The Economic Club of New York

119th Year
865th Meeting

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Former Senior Advisor to
President Barack Obama

Karl Rove
Former Senior Advisor and
Deputy Chief of Staff
to President George W. Bush

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Webinar

Introduction

Chair Dambisa Moyo

Hello and welcome to the 865th meeting of The Economic Club of New York. I'm Dambisa Moyo, Co-Principal of Versaca Investments and Chair of the Club. It is a pleasure to be here with you. I would like to extend a warm welcome to the students joining us from Fordham University's Gabelli School of Business and to recognize the members of the 2026 Class of Fellows – a select group of next-generation business leaders also here with us today.

The Economic Club of New York is proud to stand as the nation's leading nonpartisan platform for discussion on economic, social, and political matters. For more than 100 years, the Club has hosted over 1,000 preeminent guest speakers contributing to our tradition of excellence.

We continue that tradition today welcoming our guests, David Axelrod and Karl Rove. David served as Senior Advisor to President Barack Obama and was the Chief Strategist behind his successful 2008 and 2012 presidential campaigns. Prior to his White House service, David was a political journalist with the Chicago Tribune and advised more than 150 political campaigns across the country. Today, David is a Senior Political Commentator for CNN, a distinguished Fellow and Founding Director of the

University of Chicago's Institute of Politics and Host of the Axe Files podcast. He is also the author of *The New York Times* bestselling memoir, *Believer: My Forty Years in Politics.*

Karl Rove served as Senior Advisor and Deputy Chief of Staff to President George W. Bush and was a key strategist behind his 2000 and 2004 presidential campaigns. Prior to his White House service, Karl was President of Karl Rove & Company, a public affairs firm that advised more than 75 political candidates as well as not-for-profit organizations. Today, Karl is a weekly columnist for *The Wall Street Journal*, a Fox News contributor, and the author of two books, including *The New York Times* bestseller, *Courage and Consequence.*

Today's program will feature a fireside chat between the two and will end promptly at 1:00 p.m. Eastern. As a reminder, this discussion is on the record as we do have media online. Now, without further ado, I'm happy to pass this time over to you both.

Conversation between David Axelrod and Karl Rove

DAVID AXELROD: Thank you so much. Thank you for having us. Karl, good to see you, brother. It's getting down to the short straws here.

KARL ROVE: It is. It is and an unpleasant current running through the air for Republicans.

DAVID AXELROD: Yes, well, I want to talk about that in a minute. But I just want to recall something. A couple of years ago you were good enough to invite me on a speaking tour through Texas and the moderator mentioned that the then-President of the United States, the last President, had called me a prick. And I explained that, no, no, that...he said, how did you feel about that? I said, listen, in politics that's a term of endearment, I'm sure he meant it in a good way. But you were good enough to send me a box full of Pricks for Biden buttons because I said I was Chairman of Pricks for Biden.

I only mention that because it seems topical right now because the current President had a posting on Truth Social and said, sadly and very stupidly, John Cornyn and his little buddy, Super RINO Karl Rove, are doing everything possible to make it hard for Ken Paxton, the greatest Attorney General in the history of Texas, and one of the best in the United States to win the upcoming midterm election against a Radical Left lunatic, James TalaFreako, who is the antithesis of Texas values, and he goes on in that vein, hacks like John Cornyn and Karl Rove who have ineffectively opposed me for my entire career, he referred to you. How did you receive that?

KARL ROVE: Well, I was a little disappointed because two weeks before he called me a

“total, stone-cold loser, a total loser.” And I was hoping that I’d have a couple more appellations like that. I’m having hats made up that say, Stone Cold, on the front of them.

Well, first of all, it was interesting because it sounded to me like he was looking, he thought Paxton was going to lose, which I think is pretty much up in the air, and he was looking to blame somebody else for it. I mean he was the guy who made Paxton the nominee. I make no bones about it. John Cornyn and I have known each other for a long, long time. I consider him a close personal friend.

And on the Monday night, basically eight days out from the election, the tracking, the independent tracking poll had him up by 6. And on the Read, Seen, and Heard question, nearly 80% had read, seen, or heard something about him, and they were more likely to vote for him by 8 points. Paxton was like 78 or 79% read, seen, and heard. And they were less likely to vote for him based on what they’d heard by 14, which said to me that the dynamic of the race at the end was coming very much to Cornyn’s advantage.

Trump endorsed on Tuesday morning. By Thursday, the numbers were completely reversed and a large number of people were basically saying I’m not voting. So the President of the United States has enormous power inside a Republican Primary, but

even in a red state like Texas that he carried by 13 points, that's not necessarily translating into a wave on behalf of his chosen candidate.

DAVID AXELROD: Yes, there are a few states in which he intervened, Georgia being another, in a Senate race. And South Carolina frankly another where Republicans, well, they've abandoned Georgia, and they're having to spend some money in South Carolina to boost Darline Graham, the Senator's sister. This has been a habit of the President to intervene in these primaries in ways that make general elections more...

KARL ROVE: Well, yes, and he made it very clear he was not going to support Thom Tillis in North Carolina for reelection, and the Republicans have stopped spending there. Michael Whatley is a nice fella, a good man.

DAVID AXELROD: Would have been a competitive race.

