

THE BROOKINGS INSTITUTION

WHAT THE PRESIDENTIAL CAMPAIGNS REVEAL ABOUT OBAMA'S AND
ROMNEY'S LEADERSHIP STYLES

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P R O C E E D I N G S

MR. WEST: Good morning we would like to get started. I'm Darrell West, Vice President of Governance Studies and Director of the Center for Technology Innovation at the Brookings Institution. And I'd like to welcome you to today's event on Campaign Leadership.

We are webcasting today's events. We would like to welcome those of you who are watching via the Internet. We also have CSPAN with us today. We will be live tweeting the event using the hashtag #BILeader, that's BILeader. So, any of you who wish to post comments or ask questions during the event, please do so and during the Q & A period we will take questions both from our live audience here as well as our virtual audience.

The question about leadership has been a big part of the 2012 elections. A Presidential Candidate's conduct offers insight into his leadership style and approach to management. So, the questions we'll be looking at today is how does the 2012 Presidential Campaign shed light on the leadership qualities of President Obama and Governor Romney? And what does a campaign experience as we've seen it so far indicate about their approach to management and governance?

Today, we've assembled an outstanding panel of speakers to help us analyze these questions. Jon Huntsman is a past Presidential Candidate, so he has a lot of authenticity to discuss these leadership questions.

MR. HUNTSMAN: If I knew anything about the subject matter, I wouldn't be here today.

MR. WEST: We'll, we're still pleased that you're here.

MR. HUNTSMAN: This is the important discussion today.

MR. WEST: Many of you know that Jon Huntsman was elected

Governor of Utah in 2004 where he compiled a very distinguished record. He oversaw major tax and healthcare reform, and also major improvements in public education.

Following his service as Governor, he was appointed by President Obama as Ambassador to China in 2009. He left that position to run for President and gained tremendous respect for his forthright discussion of important policy challenges. This fall, Governor Huntsman actually joined the Brookings Institution as a Distinguished Fellow, so we're pleased to call him our colleague.

Bart Gordon is a practicing attorney and partner at K&L Gates and also a Distinguished Fellow at the Council on Competitiveness. Bart is a former US Representative from the State of Tennessee. He served in Congress for 26 years. From 2007-2010 he served as Chairman of the House Committee on Science and Technology. Bart is working with the Brookings Institution to improve public sector leadership as part of our new initiative on improving leadership and management.

Bill Kristol is the editor of *The Weekly Standard* which he co-founded in 1995. Prior to starting that he led the project for the Republican Future. He also served as Chief of Staff to Vice President Quayle and Secretary of Education Bill Bennett. He also has served as Foreign Policy Advisor to Senator John McCain. I'm sure all of you see Bill regularly on Fox News Sunday and the Fox News Channel. I actually met Bill in 1981 when he was a very young assistant Professor at the University of Pennsylvania. And it's been great to see all the things that he has accomplished since that time.

So, the question that I'd like to pose for each of you, and I'll start with Governor Huntsman, what does the 2012 election reveal about the respective leadership styles of Obama and Romney?

MR. HUNTSMAN: Probably not much at this point.

MR. WEST: Okay, well this panel is going real well.

MR. GORDON: See you later.

MR. HUNSTMAN: So you can extrapolate a few things from President Obama's first term that might be instructive. He isn't a manager. He is not -- he doesn't have a history of managing things. So, you bring in a lot of good, well trained, smart people, give them their tasks and you try to lead a government.

And in the case of Governor Romney who has been a governor, who is a business guy. He has run the Olympics. I think his attitude would be efficiency. I'm going to come in and look at running government like a business which sometimes isn't the right answer because government isn't a business. You can always find efficiencies and you should always be looking for efficiencies, but I haven't seen a good example yet of a business person come into government and make it run like a business. There's a lot of talk about that, but we forget that the cultures are very different and the presumed outcomes are different as well.

