

NATIONAL PRESS CLUB LUNCHEON WITH HOWARD DEAN & MIKE DUNCAN

SUBJECT:

MODERATOR: SYLVIA SMITH, PRESIDENT, NATIONAL PRESS CLUB

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SYLVIA SMITH: (Sounds gavel.) Good afternoon. My name is Sylvia Smith. I'm the Washington editor of the Ft. Wayne *Journal Gazette* and president of the National Press Club.

We're the world's leading professional organization for journalists. And on behalf of our 3,500 members worldwide, I'd like to welcome our speakers and our guests in the audience today. I'd also like to welcome those of you who are watching on C-Span or listening on XM Satellite Radio.

We're celebrating our 100th anniversary this year, and we've rededicated ourselves to a commitment to the future of journalism through informative programming, journalism education, and fostering a free press worldwide. For more information about the National Press Club, please visit our website at www.press.org.

We're looking forward to today's speeches, and afterward, I'll ask as many questions from the audience as time permits. Please hold your applause during the speeches so that we have time for as many questions as possible.

I'd like to explain to our listening audience that if you hear applause, it may be from members of the general public and guests of our speakers, not necessarily from the working press.

I'd now like to introduce our head table guests and ask them to stand briefly as their names are called. From you're right, Deborah Berry of Gannett News Service; Jonathan Salant of Bloomberg, and a former Press Club President; Eleanor Clift of *Newsweek*; Tom McMahon, executive director of the Democratic National Committee; Jody Beck of Scripps Howard Foundation. And we'll skip over of our speakers for a moment.

Melissa Charbonneau, vice chairwoman of the Speakers Committee; and we'll skip over another of our speakers. Debra Silimeo, senior vice president of Hager Sharp and a member of the Speakers Committee who organized today's event. Thank you so much Debra. Jo Ann Davidson, co-chairman of the Republican National Committee; April Ryan of American Urban Radio Networks; Pablo Sanchez Obando, Univision; Rudy Arredondo of National Hispanic Political Reporter, and Michael Phelps, the publisher of *The Examiner*. Thank you all for coming. (Applause)

We knew this day would be a bright one for one of our guests and a glum one for another. We always appreciate speakers at this podium, particularly when it must be painful to be here. So we're particularly appreciative that Mike Duncan, the chairman of the Republican National Committee, kept his word to attend today's event with Howard Dean, the chairman of the Democratic National Committee, which is celebrating Barack Obama's presidential victory.

Howard Dean has spent more hours on the presidential campaign trail than most party chairs, in part because four years ago, he was a candidate for President. One of the hallmarks of his presidential campaign was harnessing the power of the Internet. He showed it could be a powerful tool in raising money and enlisting volunteers. His primary campaign shattered Democratic fundraising records at that time. He had one of the first campaign blogs. It all seemed revolutionary four years ago, didn't it?

Although his groundbreaking campaign didn't get him a spot on the ticket, it did lead to his being asked to head the Democratic National Committee. Dean actually started in politics as a committee chairman. He headed the Chittenden County, Vermont Democratic Committee in the early '80s. That was before being elected as State Representative, then Governor of Vermont, where he was reelected four times.

At the helm of the DNC, Dean confronted more than ample skepticism when he announced his 50-state strategy. Instead of concentrating on battleground

states, Dean said he would build a party infrastructure in all 50 states. This didn't sit well with a lot of Democrats, important ones. Many Democrats said that scarce dollars should be spent in close races rather than spread thinly throughout the country. Strategist Paul Begala was blunt. He said Dean was, "Just hiring a bunch of staff people to wander around Utah and Mississippi and pick their nose." We assume that Dean feels validated today.

Mike Duncan is also a lifelong party man. He's worked behind the scenes for political candidates his entire adult life. Actually longer than that – as he tells the story, his first campaign experience was when he was nine years-old. Since then, he's worked for the campaigns of Republican presidents starting with Richard Nixon, and including Gerald Ford, Ronald Reagan, and both Bushes. He runs banks in his home state of Kentucky and has served as director of the Kentucky Bankers Association and the Cleveland Federal Reserve Bank.

Being in the banking business can't be much fun these days, but perhaps a little less stressful than being the chairman of the GOP. Duncan's been steering the RNC in the middle of the fight within his party that has been building since Republicans lost control of Congress in 2006. President Bush is exiting the national stage as a very unpopular figure. And conservatives want to reshape a party they see listing.

Rush Limbaugh, for instance, warned that even if John McCain had won the presidency, "We start rebuilding the conservative movement. It's going to happen whether he wins or loses." We're pleased to have Duncan and Dean here today to give us their views on the election results and talk about where we go from here. And according to our coin toss before the lunch, our first speaker, Mr. Duncan. (Applause.)

MIKE DUNCAN: Thank you very much, Madame president. Chairman Dean, it's good to be with you. Chairman Dean and I actually appeared together once before at the Gridiron Club in the winter. I got my old speech out today. I thought it might be a better speech to give than what I was going to talk about today. I also had a prop to hold up, you know, a Truman and Dewey type prop today, but not quite appropriate.

I appreciate the introduction. And let me take this opportunity to congratulate President-Elect Obama, Vice President-Elect Biden, their families, and their dedicated, and I'm sure exhausted organization for a well earned victory. It truly was a historic victory for them and for our country.

I want to congratulate Senator and Cindy McCain and Governor and Todd Palin for their historic and heroic campaign that they ran this year. They're a

credit to our party and a credit to our country. And most of all, I want to thank the thousands of Republican volunteers and tens of millions of Republican voters who stood with our party and our principles during this campaign.