KARL ROVE: It would have been a competitive race.

DAVID AXELROD: Governor Cooper would have run if Tillis had run for reelection.

KARL ROVE: Yes, exactly. Cooper, who had been twice elected as Attorney General and twice as Governor, he might have still run, but Tillis had an Independent image.

And North Carolina, the Republicans for the first time in history outnumbered Democrats in their registration totals, but they're both outnumbered by the Independents because the Republicans have been growing in numbers, the Democrats declining, but the Independents have been growing at an even faster rate than the Republicans.

DAVID AXELROD: The art of discerning polling now is to figure out where the leanings are of these Independent voters because Independent isn't as descriptive as it used to be. I mean there are pure Independents but...well, let's back up for a second. You talked about the influence that the President has in Republican primaries. Midterm elections, and you and I have both been on the losing end of them, you're one of the few people who have been on the winning end of one.

But since World War II, there have been 39 midterm elections and in only two, have the President's party gained seats. One was in 1998 and I think in some ways that was a backlash to the impeachment exercise against Bill Clinton and the economy was roaring. And one was in 2002 when you were in the White House and George W. Bush was a wartime Commander in Chief after we had been attacked on 9/11. And they both had popularity in the 60s. That is not the case today.

KARL ROVE: No, and even then, it was difficult to do. I mean it required thoughtfulness in how we deployed resources. It took a great deal of effort, particularly when it came to

the Senate and recruiting good candidates to run. And even then, it was a close-run thing. And in 1998, you're right. I think absolutely this was a reaction to overreach by the Republicans, and again Clinton's approval rating was in the 60s.

But, yes, otherwise, midterm elections are a chance for people to say, you know, I'm thinking about how you're doing. And there are a couple of elections where they came close to saying we think you're doing okay. The famous midterm election in 1962 in the aftermath of the Cuban Missile Crisis, the Democrats lost a few seats. But most of the time, it's a chance like 1966 or 1986 or 2006 for people to say, you know, we don't like what you're doing and to punish the President's party as a result.

DAVID AXELROD: So we're sitting here. I mean *The Wall Street Journal*; the most recent *Wall Street Journal* poll has Trump's approval rating at 37%. His approval rating on the economy lower than that, and on inflation, in the 20s – economy and inflation being the most significant issues for voters. I mean this is almost a rhetorical question, but what do you think the ramifications of that are?

KARL ROVE: Well, the economy tends to be, you know, James Carville was right, it's the economy, stupid. And that's what the election is this time around. And look, polls, we both, I think, agree, polling is broken. So that we endow with a false precision that is not helpful, but looking at all the polls together you see a general decline in the support

for the President and for Republicans on the economy.

You mentioned *The Wall Street Journal* poll; the *Washington Post*-ABC poll came out after that. Trump approval, 33%, disapproval, 66%, with 52% strongly disapproving. Even if it's not 33%, it's actually 36%, he's in bad shape. And Democrats in this poll are more trusted to deal with the economy by 37% to 28% who trusted the Republicans more. And this is the first time in a decade in which in the *Washington Post*-ABC poll, the Democrats are more favored on the economy. Trump's approval on the economy is 28%.

Now again, I don't know if it's 28% or 31%, but what's interesting is the trend. It's 28% today in the *Washington Post*-ABC poll. It was 33% in July, 41% in February, and 49% at this point in the 2018 midterms, which again his party, you know, the Republicans, we Republicans lost in the 2018 midterms. But it was 49% on the economy back then. Forty-eight percent say they are financially worse off than when Trump took office in 2025. And this is the worst number for any incumbent since 1986 in the *Washington Post*-ABC poll. So you have to go back to 1986 when the economy was starting to look a little ragged in '86. It, of course, regained strength in '87 and '88. But that's how far back you need to go in order to find somebody in as bad a shape.

DAVID AXELROD: We'll talk a bit later about what is the argument for the possibility

that the Republicans can salvage something here. In this polling there's a category called Double Haters, people who are unhappy with both parties, and that's often an indicator, a leading indicator, and that number is 58-32 in favor of Democrats. Democratic enthusiasm is up by double digits over Republicans in terms of people's eagerness to vote.

So the battleground has now shifted from purplish states to red states. A lot of the big battles are being fought out in red states. And you see the President going there, and my first reaction, Karl, was, well, they're sending him to places where he can't do too much damage. But it's pretty clear to me now that they've made a calculation that their only way to salvage the election, they, being the White House, is to try and turn out some of these Trump Republicans and having him out, on balance, even though he's deeply unpopular is important to rile up the base. Is that a viable strategy?

KARL ROVE: Well, think you've got to divide it. You've got to divide this between House races and Senate races. I take as my Gospel here the Cook Political Report listing of these races. Let me pull out the sheet. So the Cook Political Report has basically 185 seats that it calls solid Democrat. And it has 171 seats that it says are solid Republican seats. And then it has five other categories – Lean Democrat, Likely Democrat, Toss-Up, Lean Republican, Likely Republican.

DAVID AXELROD: And that's the sort of battleground; the Likely Republican and Likely Democrat are the sort of outer edges of the battleground.