But I think we're missing here an opportunity for both candidates to be leading using these very important weeks ahead to lead a national discussion on priorities. You know, to begin framing the real priorities for the country which seems to get lost in the gangle or the cacophony of the message of the day. But it's probably not unusual because you look at elections passed, whether it was President Obama talking about renegotiating NAFTA during his campaign, well it wasn't to be. Or Bill Clinton the butchers of Beijing, hands up, you know forging a pretty strong relationship with China.

So, I think you have to discount a lot of the rhetoric and a lot of what you hear about priorities at this point. And probably conclude that when they do get in office, that the Harold Macmillan words will probably drive things more than anything else and that's "Events, my dear boy, events." And then we get back to what you're saying, what will be their management style? What will be their ability based on history to respond to

those events as they arise?

MR. WEST: Bill, what leadership clues have you picked up?

MR. KRISTOL: Well and I think we have an incumbent President, so presumably one would argue we know how he will be inclined to govern. Though I suppose one could argue that maybe not. I mean, Obama took over in '09 in a very unusual circumstance, huge majorities in both Houses, a real wind at his back, but also an apparently failed administration, huge financial crisis. He did various things. We can second-guess them or not, but Rahm Emanuel was his Chief of Staff, put there presumably because he understood how to manage Congress, and instead much to my surprise they ended up deferring, I think, to Congress more than they probably wanted, where there was wise on the stimulus and maybe on Obamacare as well.

Rahm left and is now mayor of Chicago and then of course there was the 2010 election and then President Obama had a very different circumstance to face. So, it may be that actually he gets a new start if he wins in a way. It's hard to know exactly what the Congressional split will be, but I assume they'll hold the Senate if he wins. And I assume they'll narrow the margin in the House and I don't -- and he'll have a real chance to govern. So, it might be that actually in terms of President Obama my normal instinct which is to say, "Oh come on, he's been President four years, we know what he'll look like in 2013 as President," I'm not so sure that's the case. There could well be, of course, new White House officials from Chief of Staff, National Security Advisor and the like.

And in Governor Romney we -- well so I think with Obama it's a little more of a question mark than it would normally be for an incumbent President. And then for Governor Romney, you know he's only been -- he has a -- for all that he's an experienced man and an impressive man he has a thin resume for a Presidential candidate in the sense that he's a one term Governor in an atypical state where he had

almost no supporters in the legislature--didn't really run on much of an agenda to change things in Massachusetts. Took over from Republican Governors and you know, was a pretty good Governor but there's no -- his big achievement was the Healthcare Bill which, I guess, seemed like a good idea at the time to him.

And so, I don't think it's a very comparable situation. The Olympics isn't really comparable. Business, I very much agree with Jon, isn't comparable. So, in a funny way I would say we know less, it's harder to anticipate, for me at least, what their White House's Administrations will look like in 2013 than it maybe would normally be the case if a Bob Dole or a John McCain or a Bill Clinton. And these are people who have been in office a long time in either the Senate or Governorships. And I think one had a sense of their strengths and their weaknesses. I'm not so sure in either case here that we know.

And then the question is, I suppose the campaign, what have we learned from the campaigns? And I'll think about that for a minute and let Bart -- because I think that is an interesting question in this case.

MR. WEST: That's the reason I asked it by the way.

MR. KRISTOL: Yes. No, it is a good one, but there's no obvious answer is there -- seems to me there's no obvious, you know, thing that leaps out that you could say, look at the way Romney's run the campaign therefore he's going to be this kind of President. And so, and I think in Romney's mind at least, and maybe in Obama's too there's a pretty sharp distinction between campaigning and the Presidency.

I think Romney has very much the attitude that the first President Bush had and I served in that administration which is campaigning is the thing you have to unfortunately go through to get elected. It's not a place, unfortunately I think to really make serious arguments and really educate the public. It's a place to get, as Romney

himself has said very revealingly I think my task is to get 50.1 percent of the vote. Which is a funny thing when you think about it for a candidate, of course they all think that. It's a funny thing for a candidate to say, but that's what he thinks about campaigning.