It was a great night for The United States of America. November the fourth, 2008 will stand forever, one of the true symbolic triumphs of our democracy. And while it was a difficult night for Republican candidates, it was a historic night for the Republican Party. The election of America's first black President, one hundred days before Abraham Lincoln's 200th birthday, has realized the vision of a colorblind society that first inspired the Republican Party. And last night, our vice presidential candidate, Sarah Palin, received more votes than any woman in American history. Truly historic.

We don't need to wait for history books to tell us why Republicans lost last night. Political observers, many of you have been predicting it for two years, one, the near impossibility of either party winning a third consecutive presidential term, two, the grueling toll taken on the electorate by an unpopular war, however just and necessary we believe that war to be, and three, a sluggish economy, an almost certain recession, buckling under the weight of cratering housing. Difficult times.

And yet just 51 days ago, on September the 15th, the Republican candidates were leading some national polls. And then our economy was blitzed by an unprecedented financial crisis.

John McCain and Sarah Palin came up short in a withering political environment against a history making opportunity who outspent them by ratios of three and four to one in the battleground states. Now, those facts don't erase Republican disappointment. I woke up this morning feeling like Lincoln's young boy who stubbed his toe. Some of you know this story. It hurts too bad to laugh and I'm too big to cry. Think some of you felt that way before.

But those facts do refute absolutely the preposterous idea that this election represents a mandate for another New Deal or the death rattle of Republican conservatism. As to the mandate thought, remember, during the campaign, Senator Obama promised a tax cut for 95% of the American people, merit pay and accountability for public school teachers, healthcare reforms that will allow people to keep doctors and drive down costs, an end to wasteful appropriations earmarks, renewed offshore drilling and increased nuclear energy production, and an expanded military presence in Afghanistan.

Put simply, Barack Obama just ran the most successful moderate Republican presidential campaign since Dwight Eisenhower. (Laughter.) (Applause.) And to the pundits making the inevitable predictions about the end of

American conservatism, consider that a majority of the American people still believe these things. They prefer smaller government. They agree that we must reduce government spending. They favor market-driven reforms of our healthcare system and energy system. They oppose tax increases and they support fighting terror abroad.

Barack Obama shrewdly abandoned his liberal Senate record and embraced a moderate agenda in 2008 for one reason. What has changed since 2004 is not the national philosophy, but then national mood. President-Elect Obama leads a center left party. They now must govern a center right nation. Ultimately, the only transformational aspect of this campaign will be the way that it was paid for.

Presidential campaign finance as we know it died last night. No major candidate will ever again submit to public funding restrictions. Less than two election cycles ago, since the passage of campaign finance reform, the system has failed. The regulatory neutering of political parties has driven hundreds of millions of dollars into the shadowy accounts of unregulated entities. The result is a campaign finance system far less transparent, less accountable, and more vulnerable to corruption.

A new system must be put in place that accounts for these new realities, a system based less on attempts to limit free speech, something I know you're concerned about, and more on disclosure, accountability, and strengthening the national parties.

A strong two-party system is what America needs and what our respective supporters deserve. The first and most important way the Republican Party is going to strengthen itself is to take a deep breath, and listen to the American people. In the coming weeks, the RNC will launch a new online initiative called Republican For A Reason that will provide voters a forum to speak their minds, to tell us why they're Republican, to tell us how we may have let them down in recent years, and what we can do to restore their confidence in our party.

It's been an unusually long and punishing campaign. I think the whole country is happy it's finally over and that we're ready to move forward. I'm sure Chairman Dean shares that thought with me. Between now and the inauguration, I hope and expect the Americans of all parties to unite behind our new Commander-In-Chief. And I know I speak for the Republicans everywhere when I say, we owe it to the American people to put the loyal back into the loyal opposition.

What will the loyal opposition look like? Well, Senator Obama has spent the last two years musing on hope's audacity. Republicans will spend the next

four years demanding hope's accountability. We look forward to helping President Obama with his tax cut for 95%, or better yet, 100% of Americans, his plans to increase energy production, and his promised crusades against earmarks and teachers unions.

And most of all, we look forward to working with our new Commander-In-Chief to secure our nation, defeat Islamic extremism, and bring our troops home with honor and victory. But the next four years are not just about Obama's agenda. Republicans in Congress and in every state in the Union will put forward a reform agenda – a smaller government, less spending, tax cuts for all Americans, and opposition to the discredited notion that we can spend our way out of a recession. President-Elect Obama ran as a moderate. To govern as one, to turn change we can believe in into change we can actually see, he'll need Republicans' help, fighting back the rigid, liberal orthodoxy of his congressional leadership.

The success of his presidency will depend on his ability to force Nancy Pelosi, Charlie Rangel, Barney Frank, and Ted Kennedy to the center. If he can't, well, we look forward to the midterm elections.

The last two times Democrats controlled the House, Senate, and the presidency, they choked on the bone of responsibility. They lurched far to the left and introduced the country to President Ronald Reagan and Speaker Newt Gingrich. Should they make the same mistakes again, the Republican Party today is blessed as never before with young, experienced, dynamic leaders who are ready to step up and step in.