KARL ROVE: Right, right. So let's focus on the three in the middle. Toss-Up, Lean Democrat, Lean Republican. They have Lean Democrat, a total of 12 seats, of which 5 are held by Democrats today and 7 are held by Republicans. Now, the reason that there are 5 that are Lean Democrat is that, you know, in this mid-district redistricting, some of these Democratic seats, like Marcy Kaptur in Ohio, would change from being solid Democrat to more problematic. So that explains why among the Lean Democrat you have 7 seats that are Republican but you have 5 that are Democrat-held today.

But let's take, let's look at these 12 seats that are Lean Democrat, 21 seats that are Toss-Up, 13 seats that are Lean Republican. If you assume that the Democrats are likely to win the Lean Democrat seats and that the Republicans are most likely to keep the Lean Republican seats, if you look then at the 21 seats that are Toss-Up and you go back and look at what generally happens in a midterm, generally the party out of power gets two-thirds to three-quarters of those.

DAVID AXELROD: Well, I think you may have said this, these are mostly Republican.

KARL ROVE: Yes, there are 16 seats on the Toss-Up that are Republicans, and 5 that

are Democrat. So let's assume that of those 21 seats, the Democrats take three-quarters of them, that means they pick up 15 or 16 out of that block. But that would, you know, only give them, depending, let's say if it's 16 of those, that gives them 228 seats. And let's assume that they get the break slightly on the side of getting some of these Lean Republican seats and grab a couple of those, you're looking at a 232 to 203 margin in the House, which is good enough for governing, but frankly that would mean that the Democrats pick up 17 seats, which is not big by historical averages.

DAVID AXELROD: And we should point out that there's less elasticity in the electorate because of polarization, because of redistricting and so on. I mean the possibility of gaining seats, we lost 63 seats in 2010. I hold you responsible for many of those.

KARL ROVE: Thank you.

DAVID AXELROD: I'm still bitter. I want to say that because your ego needs a little massaging after the President diminished...

KARL ROVE: No, no, look, no need for you, I took it as a mark of distinction – a total loser, Rove is a total loser. But no, what's interesting is you're right, the lack of elasticity is the system, which I don't think is over the long haul good, but this midterm redistricting, you know, they did a better job in California of wiping out Republican seats

than Republicans did in Texas in wiping out Democratic seats. I mean the Republicans went out in Texas and said we're going to pick up 5 seats. We'll be lucky to get 3.

DAVID AXELROD: I do think you'd be lucky to get 3. I mean I think that, I mean we should stop there for a second on that point because a lot of the calculation of this redistricting was that the Hispanic voters who strongly supported Trump back in 2024 were somehow now fully aligned with the Republican Party. And, you know, we've made that mistake. Democrats have made that mistake. I remember all of this airy fairy talk about the coalition of the ascendant after Obama won, and it was going to dominate politics for a generation and so on. And then eight years later we got Donald Trump. So I think, you know, this is a very dynamic political environment.

As you know, the Hispanic communities are working-class communities. They are small business communities. They're very sensitive to the economic issues. And then on top of that, they supported strong border security as you know. You know Texas, frankly better than the President, they supported strong border security. They did not support kind of the random stalking of Hispanic people, citizens and non-citizens alike, and the mistreatment of them. And there's a backlash to that and it's going to be felt in some of those congressional races.

KARL ROVE: Well, and look, there was an assumption that Henry Cuellar, one of the

five seats was Henry Cuellar was going to switch parties and run as a Republican, and there was never a chance of that happening. And while the Republicans now have the County Judge, we call him, the County Executive, we call him County Judge, in Webb County, Laredo, is running as the Republican candidate and doing an admirable job. But Cuellar is, you know, sui generis, I mean the Cuellars are a big political power there. And despite the fact that there's a hint of scandal around there, there's no chance we're going to take it.

I will say this. I do think, though, we'll see how it all plays out in the Hispanic community pretty damn quickly here. But we've got a terrific candidate, for example, running against Gonzalez in, I think, it's the 37th, Eric Flores, who is terrific. And, you know, basically apolitical background, military background, a prosecutor in the U.S. Attorney's Office, you know, outside of politics, and came, and decided to run as a Republican. And win or lose, that guy's got a future, a terrific guy, and I hope he wins. I think, he's got a shot at winning. But it's because he's, the quality of the candidate, you know, who we forget sometimes that, oh, well, they're going to vote for X or they're going to vote for Y, but the quality of the candidate and the quality of the campaign that they mount matters a great deal in whether or not they're capable of winning a district.

DAVID AXELROD: The Hispanic vote is obviously going to play in the Senate race as well. Let's finish up the discussion on the House and then we can talk about the Senate.

I saw the Speaker of the House saying, you know, the polls are all wrong and we're going to keep the House and so on, which is what you say. You can't exactly go out there as Speaker of the House saying, you know, I'd love to do this interview, but I'm packing right now to move my office to the smaller office once this election is over. I mean you've got to kind of buck up the troops.

KARL ROVE: You've got to be the cheerleader.

DAVID AXELROD: But I can't, I have not found one Republican who I've spoken to privately who doesn't believe that they're going to lose the House. But the margin does matter. You say 228 is good enough for governing. You know, one of the problems that Johnson has had, other than having to respond to the President....(someone said speak louder...let me see. I am speaking as loud as I can here. I don't want to yell at Karl Rove.) Oh, that's better, okay.

