 78,000 votes – 137 million people voted – it came down to 78,000 votes in three states. Think about some of these states –

Wisconsin – Tommy Thompson, I mean, I’m sorry, Scott Walker, he’s got a really, really tough race and there’s a very good chance he doesn’t get reelected. Ohio, that’s a dead even race. That wasn’t one of the closest. But Michigan, that one looks almost certainly to go Democratic.

Pennsylvania, Republicans have been really disappointed. So, a lot of these states that caused Democrats a lot of heartburn in 2016, at least on the gubernatorial level, it’s coming back some.

But then we’re seeing some really strange stuff like two of the closest governorships in the country are Kansas and Oklahoma. Wow! And just a theory that tax cuts, spending cuts, maybe lack of investment in education, teacher protests, in some of the reddest states of America, it’s causing a backlash and causing places that shouldn’t be competitive to be awfully, awfully

competitive. So we’re seeing some really interesting things. Your previous question was about polling. If you had asked me three years ago about polling, what I would have said is the best pollsters in the country, either party, independent, whatever, they are not as accurate as they were

10, 15, 20 years ago. It’s one of the few things where things have slid backwards, where telemarketers, caller ID, voicemail has made it really, really hard to get a good sample on the phone. Online polling has not been perfected and it’s got a lot of problems. So that the accuracy

of polling has gone down – we knew that before 2016. But in 2016, after the election was over, the pollsters for NBC and the *Wall Street Journal*, it’s a Democratic and Republican consortium, they went back and looked at who they interviewed and who they missed in that, you know, who

they interviewed before the election and who did they miss? They checked it by voter files. And they found that nationally it was not off much, a tiny bit of under-sampling of males, a tiny bit of under-sampling of Whites, and a bit of under-sampling of non-college educated. And I think you

could take a wild guess and say manufacturing states, particularly when you had – where the polls were so far off, in Wisconsin, Michigan, and Pennsylvania – I mean this is where I was giving the caution about state polling. There were 98 statewide public polls in Wisconsin, Michigan, Pennsylvania – 98 between August 1 and Election Day. Ninety-six out of 98 had Hillary Clinton ahead. In Wisconsin, by an average at the end, of 6 ½ points. You know the national polls were off – the RealClearPolitics average, by 9/10ths of a point. I mean they were, I mean that fact is that’s about as close as these things get. But it was the state polling where there was an epic failure in those states.

ROBERT RUBIN: And it’s possible, Charlie, that the problem, whatever methodological problems may exist in polling, that there’s also something else going on which is simply that our political environment has become far more complex and uncertain. So that even if you had the best methodologies in the world, there’s a level of uncertainty inherent in this that didn’t used to exist. That’s a question, not a comment.

CHARLIE COOK: Yes, no, I think that’s right. I mean the thing is there are clear methodological problems that we have today. And now, I don’t think there were voters who were intending to vote for Donald Trump but told a pollster they were voting for Hillary Clinton. I mean I don’t know about you, but my relatives in Louisiana, Arkansas, and Kansas that voted for Donald Trump, they weren’t hiding it. Actually some of them were fairly obnoxious about it. But the thing about it is, now the question is were they refusing to be interviewed or just saying

undecided. But I mean lying, I don't think they were lying. But, you know, was there a reluctance among some people to step forward and say they were for Trump? I think there was some of that. But I mean my theory is that going, you had a lot of people were really, really unenthusiastic about voting for Hillary Clinton. And, you know, a group of kids wanted Bernie and other people wanted Biden, and some people would rather have had anybody else, but there was an incredible ambivalence about it. And then suddenly you had, the Billy Bush Access Hollywood tape comes out and suddenly everybody got a pass. You didn't have to do anything you didn't want. You didn't have to eat your broccoli. So that if you wanted to not vote or throw a vote to Jill Stein or Gary Johnson or skip over the presidential, you could. Meanwhile, over on the other side, you had one group of people that really, really, really liked Donald Trump. Another group that really liked the idea of a business person elected president, particularly after eight years of President Obama. You had a third group, sort of old-fashioned Republicans, that because of Senate confirmations, the regulations, they're going to vote for a Republican no matter what. And a fourth group of people that just despised her. She called me deplorable. So I think you had an intensity over here.