And I don't say this necessarily critically. I mean, you could be a very serious President as George H.W. Bush and just think electoral politics is kind of another world. I don't really understand it. I hire these guys who help me get over the finish line and then I can get about the serious business of governing. It's not a ridiculous point of view. It's not an ignoble point of view. But I do think it is -- it is that you maybe can't learn much about how he'll govern from the campaign.

And in President Obama's case, I mean he's been in such campaigning mode now for months and it's clear, you know his view, he's got to save the country from Romney and the Republicans. And therefore he's going to get his 50.1 percent by cobbling together various groups whom he can either appeal to or scare enough about the prospect of another Republican administration that I'm not sure that anything much he's saying is telling us what he would do in 2013. So, it's a funny kind of -- for a moment that invites, I very much agree with Jon about that, that invites a big debate about the future of the country, about fundamental choices, on entitlements, taxes, foreign policy. We're not getting it. And I don't think that's necessarily critical. They're both doing what they feel they have to do, but it's a funny, it's a very small campaign for a big moment. And therefore, maybe not a very revealing campaign for what either would do as President.

MR. WEST: That's an interesting comment about the 50.1 percent because all the politicians I know always want 90 percent. We once did a survey and the Senator for whom we were surveying has a 65 percent job appeal rating. And so, I was talking with him. I said, "This is really great, 65 percent." He said, "No, I want 90."

Congressman Gordon, your thoughts on Obama and Romney's leadership.

MR. GORDON: Well, if we tie it back to the campaign and to Bill's 50.1 percent I think that is telling. I was with Charlie Cook last night. He is one of the political prognosticators around here and Charlie famously said sometime back that if President Obama is re-elected it will be despite the economy. If Governor Romney is elected it will be despite his campaign.

And I think that is playing out right now and I think part of it is this 50.1 percent attitude. I think the other thing; Governor Romney, I think, grew up in a privileged environment. Just like I want to give my daughter all that I can, his father wanted to do the same. Became, you know, was somewhat isolated with the schools and with an elite, I think, sort of thinking along the way. And I think he also, his parents instilled upon him that because of those privileges he had a responsibility. And that his, what you might say, class had a responsibility to give back and to be a leader later.

So, I think he wants to be President because he wants to make good decisions. He wants to with the circumstances brought before him as the Ambassador says; he wants to reorganize the Government so that it's efficient. But unlike Bill Clinton who could tell you 137 things that we wanted to get done, I don't think Governor Romney can tell you what he wants to do. He just wants to be a good President. And because of that, you know, is he's weaving around out there. The campaign doesn't have a balance.

You saw as Governor, he was a very progressive Governor in Massachusetts until he sort of started looking presidentially and then he veered. In the primaries, he was very much over on the right because he was trying to get that 50.1, he didn't want 50 percent. He just wanted 50.1 percent.

And so, when you don't have -- and I don't say he doesn't have

principles. I think he's very much a principled person, but he doesn't have a political philosophy. He doesn't really have things that he wants to accomplish. And because of that, again, the campaign is wandering, he's wandering and I think that once you get into office circumstances do take over. So, you really have to have a focus on what you want to try to get done. And I think is, so far, has been somewhat of a downfall for Governor Romney.

And I think that potentially could carry over to the White House where if you look at President Obama, and again as everyone has said, we don't have to look at the campaign. We've been able to see. He doesn't have 137 like President Clinton, but he does have those few things that he wants to get done that he's passionate about. And you'll see within him a discipline and a real focus. And I think that's been, you know, you can see that also reflected in the campaign.

So again, discipline and focus in a campaign which was carried over, I think, as much as it could be to his election. A personal discipline, but not a real philosophic base and so, the campaign wanders. So, I think that's how you'll see potentially carry over.

MR. WEST: Okay thank you.

So, Governor Huntsman, leadership involves not just leading the executive branch, but dealing with the legislative branch. So, on Romney what would you expect? I mean, Bill has told us a little bit about his on and off relationship with the Massachusetts legislature. So, what should we expect from a Romney administration in terms of relations with Congress?