Last year, we did an issue of our *Rising Tide* magazine and highlighted people under the age of 40 leading the country. Sarah Palin, the most popular governor in America, is 44 years-old. Louisiana governor, Bobby Jindal is 37. House Chief Deputy Whip Eric Cantor of Virginia is 45. Congressman Paul Ryan of Wisconsin is 38. Senator John Thune, 47. Mike Flood, speaker of the Nebraska legislature, 32. Congressman Kevin McCarthy of California, 43. Congressman Patrick McHenry of North Carolina, 31, and on and on. We have a great and deep bench.

If President Obama stands by his word to fulfill the moderate conservative campaign promises that got him elected, the Republican Party will stand with him. If he stands instead with the hardened leaders of the most liberal Congress in a generation, we must stand against him, and for and with the center right nation that we serve. Thank you. (Applause.)

HOWARD DEAN: Thank you all for having me. It is true that we all did take a risk when we said yes, because we didn't know which end of this deal we

were going to be on. And Mike, I also thank you for coming, because I wouldn't want to be in your place. And I thought about how tough it would be if I were in your place, believe it.

This has been, I think, a historic and a transformational election. As a nation, I think what we did was choose hope over fear. We chose the future over the past. And we chose unity over division. I think this election also reflects a passing of the torch as Jack Kennedy said in 1962, a new generation. The President-Elect, Barack Obama, has inspired young voters all across the country to answer the call and to get involved. They've responded to his promise to put partisanship and divisiveness aside, and to come together as one nation to find solutions. They turned out. They made calls. They knocked on doors. And they helped change our country.

So let me start by thanking them and everyone who made this possible. Every campaign is really a cumulative effort by thousands and thousands of people working hard every single day to change our country. I especially want to thank the state party partnership staffers who have been working for over three years to make this day a reality.

I think the message of the election is clear. The American people have given all of us, Democrats, Republicans, and Independents, a simple mandate — to work together to find big solutions to the big challenges that face our country. With the help of strong Democratic majorities in the House and the Senate, President Obama is going to set this nation on a course to provide the change that we need and that he promised.

Together, we can build on this moment to bring our nation together, and to work as one to overcome the challenges that we face. And that's what Americans have always done. And under President Obama's leadership, we will do it again.

Four years ago, this luncheon was much different. When I became chair, we just lost the national election to an incumbent President whose approval rating was around 50%. Dennis Hastert was the Speaker of the House. Bill Frist was the Senate majority leader. Republicans had just picked up three seats in the House and four seats in the Senate. And many Republicans were talking about building a permanent Republican majority. This was not a fun time to be a Democrat.

We thought the solution was pretty straightforward, to show up everywhere in America, to respect every voter enough to ask them for their vote, no matter where they lived. And I said that the Democratic Party had run its last 18-state presidential campaign. Barack Obama shared that commitment. He was right in 2004 when he said, "There are no red states and no blue states. There are only American states, and we all share the same values."

You cannot be a national party if you are willing to write off entire parts of our country. Based on that pretty straightforward idea, we changed the way our party ran campaigns and reached out to voters. We invested in rebuilding our party from the ground up, from the states up. We reached out to people of faith. We invested in regions of the country that hadn't voted for Democrats for a long time, places in the Southwest and the Southeast, particularly. We reached out to young voters and new voters, and recommitted ourselves to the grassroots of our party.

Exit polls show that 26% of all voters reported being contacted by the Obama campaign. In other words, approximately one out of every four people who voted yesterday had been contacted by the Obama campaign. Barack Obama won 64% of that vote. We won 47% of the vote of voters that said they had not been contacted.

I think that what this shows is, the focus on building a strong national campaign from the ground up, works. Old fashioned neighbor to neighbor, volunteer-driven campaigns win. We saw millions of people get involved in politics for the first time, people who had never volunteered on a campaign or never been registered to vote before. And the result has changed the political landscape of the country.

Barack Obama won at least eight states that President Bush won in 2004, and he's leading in North Carolina. We picked up at least five Senate seats, four still undecided. We picked up 18 House seats after picking up 30-- or-- in-- I guess it was 31 in 2006. And eleven are still undecided. There are 29 Democratic governors. Democrats control at least 60 of the states' 98 legislative chambers.

I've always believed that our party's message and values are core American values. We value work over wealth. Our tax policies invest in the middle class. We value fiscal discipline and equality and justice for all. Those are core American values. What we have lacked is a full-time professional party to help communicate those values every single day and organize around them. And what we have lacked is a leader to inspire people to that cause. And in Barack Obama, we have found that leader.

Barack Obama and Joe Biden won a broad coalition of voters. As he showed last night, he set a new direction and a new tone for our country and for our politics. I am humbled and incredibly grateful to the tens of thousands of Americans for what we've accomplished in the last four years. An awful lot of work went into this. Today, we have a great President-Elect and Vice President-Elect, and a party that's in a stronger position. And we did it by

empowering people to take ownership over their democracy. And together, we will move this country forward.

I want to thank Senator McCain for his very gracious remarks last night, and commend President-Elect Obama for his extraordinary reaching out to every single American. Barack Obama will be the President of all Americans, not just those who voted with us last night. And with that, I think our country will turn a page on history. And we will be a great country once again. Thanks very much. (Applause.)

MS. SMITH: Thank you both very much. Chairman Dean, let me direct the first question to you. Your counterpart just said that public financing is dead. Would you agree with that?

MR. DEAN: I'd like to give it a little more thought than ten minutes. But I think that probably not. It may be dead in the presidential election. We'll have to see. But there's a lot to public financing. Public financing has been very successful in Arizona and Maine. It was put in by the voters to do that, which is the way I think it will spread around the country. Public financing may well continue to be used in primaries. It's too early to tell. So I think there will be some changing of the election finance laws. I don't think I would agree that we should call it dead. I wouldn't agree with that without wanting to give it a lot more thought.