ROBERT RUBIN: She made it personally...to you. (Laughter)

CHARLIE COOK: She might have. I never heard her say that. So you had ambivalence over here, intensity over here, and I think in the end, that made a difference in what turned out to be an extremely close election.

ROBERT RUBIN: Let me just say, refer to the underlying political and social and other trends in the country. If you think of the midterms, then we'll turn to 2020 for a moment in this context, but think of the midterms, is this being driven predominantly by Trump or are there other forces at work, like concern about healthcare, disaffection with politics altogether, or whatever else it might be?

CHARLIE COOK: Well, you know, the thing is you can say is Trump, is President Trump hurting Republicans? Yes. Is President Trump helping Republicans? Yes. Two different groups. But he is overwhelmingly the defining issue in this election. And if you just look at the economy, you know, this shouldn't be a bad year at all. In fact, actually there's one Republican pollster, Neil Newhouse, looking at the right-direction number, that President Trump ought to have about a 58% approval rating based on the right-direction numbers.

ROBERT RUBIN: I thought right track/wrong track was quite negative, no?

CHARLIE COOK: Well, it's, first of all, it's the highest it's been in a long time. It's still higher wrong track than right, but it's the best numbers in a really, really, really long time.

ROBERT RUBIN: Is Trump doing better right now, Charlie, in terms of his approval ratings?

CHARLIE COOK: His approval ratings have absolutely come up since September. The week after Labor Day, just using Gallup because they're every single week, he was at 38%...38, 39, 41...

ROBERT RUBIN: That was his low...

CHARLIE COOK: No, it's steady, up to 44 and the new numbers will come out in ten minutes. I'm not fixated on this at all. (Laughter) But they've gone from 38 to 44. In the *NBC/Wall Street Journal* poll, he's up at 47, the highest he's been in an *NBC/Wall Street Journal* poll. And that 47, it's still the same as, it's still the same as Obama's was at this point. It's one point below Clinton's was at this point. So it's still in the danger zone, but it's not where it was.

ROBERT RUBIN: Could the surprise in this election possibly be that the positive view of him has shifted more than we realize? And that that, if nothing else, affects turnout?

CHARLIE COOK: Well, it's, I mean that's certainly what Republicans, I mean I think the Republicans, there's sort of, kind of a dual messaging behind this. You know one side is – to the people that love President Trump, it's these horrible Democrats, if they get in, they're going to impeach and try to remove our president from office. And then to the other side of the Republican party, it's do you like the economy? Do you like your tax cuts? Do you like the more flexible regulatory regime? Democrats are going to reverse all of that. In other words, leaving

President Trump out of the equation entirely. But right now the pivot point is President Trump.

ROBERT RUBIN: A month ago, Charlie, well, you said 70% now, right? And then you went back, I've forgotten what earlier date you used as a reference point, but a month ago, would you have said 70% or would it have been higher for the House?

CHARLIE COOK: Well, a month ago, we were in the middle...

ROBERT RUBIN: My question is if there's some trending kind of thing?

CHARLIE COOK: Oh, it's, mid-summer, I would have probably gone at 75, maybe 80.

ROBERT RUBIN: But in the last month, you don't....

CHARLIE COOK: The last month, I mean the thing is the middle of Kavanaugh, I mean, a month ago we were midway through the Kavanaugh, and you could see, you could see Republican intensity. You could see that gap closing. In the NBC/*Wall Street Journal* poll, what they ask is on a scale of 1 to 10, how interested are you in this election? And the gap in the number of, Democrats had had a 12-point advantage in terms of 9s and 10s over Republicans, it had been 12 points for January through August and it closed to 4 in mid-September and it stayed at 4 in mid-October. But the big movement seemed to have happened...