Johnson, in addition to having to respond to the President's whims, because strong speakers actually – Nancy Pelosi would stand up to Barack Obama, and she'd say, no, we're not going to do that. And honestly, one of the ways that you marshal your troops if you're a legislative leader is you either get into a fight with the Senate or you get in a fight with the White House on their behalf. That's how you kind of keep everybody in line because they say, well, at least she's looking out for our interests or he's looking out for

our interests. Johnson doesn't have that latitude. But he also has to deal with that Freedom Caucus and so you have a lot of situations where the tail is wagging the dog or trying to wag the dog.

Democrats have to avoid that too. And, you know, if Hakeem Jeffries is going to be the Speaker, there's going to be this sort of Democratic Socialist Group. It's going to be a little bit larger, the Squad. It's not going to be huge. But the larger the caucus, the more latitude the leader has and so the margin actually does matter.

KARL ROVE: Yes, I think you're right about the difficulty of a Speaker dealing with, in the Republican case, the Freedom Caucus, and in the Democratic case, the Squad/DSA. But I think there's something else too that has been problematic for speakers in both parties and that is the increasing number of people who designate themselves, who believe that their presence in the system is not to be a legislator, but to be an internet performance artist. This is the Matt Gaetz and Marjorie Taylor Greene on the Republican side and I suspect we're going to see some of those on the Democratic side who start out off with DSA affiliate or DSA members who nonetheless are going to say, well, my job is to lead a fight on behalf of the broader movement.

DAVID AXELROD: And to get clicks.

KARL ROVE: And to get clicks and to get the number of followers up and number of re-tweets and so forth. And it's going to be interesting to see how, assuming the Democrats take control, which I assume they will, to see how Jeffries deals with this. Because it's one thing to deal with, like the Freedom Caucus at least was, you know, we're all Conservatives here but we're more Conservative than you are, and more important than that, we're committed to actually doing the things that we claim that we want to do as Conservatives. That's not the DSA. The DSA isn't going to walk in and say we represent the pure form of the majority of the Democrats in the caucus. They're going to say we represent a distinctly different version of what it is to be a Democrat and we're going to insist in fidelity to those goals. So the leadership is going to have some problems with them.

And then on top of that, if you then take the performance artists, you know, geez, I'm not doing my job by showing up at committee meetings and voting and doing the homework to figure out what we ought to do on this particular measure and contributing to the legislative process. My job is to go out there and speak to the masses via the internet.

DAVID AXELROD: You and I have had this discussion quite a bit about the kind of pernicious nature of the social media culture in which we have a misaligned set of incentives and rewards. And it is the enemy of progress in that it doesn't reward

compromise. It villainizes and demonizes compromise and it values most volume of followers and our politics too often mirrors that.

The big issue to me, Karl, is how Democrats manage the sort of thirst for accountability and whether they resist the siren song of impeachment. And let me just say parenthetically, I think the President has probably richly deserved that. I mean, you know, the degree to which he has monetized the presidency, the alacrity with which he's kind of subjugated the Justice Department and all the regulatory agencies, and all of these in a way that neither the president I worked for, nor the president you worked for, nor any president before him would have imagined, is really breathtaking.

That said, we're a couple of political hacks and we ought to view it through that lens. It is bad politics to make impeachment the sine qua non of your Congress. And all they need to do is look at why Trump is in such a problematical condition here. I want to talk a little more about that. But one of the reasons is that he has pursued retribution instead of focusing on the things that were important to them in their lives. Democrats, if they win it's going to be because people think, yes, they want to put something of a brake on Trump, but they want people to be kind of focused on their problems. And if Democrats don't have that narrative going, I think they run into political problems.

KARL ROVE: Yes, and look it's going to be out of the control, I think, to some degree of

Hakeem. Because, you know, unlike the Republicans who have term limits and there's in essence a process by which Committee Chairman are selected, and the Democrats, it's largely seniority.

DAVID AXELROD: I think it's called gerontocracy.

KARL ROVE: Yes, gerontocracy. And so how is he going to rein in Raskin, who is going to be Chairman of the House Judiciary Committee?

DAVID AXELROD: Yes, I mean I think, I talk to a lot of actually junior and senior Democrats who seem to recognize this. But the question is it isn't just those members, but there is an audience among the base – just as there's a MAGA audience among the Republican base – there's an audience among the base, who believe that, I mean I heard Adam Smith, who is a very thoughtful guy who is on the Armed Services Committee, last weekend, I think it was last weekend say we need to impeach the President. This was after the deal was announced with Russia that you and I probably felt strongly about. And, you know, Smith said that this is a blatant violation of the sanctions bill that we passed. And, you know, if he won't respond to legislation that was passed and went into law, we don't have any recourse. But I think it's going to be a very tough, a very tough thing to manage.

KARL ROVE: Well, and look, we can see what happens if you can't manage it well. The Republicans didn't hold the White House in 1997 and 1998. They were bull-throated after Bill Clinton. And, you know, it's not like the Speaker, or, you know, back then it was a Democratic Senate, but it's a problem for the Democrats. Because again they'll be repeating the mistake that at some degree has happened, that's hurt Trump.