MS. SMITH: Chairman Duncan, let me ask you, you called for a new system of finance in politics. Aside from disclosure, what would that system look like?

MR. DUNCAN: The system would be transparent. It would have immediate disclosure. We're able to do that now. We posted on our website all of the donors under \$200 dollars. And we challenged the Obama campaign to do the same. The technology's available to do that. Accountability and transparency's what you need. I believe in the first amendment. I believe that we should have money in politics. I think it's important for us to be able to get our message out. We knew that the Democrat party, that Senator Obama, 527's unions would have more money than us this time. We were competing. We believe that we raised more money than ever in history of the Republican Party. We're over \$310 million dollars so far this year. We had our best month ever last month, \$90-some million dollars. And yet we were still outspent three and four to one in many of the states. I believe a new system would allow us to participate and coordinate with our state party organizations in a better fashion than we're able to at this point.

MS. SMITH: Could you both address this — would you support a system that required immediate disclosure, but also lifted limits on the amount of money that individuals, and packs, and other organizations can contribute to a candidate?

MR. DEAN: Again, on ten minutes notice, I don't think I'm going to lay out a plan for fixing campaign finance reform. I think the President-Elect has said that he is open and interested in campaign finance reform. But I think we'll let that unfold and not probably make policy right here at the Press Club, much as I'm sure you'd enjoy the spectacle. (Laughter.)

MR. DUNCAN: Yes. (Laughter.)

MS. SMITH: And to both of you, this question — not only Obama, but dozens of Democrats running for the Senate and House had more money to spend than the Republican candidates that they were running against. How much of a role did money play in the congressional elections?

MR. DEAN: You know, money is significant in politics. I'd also point out one thing, though. In some ways, Barack Obama's campaign was campaign finance reform. The average donation that we got was \$86 dollars. I've forgotten how many millions of people were on his donor base, but I'm pretty sure it was upwards of 3 million people. That is extraordinary. I mean, I understand the frustration of competing against somebody who can raise that kind of money. But I think the President-Elect ought to get credit for the inspiration that he gave the American people who were willing to give \$5 and \$10 dollars at a time, averaging \$86 dollars a donation. That is campaign finance reform. That is putting money back-- I mean, putting-- That is putting politics back in the hands of individuals who can donate small amounts of money, and taking it out of the special interest hands, which is really the purpose of campaign finance reform in the first place. So again, I certainly think the candidates who can raise money like that in small donations probably deserve to win, because they have a bigger base.

MR. DUNCAN: I agree with candidates raising money in small amounts. We had 1.8 million donors so far this year. Our average donation's about \$77 dollars. I think transparency's what needs to be added to the system. We have a system now where you can give money, under \$200 dollars, and your name not be attached with that. And we're beyond that in this country. We have the technology to go beyond that. The original question had to do with money in the congressional and senate races. I think the fact that the congressional committee-- And of course Tom Cole should answer this question.

But the fact that they started with such a debt this time, hampered them in being able to properly fund all the candidates that they wanted to in the country.

And we helped to the extent that we could at the RNC. I think we put about \$12 million dollars in the House and Senate campaigns. Many of you saw that we actually went into debt to be able to help do that. And I think that it did make a difference. Because when you get down in those final days of the campaign, it's not all about television ads. A lot of it has to do with the people on the ground and making sure that you're able to do the get out the vote effort. And that's where we concentrated our money this time.

MS. SMITH: Chairman Duncan, there are a number of questions that get at sort of the shape of the Republican Party going forward. Let me just read a few of them to you. This morning, some are saying the GOP is going through, as one said, a Dr. Phil moment. Do you agree? And what does that mean? Also, will it be necessary for the survival of the Republican Party to get even closer to the religious right and to further blur the line between church and state? And finally, will the GOP be more moderate or more conservative in the next few years?

MR. DUNCAN: I'm probably too sleepy to remember all three questions at one point. However, I've been in politics, as you pointed out, since I was nine years-old. I actually worked for an uncle who was running for local office. It was the same year of the Kennedy/Nixon campaign. I watched the conventions on television. It was a great experience. And it's given me meaning and adventure in my entire life. And I believe in this whole political process.

I've seen us on the mountaintops. And I've seen us in the valleys. And I know that there's a lot of cyclical activity in politics. And I also know that we have core principles in the Republican Party. And when we message those properly, with the proper messenger, that we succeed. And those principles are, less taxes, lower-- lower taxes, less government, individual responsibility, strong national defense. And we're able to dig down into those and communicate those with people.

I believe that we will come out of this stronger as we have in the past. We will go through an evaluate process, as I talked about this new website that we're going to have to allow people to comment. We'll be doing meetings, talking to leaders all over the country. And listening — I mean, that's the first thing in communication. Most of you have had communications course. You have to listen first. And that's what we plan on doing at the RNC, is to start that process of listening to the voters, and then building for the future.

MS. SMITH: Chairman Dean, this one's for you — President-Elect Obama said he wants to bring a bipartisan sense of working together to Washington. But that's what Speaker Nancy Pelosi said. No one could accuse the House of functioning with a maximum of bipartisanship. So is that empty campaign rhetoric? If not, what would Obama have to do to make it real?