ROBERT RUBIN: I guess my question, though, is it possible that there are trends going on here which, if continued through the election, could result...

CHARLIE COOK: It could, but that Republican intensity remained, it went up during Kavanaugh, so it could continue to go up, yes. But it's looking, I think the growth happened a month ago, is my point.

ROBERT RUBIN: Okay, fair enough. Let's turn to 2020 just for a moment. As long as I've been involved in Democratic politics, there's been this debate. You get out the base on the left or do you get someone who can appeal to the left but reach to the center. If you were advising – I don't even know what the Democratic party is these days, but leaving that aside – if you were advising some party who is thinking of running for president in the primaries as a Democrat, who doesn't have any particular affiliation so they can go wherever they want to go, would you tell them, work, position yourself to get out the base and go there for quite a bit left? Or would you tell them appeal to the base, but also work toward getting out the center?

CHARLIE COOK: I'm going to answer your question, but let me do a slightly different one first. If Democrats, in my opinion, if Democrats could go to central casting and say give me a designer, the optimal candidate for president...

ROBERT RUBIN: Okay, that's the right question.

CHARLIE COOK: ...I would say, I would pick someone with a lot of governing experience, number one. Number two, who has never worked a day of their lives in Washington, and for God's sake, has never been a member of Congress. And three, someone, this is the Democratic party so I would say left of center, but not from a clearly discernable place on the spectrum, kind of vague-y left, that can't be pigeonholed as a kook. Now, when you start getting down to cases, that gets a little bit more problematic, but that would suggest a current or former governor or current or former mayor some place might be good so long as it's not New York, city or state. (Laughter)

ROBERT RUBIN: Yes, it does though finesse my question a touch.

CHARLIE COOK: You know the Hudson River is really wide. (Laughter)

ROBERT RUBIN: There will be people saying we have to have somebody from the left to get out our base. And then there will be people saying we've got to appeal to the left, or at least to our base, but we should have a candidate who can reach to the center.

CHARLIE COOK: I think with President Trump's name on the ballot, the base is going to be coming out. But the way I kind of approach it is, you know, it's like the old joke about the

woman who was asked by a friend, how's your husband? And she replied, compared to what? (Laughter) You know, it is relevant what Democrats do. But the thing is we're going to have, for this nomination, you know, electability is rarely a major consideration for people in deciding who to vote, support for president. But the question, Geoff Garin is – Peter Hart's former firm – a brilliant Democratic pollster, and I was talking with him this summer and I was saying, you know, electability usually isn't terribly important. And he said that's absolutely right, but what about un-electability? And I thought that was kind of an interesting point that, you know, I really like so-and-so, but I'm not sure he or she can win, so maybe I'll go with my second or third choice if they seem more plausible. Because for most Democrats and Liberals I know, the most horrific thing in the entire planet that could happen would be President Trump getting reelected. And think about it, when normal people – not you – but when normal people go to an investment adviser, what do they want to find out? What are your retirement objectives? What are your investment objectives? Number one. And number two, what's your risk tolerance? And to me, that's a magic term for Democrats. What's your risk tolerance? Or that's a very polite way of saying just how self-indulgent do you want to be? (Laughter)

ROBERT RUBIN: And we'll turn out a question from everybody else, but the people on the left argue that the way to win this is – I don't happen to agree with this – but is to go hard left and really get people to turn out. But we have to go to questions, I think, from everybody else. Okay, anyone who raises their hand to ask a question, I will...yes...state your name and your affiliation and then question briefly so we can get as many as possible.

My name is Dustin Shryock. I'm a 2018 Fellow with the Economic Club of New York and Director of Operations at Headstrong. If you could just expand upon what you think the role of Silicon Valley should play in our election system?

ROBERT RUBIN: In our election, did you say?

DUSTIN SHRYOCK: Right.

ROBERT RUBIN: Charlie, the role of Silicon Valley in our elections?