He seems to be more concerned with his name on the Kennedy Center, building a golf course in Washington, and building a big, beautiful monument than he's concerned about the everyday concerns of working-class, middle-class Americans who are, you know, when they go to the grocery store, they fill up the car, they look at their monthly credit card statement, they're all saying, geez, things are a lot more expensive. When are you going to care about us? And an unhealthful ally for the Democrats is going to be that the media is going to pick up on all of these investigations because there's going to be a lot of chewy information in them that they're going to want to put on their channel or in their newspaper.

DAVID AXELROD: I think that they're going to have to strike a balance because there does have to be accountability. We should know what's going on in our own government. I don't want to go through a recitation here of, I don't want to go through a recitation of Trump's ethical trespasses but, you know, four days before the inauguration, the Spy Sheikh of the UAE, who is the brother of the leader of the UAE,

bought a 49% stake in the Trump family crypto company for half a billion dollars. And then shortly thereafter, we are sending highly classified AI chips to the UAE that were withheld from them for fear that China would get them. I mean these kinds of things do require something. And more than anything, Karl, what I hope is that we come up with a set of guardrails to prevent this kind of thing from becoming the norm.

But to your point, people were asked, I'm trying to find this poll, but the Associated Press did a poll with the NORC last week, and people were asked which things President Trump was prioritizing. And when they were asked about enriching himself, 73% said, yes, they think that, and 56% strongly – and there were a lot of Republicans in that mix. Enriching his friends and family, almost the same number. Prioritizing the country, I can't remember the category, and people like me, those were in the 40s.

And this is a consequence of the very thing you're talking about and it's added to the Republican burden in this election because that's what happens in midterm elections, the Republicans bear...And there's a sense that they have not felt positioned to challenge him on these things. You see a lot of Republicans in the last few weeks trying to create some distance. And that happens in Democratic campaigns or Republican. Very hard to do, it's very hard to do.

KARL ROVE: The interesting thing is that the candidates who are successful in this kind

of environment are people who have focused more on creating an image of who they are and what they're working and have put the people of their state first than, you know, worrying about the President. I mean you can't, you know, look, this whole notion that Nebraska is going to flip is ridiculous.

Because you have a guy, who as a U.S. Senator, who was Governor for eight years and people know that he cared about the state of Nebraska and did things to make the lives of ordinary Nebraskans better and he is focused on, here are my priorities as your Senator. And so the people who've realized that the best thing to do in this kind of environment as a Republican is to have a strong image of yourself as an individual and what you care about and what people in your state care about are people who are more likely to be in a better posture for what's coming in, in basically two weeks.

DAVID AXELROD: And we're talking to a group who understands economics, you know, the fact that there is, and a lot of money is being spent, Karl, despite what you say, a lot of money is being spent in Nebraska by Republicans to try and protect Senator Ricketts from a challenge from an Independent who has Democratic support. And you look at the states where there's unexpected competition for Senate seats – Iowa, Nebraska, Kansas, you know, certainly Ohio – and there are 12 or 13 that have become battlegrounds, and you look at the impact of the combination of the tariffs and the war on diesel, on fertilizer costs, on a series of things that are vital to the heartland

of the country that is the heart of the Republican base. And, you know, there is a cause and effect there.

KARL ROVE: I agree that this puts some places into play, but I would also suggest the Democrats have not closed the deal in places like Iowa and Nebraska because they don't have necessarily a compelling argument to make about how they make it better. It's like Trump has made a mistake, and they talk about the war, they talk about the tariffs, but they have not, other than he shouldn't have done those and we wouldn't have done those, they haven't offered up something that has made them more compelling.

In fact, I take as my backup on this, the net favorability in, I think it was *The Wall Street Journal* poll, the net, no, it was NBC, had a net favorability of the Republican Party was -13. That is to say, the people who saw the Republican Party in a favorable light versus those that see it in an unfavorable light, it was negative to -13. For Trump, it was -18. For the Democrats, it was -21.

DAVID AXELROD: To your point about polls before, I think even in that ABC-*Washington Post* poll that you cited, Democrats and Republicans were virtually tied. I mean this is a rejection of Trump, yes, but also there is a real kind of anger at the system generally that you see in poll after poll after poll.

KARL ROVE: In two states, two Senate states, well, Montana and Nebraska, the Democrats basically said, led by Schumer and others, that our label is so unpopular in those states that what we need to do is we need to have an Independent candidate. Now, they pulled it off in Nebraska. The State Party Chairman, whose husband ran for, I think, the Senate or Governor, basically arranged to have somebody win the Democratic nomination and then withdraw, and the party refused to replace her on the ballot so that they would be theoretically without a Democratic candidate.

But in Montana, Jon Tester and Chuck Schumer attempted to pull that off by getting the party to back an Independent in the form of the President of one of the state universities who moved into the state not too many years ago. But the local Democrats said, forget it, we're going to have one of our own candidates. But it says something about the unpopularity of the...

DAVID AXELROD: But the Democratic brand in some of those states has taken a beating. Let's go real quick, like lightning round if you and I are capable of such...

KARL ROVE: Very slow-moving lighting...

DAVID AXELROD: Yes. Well, you know, with climate change, the lightning lasts for long periods. So we both agree, I would gather, that Georgia and North Carolina are likely in

the Democratic Senate seats. So that's one pick up for Democrats. You would argue that Susan Collins is going to win in Maine, I guess.