MR. DEAN: Well, first of all, as you know, last night in thanking the American people for the presidential-- for being elected President, the President-Elect said that he wanted to work with Republicans, as he has said all along. So let me just make a point about this. I said that Barack Obama was a new generation candidate. There is a huge generational divide in this country, in every single community you can think of, whether it's from evangelical Christians to young people on college campuses of all different kinds.

And the message from this younger, under 35 generations to our generation is, could you please stop fighting about the things that you can't agree on, and do something about the things that we do agree on? You probably are aware that we made an effort to reach out to evangelical Christians in this election, with some modest success. But the reason we did that is because evangelicals under 35 are not the same as evangelicals over 35. And the three principle issues that evangelical Christians under 35 care about are, one, poverty, two, climate change, and three, Darfur, which you could take right out of the Democratic Party platform.

And the message of these young folks is, why don't we reach out to these young people? We don't have to agree on every single issue in order to get something done about the issues that we do agree on. And I think that is the spirit of leadership that Barack Obama wants to exhibit for this country now that he's been elected President of The United States. So, you know, some of this cooperation with the other party is about making sure that all of us who are over 35 in the party get-- in both parties, get the message that this new and growing generation, which has now got its fingers on the levers of power because of the election of Barack Obama, expects us to behave differently, on both sides. It is very hard to have bipartisan cooperation unless both sides have a willingness to have that bipartisan cooperation, and don't think there is some political advantage in making sure that there isn't any cooperation.

I think Barack is sending a very-- The election of Barack Obama is-- I think it is a mandate. I don't think it's a mandate for the New Deal or whatever Mike was saying. I think it's a mandate that the political class in this country has an obligation to young people in this country to stop fighting over stuff that might have been a big issue 25 years ago, but it isn't anymore. There are a lot of things that have to be done here. (Applause.) And I also believe that there will be bipartisan cooperation because I think this new group of voters will enforce that. I don't think all the risk is at the feet of the Democratic Party for the midterm elections. I think the voters are going to look at, who is willing to work together and who isn't? And those who are willing to work together are going to get rewarded at the polls. And those who are not willing to work together are going to get punished at the polls in 2010.

MS. SMITH: This one is for Chairman Duncan — this morning, *New York Times* columnist Tom Friedman theorized that rich white men secretly voted for Barack Obama, in part because a vote for McCain would have been seen as an endorsement of an incompetent Bush Administration. First, do you think many executives did say they would vote for McCain and then cast their ballots for Obama? And secondly, do you buy Friedman's theory?

MR. DUNCAN: I have no idea. (Laughter.) I didn't read the column. President Bush was not on the ballot this time. We all know that, as much as they wanted to bring him into this. People voted for Barack Obama. This, to some extent, was a mandate on Barack Obama. Did he have enough experience? And was he ready to lead as Commander-In-Chief? This was not about the past. Elections are always about the future in this country.

MS. SMITH: For both of you, this questioner wants to know, President-Elect Obama talks about sacrifice for the common good. What specific things do you think he should ask Americans to do?

MR. DEAN: Again, if you think I'm going to set policy for the new Administration in front of the National Press Club on the day after the election, you are very mistaken. (Laughter.)

MR. DUNCAN: I offer the advice to not lurch to the left, to remember the campaign promises that he made, the moderate Eisenhower-type promises that he made, and to reach out and work with the Republican Party. I agree. I think there are things that we can do for this country in a bipartisan manner. But when MoveOn.org and other organizations are pulling you so far to the left and-- We saw a lot of that in your primary. That makes it very difficult to get the votes that you need.

MS. SMITH: This also is for both of you — did the news coverage give Barack Obama an added advantage in this election?

MR. DEAN: Well, I wouldn't have thought so. I wouldn't have thought so, you know? I don't think we need to go over the specific obsessions that went on. But there was a fair amount of obsession with guilt by association tactics. So I really-- You know, I'm sure Mike will have a different take on this stuff. But when preachers are put on for hours at a time by the cable networks, who have, you know, no bearing on what the beliefs of Senator Obama were at all at the time, I don't think he got particularly favorable. I'm not complaining about it, because all is fair in politics. But I'd say it was pretty even up.

MR. DUNCAN: Just as you question about the Republican Party going through a soul-searching and an evaluation process which we'll lead, I suggest that the press do the same thing. And I think the numbers will tell you the answers. I'm not here to criticize the press today. That's not my role. But objectively, look at your numbers and look at emotive words, and look at air time and network coverage, and those kind of things, and come to your own conclusion on that.

MS. SMITH: Can you give us some specifics? I mean, we're honestly asking the question. So tell us how you think coverage could have been different, that would not have tripped a wire that it clearly tripped for you.

MR. DUNCAN: Again, that's not my intended role as national party chairman, to criticize the press. But I think if you look at the amount of time given on nightly network news to the two candidates, and whether they were positive or negative stories, that you'll come to the conclusion that there was an advantage for Barack Obama. I think if you take the major newspapers in this country, particularly *The New York Times*, and look at some of the articles, or look at some of the pictures that were run in the magazine section of the articles, that you will come to the conclusion that there is a leaning toward one candidate in this campaign.

Now, that's something that, as an industry, that you've got to look at. I mean, you've got declining newspaper circulation all over the country. You've got fragmentation of the national networks now, with all the different alternatives that are out there. That's something as an industry that the media has got to look at. I believe in the first amendment. I believe that you have rights to say-- But we also have the same rights to say what we feel.

MS. SMITH: This question is for both chairmen. Could you please explain why the ballot votes went so far conservative while the office holder votes went to the Democrats?

MR. DEAN: I don't think I understood the question.