CHARLIE COOK: When I was getting married, my mother told my fiancée that the groom's wife should wear beige and be quiet. (Laughter) I'd say write checks and be quiet. Bob is never going to take me back to Silicon Valley where I spoke to a group one time. I'll never be invited back now. But the thing is you may be one of the most brilliant people in the planet, in the tech space, and you may not know squat about politics, but nobody's ever going to tell you that. (Laughter) And, Glenn, you're laughing a lot there. The thing is that people, you know, some people, you just have to nod while they're writing the checks and nod and carefully pretend like you're listening and knowing that their advice is awful. That was not a very political answer, but you can tell I'm never running for office.

ROBERT RUBIN: Yes, sir....

Hi. Scott Shay, Signature Bank, Chairman. Charlie, I want to ask you a question about what we can do after the election. You've certainly shown how we've become polarized in a very desperately bad way. What can politicians do to help ameliorate that polarization and reach across the aisle as opposed to just speaking to the converted, and how, for the good of the country?

CHARLIE COOK: There is, I'm not optimistic about this, but in the House, for example, there is a group of about 40 or so House members on both sides called problem solvers. And what they want to do is basically banking on the House being very closely divided, they want to hold the House hostage until certain rules changes are made to make the House more, a little more accountable, that sort of thing. And Fred Upton is the Republican advocate and Josh Gottheimer is on the Democratic side. But on a broader view, I don't know what's going to heal our wounds. I mean, you know, on one level you say what we need is this strong, visionary, unifying leader, the kind of person that Doris Kearns Goodwin wrote about in her new leadership book that's fabulous, by the way. I would like to think that that's the path we would go, but I don't know that our system allows people to get up on that pedestal anymore because they just get picked away and, you know. Or the other is some horrible cataclysmic event that brings us together in the same way that 911 started to and should have. And when, you know, there were members of Congress who were singing God Bless America on the Capitol steps and then the decision – and

I don't blame either side – should we invade Iraq, yes or no. And it just split it back apart. So it's either going to be a charismatic, strong, dynamic, unifying leader or some really horrible happening. I don't see some secular thing in between. I wish I did. And I'm a pathologically optimistic person, but I'm having a hard time coming up with a scenario that it can happen conventionally.

ROBERT RUBIN: One more question. We have...Mike Blumenthal, the former Secretary of the Treasury.

MICHAEL BLUMENTHAL: If I recall correctly, in your reports you list 34 seats, toss-up seats either held formally by Republicans or open seats. If I pressed you against the wall and you had to make a guess, what percentage of those will go to the Democratic side?

CHARLIE COOK: Well, there is about eight or ten Republican-held seats that we pretty much know are going.

MICHAEL BLUMENTHAL: I don't count those. I mean the 34.

CHARLIE COOK: Two-thirds.

MICHAEL BLUMENTHAL: Well, in that case, the Democrats are going to carry the House.

CHARLIE COOK: Yeah, I mean I think that's what's going to happen. But the thing is a number on election night – I mean keep in mind we're all going to be thinking about 23 – but one number is 46. And that's how many Democrats we need to get to have a majority the same size that the Republican majority is now, 55%. And Republicans have had a challenge getting stuff through. So what we're likely to see, most likely going to see is a Democratic majority that's narrower than the one we have now. So, there you go, you just have the gavel.

ROBERT RUBIN: Aren't we missing one number, though, Charlie? 23 is a net number, so you're assuming no Democrat losses.

CHARLIE COOK: Well, there are only a couple of Democratic seats that are in any, there's two gone and two more that are in any potential...But also in these kinds of years, you will have, like two-thirds of the leans, but you'll get almost one in five of the likely side on the receiving end of the wave. You get some of those coming over. That's what happened to us in 1994 in the Republican wave and in 2006 in the Democratic wave is if you did a seat by seat count, you'd come up with one number. But, I mean, like 1994, I could come up with 30-something seats for Republicans. They needed 40. And they got 54, and with some Republicans winning who didn't get a dime out of their party committees. And then in 2006, when Rahm Emanuel was Chairman of the DCCC, you had some Democrats winning that never got a dime from the party, that nobody expected to win, and those were in the likely. So, when you get these kinds of years, you

win the overwhelming share of the toss-ups, a decent number of the leans, a fair number, and then you start getting, you know, a sprinkling of likelys.