KARL ROVE: Yes, I do.

DAVID AXELROD: And I would say, I think that one is very much up in the air. And I'll tell you why I think that. Because, as I said, there is a rejection, not just of Trump's policies, there's not just anger. But there's, I think, long-term incumbency is a burden. Susan Collins, and I think with some justification, is running as kind of a master of the system. She argues that she's a Master Senator and she can bring things back to the state. But I don't know that being the master of a system that people really dislike in this election is going to be a positioning that ultimately works for her.

KARL ROVE: Well, you may be right. I have a slightly different view. A take also that comes into play is the quality of the individual candidate, and people know her and like her. She's been around, you're right, for a while. But that's because people say, you know, she gets things done and we've gotten to know her on a personal level. Her opponent, on the other hand, you know, in Maine you can be in the State Legislature but you can also run for a Selectman in your town, may seek Town Council. And he did so and got beat, which says that people who know him best don't like him.

And I think we saw that in the debate. I think he made a big mistake when he told her to shut up. I think that said to him, I bet there were a lot of people in that state who said, what gave him the right to say that? And particularly a lot of women who said, really? Did you do that because she was a woman?

DAVID AXELROD: He said that because she was accusing him of planting a heckler in the debate. And we'll see how people react.

KARL ROVE: There are two ways of handling that. One is with good humor and the other one is to say shut up.

DAVID AXELROD: No, he's not, listen, I've said before, I mean he is not a polished performer, and there is kind of a Forrest Gump, kind of Ralph Kramden quality to the guy. But he's also, like who Platner said he was and wasn't, which is he's genuinely a working-class guy. And we'll see. But like I said, we've already blown through the lightning round thing. Let's move on. Do you think New Hampshire is a live possibility for Democrats...for Republicans?

KARL ROVE: I think it's a possibility, yes. Full disclosure, John Sununu is a friend of mine, and I contributed to his campaign. Republican candidate. But, look, the word Sununu means something in that state. His brother was a very popular three-term

governor. His dad is the widely respected Former Governor and Chief of Staff to George H.W. Bush. And people look at John Sununu and say I know what that name means. It means flinty New England values, and he'll do what he thinks is right. And the Democrat candidate is just not a very big presence at all. And then, look, the Republicans have got a great governor there too. So the word Republican in the state of New Hampshire is that these people know how to get the job done right.

DAVID AXELROD: And you think that it'll be an antidote to the fact that Trump is more than 20 points under water there.

KARL ROVE: I think so.

DAVID AXELROD: I think Trump's decision to go get into a trade war with Canada has made both those states more difficult.

KARL ROVE: Exactly. And it also gave them a chance to say I don't agree with the President.

DAVID AXELROD: Right. Again, I think there, I'd be surprised if that one flipped. But the Collins one, honestly, I'm straight up and down on it. I don't know. Michigan, obviously everybody's focused on Michigan. Because Democrats really have to kind of hold Maine

and Michigan to keep things in order here and not have to win too many of these states where Trump had double-digit victories two years ago. Give me your cut on Michigan and then I'll tell you why you're wrong.

KARL ROVE: Yes, well, you always do that even when I'm clearly so right...

DAVID AXELROD: I got a lot of witnesses here so we'll know.

KARL ROVE: You know, look, I think this is a coin toss, but I think at the end of the day, El-Sayed. There was an interesting article in *Washington Monthly* and I just finished reading it. And it talked about the difference in handling the tax by Talarico and El-Sayed. And El-Sayed is facing this issue of what is the relationship...

DAVID AXELROD: Oh, oh, there's a fire drill test going on here. I'm going to mute myself and you keep talking.

KARL ROVE: Great. And don't worry, I'll take care of expressing your opinions on your behalf. But the point in this article was Talarico, in the CNN thing, was like, people would say, well, what about this? You know, you said God is non-binary. And he said, that was a mistake on my part, we should all be careful about applying human characteristics to God, and blah, blah, blah, and defused it. And El-Sayed, on this

question of Muslim Brotherhood, was your mother involved in the Muslim Brotherhood or not, was belligerent, angry, and how dare you ask me that question? And in a way it was like he doth protest too much. It made it look like whatever the truth was, was not going to be good for him. And so I think he's facing a lot of this as we come down to the end.

Because, look, this is a guy who thought the way to close out my primary is to campaign with Hasan Piker, who said America deserved what it got on 9/11 and has made outrageous comments about Jews and Conservatives and the country and our flag and you name it. I mean it was good enough for you to campaign with that guy to close out your campaigning. With him all day long, appearing at all these rallies and efforts, the two of them hee-hawing around, laughing and slapping each other on the back. And now it's like, okay, if you ask me a question about being associated with Islamic Extremists, I'm going to bite your head off. And so, look, I don't know what's going to happen, but I think Rogers has got a shot at it, and I think he's closing in the right way, which is to say this is not Michigan. This is not how we think and act and what we feel in Michigan. So we'll see.