MS. SMITH: A lot of the ballot initiatives in the states...(inaudible) very conservative position one. Whereas---

MR. DEAN: I can't comment on that, because I just haven't seen the-- I hardly even know the results of most of the ballot initiatives. So I just can't make an intelligent response to that. Sorry.

MR. DUNCAN: I can't respond exactly to that. But I can tell you that we did pre-election surveys. And we're in the process now of doing post-election

surveys. And it goes back to the thesis of my talk to you today, is that, this is still a center right country. People voted for Barack Obama. It was something of a shake-up, something of a change. But their core beliefs are still center right. If you do a thermometer and show where they stand, they understood that in some instances, that Barack Obama's record was more liberal, and that they were closer to John McCain. But they made that choice.

MR. DEAN: I'll actually just take a minute to disagree with what Mike just said. I don't think this is a center right country, you know, notwithstanding whatever the results of the-- lots of initiatives were. We did a lot of polling when I first got to the chairmanship to find out if that were true or not. And it turns out that in fact most people in Nebraska, not exactly known for being a very liberal state, actually agreed with Democratic positions more than they did with Republican positions if you presented them in the words of each party.

So we don't think this is a particularly conservative country. We think this is a country that's pretty much right down the middle and very, very moderate. And I think that is what-- When President-Elect Obama talks about working with people, the reason we think he can be successful on that is because that's where the American people are. But you've said that twice, so I wouldn't feel right if I didn't give you my difference of opinion on that in the name of free speech, of course.

MR. DUNCAN: We'll share polls.

MS. SMITH: I'd like to ask a question. We talk about negative ads all the time and everybody acknowledges that they're an ugly part of politics, but that they work. I wondered if either of you had any observations about this year's campaign, both presidential and any of the other congressional races that you might have observed, that would lead you to perhaps a different conclusion, and if not, whether that's simply something that we as a country must accept and live with, or if there is a way to change the tenor of campaign ads.

MR. DEAN: You know, negative ads do work. But voters will punish you if they think you've gone too far. I personally believe that one of the reasons that Liddy Dole has not come back to The United States Senate, because of the last minute negative ad she ran. It just was too much. But negative ads do work. And we've done a lot of work on that stuff, too. And we know that people consider them informational. Now obviously I have a point of view here. I think there was a difference between the two parties in how they ran their, shall we say, informational, or-- what do they call it?-- contrast, compare and contrast ads. And I think Senator Obama took care to make sure that his ads, while some of them had information regarding Senator McCain's record, they usually ended up with a positive discussion about what he was going to do instead.

So, I mean, I don't expect Mike to necessarily agree with me on that. But I suspect he might agree with the notion that, for better or for worse, some degree of what you would call negativity does work, unfortunately. But too much, it gets you in a lot of trouble. And I do think there are folks who lose elections because they go too far, which is a good thing.

MR. DUNCAN: I would agree with part of what Chairman Dean had to say there. Let me refer to our friends from Finland that are here today, who are observing our elections. In Finland, it is illegal to run a contrast or a negative ad. And we were discussion that before the program today. Again, the first amendment gives us that right and ability, because it's important for people to understand the difference between two candidates and two parties. And I think that's a fundamental safeguard in our entire system that we'll defend.

We did run contrast ads. But, you know, I believe (and we can get into the technicalities) that the contrast ads started on the Democrat side first. I believe we can probably document that and then we can give language that was used that ratcheted this up. Frankly, I thought that we had an opportunity this time to do something we'd never done before by having these town hall meetings. I was disappointed that Senator Obama did not accept the challenge and travel with Senator McCain, and do these around the country. I believe that you would have seen an elevated spirit of debate in this campaign had we had those this time. I think you'll always see contrast ads, because it's important.

MS. SMITH: To Chairman Dean, do you agree with that last observation of Chairman Duncan? Do you think that the campaign would have been enhanced-- had been the town hall meetings? And why do you think that your candidate did not accept that invitation?

MR. DEAN: I'll tell you one thing I'm definitely not doing is debating what went on over the last five months. Look — we're looking ahead to the future of the country. We're not-- You know, the last thing I want to do is get in a partisan squabble about who did or didn't go to town hall meetings. We are about trying to heal this country. We are about trying to get things done in one of the most serious economic problems that we've seen in this country since the Depression. So, you know, I hope you'll pardon me if I don't respond to that. We're looking forwards, not backwards. (Applause.)

MS. SMITH: This questioner sort of has more of a statement than a question, and asks you to agree or comment. It says, one major difference about this election from recent ones is that it seemed not to be a choice between the lesser of two evils, but actually one in which voters were enthusiastically voting for a candidate. Would you comment on that?

MR. DEAN: I think that's true. I think there was a lot of interest in both candidates. It was a very interesting election because many times candidates will try to blur the lines between the parties. There was not much of that going on. I mean, there were two really clear philosophies about what we might do, some really clear position on the economy, healthcare, and Iraq, which I think were the three largest issues. And I think Americans came out and voted enthusiastically for the person of their choice, not because they were the lesser of two evils. I agree with that. I don't know if Chairman Duncan will agree with that, but I certainly think that's true.

MR. DUNCAN: I actually-- I agree with it, because I've looked at the favorable/unfavorable numbers over several months of both candidates. And they both were in the enviable position of being right side up and having more favorable support than they had unfavorable support. And I said earlier, I believe that this was an election about being for Barack Obama. I think people had to go through this process of thinking about him as Commander-In-Chief and leadership of the country.