ROBERT RUBIN: Do we have time for another question? Oh, Marie-Josée is going to ask the final question.

CHAIRMAN MARIE-JOSEE KRAVIS: I'm going to use the power of the chair. We talk a lot about "it's the economy, stupid" and we've talked about that for a number of years. But I wonder if you see a change in underlying trends, not only in the U.S. but worldwide, with more of a focus on, I'd say, socio, cultural, political issues, whether it be identity politics or fear of the other, immigration, reaction to political correctness? And I wonder if those trends are overtaking some of the "economy stupid" debate?

CHARLIE COOK: That's a great question, and I'm going to stay in my lane and only talk about the U.S., but I suspect – I'm pretty sure you're right. We have more people voting against their own – what I would think – self-interest than ever before. And whether you're talking about some upscale people that because of abortion, guns, or the environment or whatever or they just don't like President Trump, they're moving – but they were already moving – they're moving away from the Republican party and towards the Democratic party. Then you have a lot of working-class Whites that are moving very, just as rapidly away from the Democratic party and towards the Republican party. So we are seeing a re-alignment taking place along non-economic

lines. And it's sort of economic class – how do you make your money? Education is a huge, huge variable. Geographic – rural, small town versus suburban. Lots of things. So we are seeing that kind of re-alignment. But what Democrats might ought to worry about is if a lot of these upscale and fairly, you know, successful, well-educated people, particularly women, to the extent that they may be abandoning the Republican party, who is your nominee going to be? And are those welcoming arms, or not?

ROBERT RUBIN: In that context, Marie-Josee, there are people thinking of running...well, I think almost surely will run for the presidency in the Democratic party, who trying to think of how to develop positions on the social issues that Charlie mentioned that reflect the values that they think they represent but also can be acceptable more broadly to the people that they're now alienating.

CHARLIE COOK: One last thing, if I can – you're going to give me a dirty look – if I could add one thing, we're going to have, in 2020, just talking about the Democrats, we're going to have some very weird dynamics that we've never had before. Like Jesse Jackson ran for president twice, obviously Barack Obama ran successfully for president twice. We've had African-American candidates before. But we've never had two to four strong African-American candidates, like Kamala Harris, Cory Booker, maybe Deval Patrick, maybe Eric Holder. We've had women run for the nomination before. But we've never had two to four. We've had Latinos run before, but you may have two with Eric Garcetti and Julian Castro. You know, you could

almost, this is way overly simplistic, but think of NCAA brackets and where there will be competitions for various spaces and for the governors, mayors that are trying to run as non-Washington, non-ideological candidates. There will be a primary or a bracket right there as well. The other thing is, you know, the first four – Iowa, New Hampshire, South Carolina, Nevada – are going to be the same in February. On Tuesday, March 3, California, Texas, ten more states. You've got a boatload of states in March primaries. So, wow, there are going to be a lot of delegates getting picked early on and fewer super-delegates from the Democratic side than we had before, which is another term for "less adult supervision."

CHAIRMAN MARIE-JOSEE KRAVIS: Well, I guess that just calls for sequel, the two of you coming back in 2020.

CHARLIE COOK: Count me in.

CHAIRMAN MARIE-JOSEE KRAVIS: Great! We have you on the record. (Applause) So I just want to thank both of our speakers and this could have gone on and on. And we'll have them coming back. I just want to remind you that tomorrow we have Margaret Keane, who is the CEO of Synchrony, which is one of the leading consumer services, financial firms in the country. So I hope to see many of you there. And we have quite a busy month of November with Michael Corbat on November 14, and Adam Silver, the Commissioner of the NBA on November 20, Jerome Powell on November 28. So hopefully as many of you as possible will be back with us

during the month. Thank you, and enjoy lunch. (Applause)