DAVID AXELROD: He says, this is not Michigan, this is Florida, and then he corrects himself. The fact is that, that too is a race that I think will be close. Probably closer than it should be given the Democratic tilt of the state, given the fact that you've got a

Democratic governor candidate who is probably going to win by a significant margin, given the fact that I think there are as many as three Congressional seats that may flip in a Democratic way in Michigan.

But I think on the plus side for Abdul El-Sayed, the thrust of his campaign about healthcare reform and about fighting a corrupt campaign finance system and putting money in people's pockets, that is popular. His message is popular. His problem is presentational, as you said. I mean it's not good to talk down to voters. It's not good to talk down to questioners and so on, and he sometimes lapses into that. And I think if he gets beaten, he'll be beaten by himself, not by Mike Rogers, who I think, in some ways if you looked up kind of conventional long-term politician in the dictionary, you would see his picture there.

Ohio and Iowa, real quick, Sherrod Brown versus...

KARL ROVE: Ohio, if the election were today, Sherrod Brown would win. I'm not certain he wins on Election Day. I think there's going to be a tendency in that state to come home at the end. I think Ashley Hinson wins Iowa. The Democrats take the governorship. The Republicans take the Senate. The Democrats pick up a couple of House seats. And they split the delegation, two Republican Congressmen, two Democrat Congressmen.

DAVID AXELROD: So in Ohio, I think Sherrod's running a much better campaign than Husted, and he's well-liked. I mean he's still got a positive rating which is hard to do in this political environment. I think his problem, if you believe my theory of systemic aggravation and anger, the fact that he was in Congress for 33 years, just left two years ago, less than two years ago, makes him suspect, even though his politics, this kind of populist economic politics, is more attuned to this moment.

So that, I think, raises some doubt in my mind, though. Again, I'm like straight up and down on that one. I think in Iowa you may be surprised, I've been surprised frankly to see how Hinson's favorable rating or approval rating among voters in that state have consistently been double-digit negative. And I think that means something coming into the vote.

Two others I have to cover. Kansas, which is one I never thought I'd be sitting here talking to you about now. Senator Roger Marshall is in a really tough race with Adam Hamilton, a pastor of the largest Methodist Church in, I think, the country, who is the Democratic nominee, former Republican. How is it that Marshall is so vulnerable? In addition to the fact that Kansas, along with Iowa, were two of the states that have been most hard-hit by these Republican policies.

KARL ROVE: What I hear from Kansans is that he's not one of the prominent, present

figures in politics. That is to say, he doesn't come home a lot. He doesn't work the area. He doesn't go to the Fort Hayes Chamber of Commerce, you know, doesn't show up at the annual celebration in Wichita, you know, blah, blah, blah. And I think that it does matter in that part of the country. They want to see you, hear you, be up close to you.

DAVID AXELROD: On that point, let me just interrupt for one second. They haven't elected a Democratic senator since 1932. And that's good if you're the Republican, but it's also seductive. It makes you think that, well, as long as I win a primary, I win the election.

KARL ROVE: Well, and also, I won, therefore, for the next four or five years, I don't need to spend a lot of time deepening my strength my home.

DAVID AXELROD: He's also been damaged, hasn't he, by these stories about bill collecting and the doctor from his...

KARL ROVE: Having said that, culturally, Hamilton's got some issues because he bought into a lot of the woke stuff. And he was a former Republican, but he was more, let's just say he was more of an economic Republican than he was a cultural Republican and that matters in that state. I think this is hype incidentally. The Democrats have gotten other shots. I think this is like the Nebraska thing. It's sort of like

let's hope we can make the playing ground big enough.

DAVID AXELROD: It may be, but if it's hyped and a whole bunch of Republicans have bought it because they closed down their North Carolina campaign and shifted all the money to...

KARL ROVE: Well, look, that was realism. I mean, you know, you've got Roy Cooper versus Michael Whatley, and it's a heck of lot less expensive to spend money in Kansas and guarantee you've got a seat than to keep spending it in North Carolina where the odds were getting longer each and every day.

DAVID AXELROD: So talk about Texas and Talarico and the Paxton...John Cornyn warned that if he lost that it would take hundreds of millions of dollars to try and get Paxton across the finish line because he was impeached by his own party in the legislature for ethical violations. He had securities fraud issues in his past. You know, he is not, on top of that he's a bad campaigner who doesn't, you talk about a guy who doesn't get around.

KARL ROVE: Well, he did get around. He did get around. The weekend before the Fourth of July, he got around to Iceland. And on the Fourth of July, the celebration of the 250th Anniversary of our country, he was in London, England. He could have been in

London, Texas. There actually is a London, Texas. But look, we have two interesting candidates with serious challenges, and you've listed the challenges for Paxton.

DAVID AXELROD: I was counting on you to fill in the other side.

KARL ROVE: And let me be clear, Paxton says I'm personally responsible for his impeachment. Now I had nothing whatsoever to do with it, but if he wants to give me credit, okay. But that is a problem because people have heard about that for the last couple of years and there's a lot there. And he was impeached by the House with the majority of Republicans voting to impeach him. And then was no billed, if you will, in the Senate by a vote of, I think it was something like, well, there were 15 voting against, so that would be 18, anyway, 19 to 17. But he's got a problem and that's why Talarico's got a shot is because of those problems.