MS. SMITH: Chairman Dean, why was the DNC the only Democratic committee unable to out-raise the Republicans?

MR. DEAN: Well, we have never actually matched the Republicans, ever, until John Kerry became the nominee in the system in 2004. I'm not sure if we matched you or not this time, once Barack came in. But you had a three-month head start. You had a nominee in March. We didn't get ours till the middle of June. I mean, honestly, RNC's always had a fundraising advantage to a certain degree, although we've cut that down some. We out-raised last DNC by about 30%. So we're making-- You know, we're making progress. But, you know, I'll tell you, we have transformed the Democratic Party. And I'll just give kudos to Chairman Duncan and his predecessors. Our model was the RNC in a lot of things. We came in. We found they had a tremendous technology base. We now have a national voter file. All those 50 primaries that we had to go through? That was not part of the intended 50-state strategy. But we went through it.

But because we had a national voter file, all that information of those millions and millions of people that came out and voted in late primaries, we had that all banked. We knew who all the voters were. We knew who the 200,000 people who switched their registrations from Republican to Democrat to vote in the Democratic primary in Pennsylvania in May, so we could go back and contact them all in November when we had the big election. We knew who people were who moved from, say, Indiana to North Carolina and needed to be re-registered. And that kind of database, we hadn't had that capability before. So we raised a lot of money. But we spent an awful lot of it catching up with these guys, who,

frankly, when I got there, had a 15-year technological advantage over us. You know? We now can do what they can do. We have your credit card data, like they do. (Laughter.) But, you know, they have been, for years, doing something that we, until 2006 weren't able to do. We can predict with 85% accuracy how you're going to vote based on your credit card data without bothering to see what party you're in, the Secretary of State's office. They've been doing it for a long time.

I mean, no wonder we've been throwing rocks from the bottom of the well. These guys, you know, we can argue about how well they run the country, but they certainly knew how to run elections. (Laughter.)(Applause.)

MR. DUNCAN: I think I should defend us a little bit. He's--

MR. DEAN: I was complimenting you.

MR. DUNCAN: You were, thank you. He's talking about our thin slicing or micro-targeting that we developed. And actually we've taken it another step further this time. I'm not going to give you all the details, but--

MR. DEAN: Oh, please do. (Laughter.)

MR. DUNCAN: We were able to make direct data entry off of a handset that we didn't invent, but we got an inventor to get this time so that we'd do it directly into the handset. We were able to make 30 million voter contacts in 20 weeks with our volunteers. We have to be more efficient at the RNC, because while we out-raised the DNC, per se, they have fragment organizations, 527s and others who help them with lists. And of course the unions have always been great supports to walk and do voter contact. So we've had to be more efficient. We couldn't just throw money at these solutions. And we continue to develop that. We spend money on research and development at the RNC. Not only do we take our 180 million voter file with your voting record from all over the country, and then we append the data from consumer data that we get there, we do this voter contact data. We added about \$9 million dollars worth during the campaign with volunteers putting on top of that. We continue doing that on a regular basis. And we've got some new wrinkles for the next cycle that I'm not going to talk about this time.

MR. DEAN: You can talk about them all you want, because we got a team of 25 year-olds that already passed you. (Laughter.) (Applause.)

MR. DUNCAN: I believe if you'll look at the Facebook that we passed you this last month in the social networking. (Laughter.)

MS. SMITH: Chairman Dean, did you advise the Obama campaign on Internet strategy?

MR. DEAN: I'm not going to get into who said-- I never talk about conversations between principles.

MS. SMITH: That would be an answer, yes, if there was a conversation between principles. Chairman Duncan, it appears, the questioner says, that the NRA was the big loser yesterday. It spent \$10 million dollars. It called Obama the most anti-gun candidate ever. Yet Obama talked about the issue and won solidly in Virginia, Pennsylvania, Ohio, and Indiana. Do you agree that the NRA lost big?

MR. DUNCAN: I do not think the NRA or any other groups that were supporting our candidates lost. I think we have an investment in the future. I continue to support strongly the second amendment.

MS. SMITH: Questioner asks me to revisit the question about media and this election. It says, do you-- I'm sorry. Will you and do you separate the role of the Internet, a form for opinions, emotions, and blogs, and address its role in the election as new media as it is accepted?

MR. DEAN: I think I got it. I'll take a stab at it. And if it doesn't answer the question [simultaneous conversation]--

MS. SMITH: Would you distinguish between--

MR. DEAN: I do differentiate. You know, we have a very, very strong view at the DNC on making sure that the Internet does not fall under the control of the folks that the media is run by, without disrespect to the people that run the media. But the Internet is an extraordinary-- What the Internet is, is a community. It's a community of people who don't happen to live in the same place. When we did the Democratic convention this year, we actually had an official blogger who got down on the floor, one in each state, and sat with the state delegation. These folks are citizens. They are entitled to say pretty much anything, and they do, from all parts of the spectrum. And some of them are responsible and some of them aren't.

But the extraordinary thing about this incredible tool is, it allows Americans to connect with each other in an unfiltered way that I think is incredibly invaluable. And it's going to be increasingly invaluable as our country continues to grow. So I think the Internet-- The Internet has to be looked at two ways. The first is, as most people know, it's a tool. You can raise money and you can organize. And that's all very important. But what people don't understand, a

lot of people, and especially in Washington don't understand, is the Internet is a community. It's a group of people that connect with each other, even though they don't live near each other. Sometimes they do meet, and there is no substitute for that personal interaction. That's what you have to do in order to win in politics.

But once you understand that the Internet is a community, it is very, very different than what I would call the mainstream media, the cable television or the networks, or the newspapers, and so forth, and is a very, very different function, although the functions overlap, particularly in the areas of blogs where there's reporting and so forth and so on. I love the media. I think it shows that the free market is terrific. If you don't like *The New York Times*, you don't have to read it. You just go online and pick whatever you do like to read.

But I'll just give you the one caveat. We're going to test all our social studies teachers with this. Because we all learn in social studies that, quote, "We're not trying to tell you what to think; we're trying to teach you how to think." Well, if we don't succeed in social studies in teaching kids how to think, they're not going to be able to tell the difference between what's true and what's not, and what's nonsense and what's not on the Internet. And that's going to be a huge, very, very important (Applause.)-- a very, very important piece of our fabric of a society, as we continue to grow, and as this extraordinary invention continues to grow.

MR. DUNCAN: I agree that critical thinking is critical to the democracy. And I hope we observe that in all media, electronic and print and also the Internet. I want to compliment you on what you did to inspire us and challenge us. Your use of the Internet, fundraising, in your presidential campaign, what you did there, the social networking that your team has done, has put together, inspired me to hire the very best person I could get in the country, Cyrus Krohn, who's the founding editor of *Slate Magazine*, worked for Microsoft for ten years, for Yahoo for two years, to come back and help us. And we really did surpass you on the social networking, just barely. It took us a long time to catch up.

We raised directly at the RNC about \$15 million on Internet this time. Most months, we're raising more off the Internet than we are off telephones, which is news. With the McCain campaign together, we raised about \$40 million off the Internet. But more important than that, we created these virtual town precincts. I went home this last weekend to work my upper Inez precinct in Martin County. And just like you, we have these precincts of interest, these communities of interest all over the country, who are calling people to action.

And this is the future of politics. It's raising money and it's moving people to action. We've been able to identify-- and I won't, again, get into some of the details-- but we've been able to use banner advertising and word searches to do

the following: we've been able to register people to vote at a lower cost than what we do when we go out to the community to register; we've been able to persuade people to take action, to join, to be involved in things; and we've been able to track people as they vote. All these are important tools. And I think it's the future of politics.

MS. SMITH: From a technological standpoint, what will the next presidential race have that this one didn't? I mean, I'm not sure we would have forecast all these things four years ago. So what might be there in the future?

MR. DEAN: You know, I think the person who answers that question's not going to be here. They're going to be making a zillion dollars in Silicon Valley. When I was running four years ago, You Tube didn't exist essentially. We had something called Dean TV, which has 2,100 subscribers. And we lost a ton of money on it. And then You Tube has transformed the political race, business, with George Allen's loss. It was just-- I mean, that wouldn't have happened if it hadn't been for You Tube. And of course now, You Tube plays a huge role.

So I didn't predict You Tube. I mean, I suppose really smart people in Silicon Valley or place like that were watching developments and thinking about these things. And somebody was thinking about You Tube in 2004. And then it became a huge innovation for use in 2008. You know, this is not the business I'm in. I can't imagine what that could be. But somebody out there is thinking about it. And it's probably out there in its rudimentary form right now.

MR. DUNCAN: I'm not a geek. I do have a Kindle that I read magazines and books on. I try to stay involved in these things. I suspect that you're going to see a lot more text messaging. I know we both used that this time. I think you're going to see a lot more narrow casting. People have less time to think about things, and they get their information in different ways. I think we're going to continue to thin slice and do market penetration based on technology to very specific, smaller and smaller audiences.

MS. SMITH: Unfortunately we're almost out of time. But before asking the last question, we have a couple important matters to take care of. First, let me remind our members of upcoming speakers. On November 17th, Marin Alsop, who's the music director at the Baltimore Symphony Orchestra will join us. On November 19th, Steve Preston, the Secretary of the Department of Housing and Urban Development will be our speaker. And on January 13th, James Mulva, the president and CEO of ConocoPhillips will be here.

Second, I would like to present our guests with the traditional gift, National Press Club mug. And for our last question, what's the single thing that the other side did in this election that made you wish you had thought of it first?

MR. DEAN: I'll let Mike go first, because [simultaneous conversation]-- (Laughter.) I honestly don't-- Nothing pops into my head, which doesn't mean it was a bad campaign. I think it was a good campaign for them. But, you know, nothing pops into my head immediately. I'm sure if you gave me a half an hour to think about it, I'm sure I'd think of lots of things. And we'll take time over the next few months to analyze, both the things we did right and wrong, and the things that we think they did right and wrong. There's always something to be learned from the opposition, the loyal opposition. But I don't know what the answer to that is, off the top of my head, and in my sleep-deprived state. I, again, would-- We'll think of something and maybe we'll both come back and tell you what it is in another six or eight months.

MR. DUNCAN: Invite us back, that would be the answer.

MS. SMITH: Thank you both, gentlemen, very much for coming today. I appreciate it. (Applause.) And thank you for coming. I'd also like to thank National Press Club staff members, Melinda Cooke, Pat Nelson, JoAnn Booz and Howard Rothman for organizing today's event. And thanks to the Press Club Library for its research.

A video archive of today's luncheon is provided by the Press Club's Broadcast Operations Center. Many of our events are aired on XM Satellite Radio and available for free download on iTunes, as well as on our website. Non-members may purchase transcripts, audio and videotapes by calling 202.662.7598 or going to archives@Press.org.

Thank you very much and we are adjourned. (Gavel sounds.)

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