On the other hand, Talarico, I'm sitting here in my office in Austin, Texas, I mean he has said some very extreme Left-Wing things. You know that oil and gas jobs are going away and that's a good thing, and we should reduce the amount of red meat that we eat because it's an existential threat to climate. You know, on and on and on. He said capitalism, we need to get rid of the system of capitalism. If you're a Democrat in Travis County, unless you live on the far western edge of the county, you don't worry about somebody to the right of you. You only worry about somebody to the left of you. And so

he said a lot of those things.

Now, he's walking those things back. This is a guy who in the legislature said we shouldn't be spending $400 million a year for border security. We should wipe it all out, transfer that money to the schools, and we need to have a welcome mat at our border. He now says we need to have a welcome mat.

DAVID AXELROD: Wait, wait, wait, because we only have a little bit of time...
KARL ROVE: My point is the guy said some very extreme things. So we've got this tension between the two and if the election were today Talarico is conducting the more effective campaign. But we have two more weeks and the question is, are the vast sums of money that are being spent by the Super PACs on Paxton's behalf going to cause people's doubts to rise? I don't know. I've never seen anything like this in my life in Texas, and it's a coin toss. If the election were today, Talarico would have an advantage. I'm not certain time is on his side. We'll see.

DAVID AXELROD: Yes, now they've spent over $200 million...

KARL ROVE: $250 million, yes.

DAVID AXELROD: And they've moved his favorable, maybe a point or two, and the

race has been pretty stagnant. Paxton is still, you know, well under water there. But Texas is Texas.

KARL ROVE: And look, let's be clear about the polls. There's a brand-new poll out and it has Paxton behind. Talarico 48%, 46% Paxton. But in a red state, would you be comfortable having your blue candidate at less than 50% going into Election Day?

DAVID AXELROD: No. But I also question, you know, I've seen a whole bunch of polls from there. I think it's a very close race.

KARL ROVE: I do too.

DAVID AXELROD: And the question is how many Republicans don't vote at all on that race? They vote, but they skip the line. How many vote for the Libertarian candidate?

KARL ROVE: I think you're absolutely right on that point. And this is where Paxton has a problem. Four years ago – remember, look, there's been a certain level of controversy about this guy for year – four years ago, before he was impeached, he trailed the rest of the Republican ticket by an average of 155,000 votes. Now, remember, he's Attorney General. So it's Governor, Lieutenant Governor, Attorney General, and if there's a Senate race, the Senate race is above that. But he trailed the guys underneath him, the Land Commissioner, the Railroad Commissioner, the Agriculture Commissioner, the

Comptroller. He trailed all of those. Four years before that, it was 175,000 votes when we had a Senate race at the top of the ticket. So there's already a group of Republicans out there who say I'm not voting for the guy.

DAVID AXELROD: Our minder just showed up to tell us that we have to wrap up here. But let me just close by asking you, so what is your forecast on the Senate?

KARL ROVE: I think the Republicans hold the Senate, but I wouldn't be surprised if they lost it. And if they hold it, it's 50/50, 51/49. On a really, really good day, maybe 52/48.

DAVID AXELROD: Okay, so my prediction is either Democrats won't take the Senate or they'll take it by more than a few because it'll mean the tide was high enough to drag a number of these candidates across the line, and we just don't know, but we will soon. That's the virtue of the calendar.

KARL ROVE: One final point. You alluded to it earlier, the Mark Halperin point, which I thought was excellent, which is the problem for Democrats is that in the last 20 years there have only been four instances in which the party out of power gained Senate seats by winning in states where the President had won by double digits two years before – 2006 in Montana, and then 2010, Mark Kirk in Illinois, Pat Toomey in Pennsylvania, and Ron Johnson in Wisconsin. So it's hard to do.

DAVID AXELROD: Yes, it's very hard to do. And it's hard for us to stop, but we have to, I think. Good to see you, buddy.

KARL ROVE: Great to see you, pal.

CHAIR DAMBISA MOYO: It's wonderful to have you both, and thank you so much for your time and such an insightful conversation. As a reminder to all members joining us today, we'll be sharing a replay of the program along with a brief survey. We would greatly appreciate you taking a few moments to complete it.

I am pleased to highlight a few of our upcoming events for which registration is still open. Next up, as actually was mentioned a moment ago, we'll have Charlie Cook this Thursday, October 22 at a Signature Luncheon. Tuesday, October 27, we have Tarek Mansour, who is the CEO and Co-Founder of Kalshi. On Thursday, October 29, we're delighted to host a Signature Luncheon for the Peter G. Peterson Leadership Excellence Award where we will be honoring The Honorable Henry M. Paulson, the Founder and Chairman of Paulson Institute. On Thursday, November 5, we have a Signature Breakfast with Jessica Tisch, New York City Policy Commissioner. And then Monday, November 9, we have a Signature Luncheon with Condoleezza Rice, the 66th United States Secretary of State. Please be sure to check the website and your emails for updates in the coming weeks as we have a few more shaping up. And as always, we

encourage you to invite guests to our events.

Before we close, I'd like to take a moment to recognize our Centennial Society members who are with us today. Nearly 450 of our members have committed to the Centennial Society and their generous contributions continue to support the financial foundation of the Club. Thank you everyone for joining us this afternoon. We hope you enjoy the rest of your week. Thank you.