And then with Obama and a second term, would he do things differently or what would you suggest he do in terms of Congressional relations?

MR. HUNTSMAN: My sense with President Obama is he would learn or

at least be instructed by those around him to learn from the mistakes of his first term as it relates to dealing with Congress which I think has been a disaster. And you hear it from members of his own party on Capitol Hill. We want to do a deal, we want to strike out. We want to get things done, but we don't have any real engagement on the part of the President.

And I think if you want to get bold initiatives through, you know, as was the case with Healthcare you just don't hand something over to the legislature and say take it. You frame it. You know, I learned as Governor you might get -- you frame 80 percent of it, you turn it over to the legislature and say, "Get it done." You know there's got to be some wiggle room for them. They've got to come out ahead in some areas, got to be a win-win, but you've got to frame the outcome 75, 80 percent so, in order to drive it home. And that's the President. And the executive branch who then drives it based upon the bully pulpit. So, I think there will be probably some rethinking about their legislative strategy if there is a second term.

With Romney and I'm just guessing here that this analytical consultant like approach to deal making, now let's remember that Governor Romney you know isn't a CEO, wasn't a CEO as much as he was a consultant, a corporate consultant. So, I think he's very well-schooled in 'you get deals done'. He's done a lot of deals, done a lot of transactions. And I think that transactional mindset or philosophy will probably carry over if he becomes President to his interaction with the legislature. And that will be 'what do I need to get done?' 'How do I frame the negotiation or the debate?' Much like a merger and acquisition discussion. You go in behind closed doors. You negotiate an outcome and you move on.

My sense is he would be more of an engaged hands-on negotiator because that would be a natural carryover of what he has done during his professional

life. My concern is this; I think we're losing some very valuable time in these weeks as in now, to properly frame the two or three things that must get done. So, just in my own experience as Governor, I found that teeing up the priorities, you can't have 100 of them, you'll never get anything done. But you can frame two or three big things that must get done. And then articulate a message consistent with that to the voters which then put pressure on the legislature or members of Congress so that you're partway home by the election.

And I think that's where these weeks ahead could be critically important to framing, teeing up, and actually having done some of the negotiation before the election. Because I do believe that honeymoon period, if there even is one anymore left in politics, probably getting shorter and shorter. So, you've got limited time in which as a new President or a re-elected President to actually get those one or two things done. And they darn well better be articulated and teed up and framed in ways that get you at least partway there by Election Day.

MR. KRISTOL: It's not going to happen. It's not going to happen. I mean --

MR. WEST: Well, I'd be interested to --

MR. KRISTOL: -- no and I'm not and so I think that necessary -- I may just, I will predict here as a pundit there will not be a serious articulation or framing of the fundamental choices facing the country over the next five weeks. They're both running the kind of campaigns they've chosen to ride and I don't think it's going to suddenly change. It's not what I would have recommended as a Republican to Romney. I think he would actually be better off running a more forward looking sort of, you know, conservative reformist agenda campaign. But he's running a safe "let's try to referendum on the past four years and also worry about the next four years if it's more like the last

four years."

And that was very striking. The Romney team announced Monday his campaign slogan basically for the last five weeks which is what? It's the next four years will be no better than the last four years, something like that. I mean really that's a very positive if you elect Obama the next four years will be no better than the last four years. I happen to believe that's true and that's why I'm not for re-electing President Obama, but it's not a very inspiring forward looking slogan about what Mitt Romney will do.

And Obama has cast his lot. And again, it's hard to blame the guy. He wants to be re-elected with a pretty narrow casting approach to democratic and independent constituencies to try to scare them about that Romney's just Bush and there's a war on women and all that. So, I don't think we're going to get the kind of framing you'd like.

Now, the question is though, I'm a little less pessimistic that that means they can't govern effectively because I do think reality matters as we've been saying. We're going to hit a cliff in all kinds of ways. There's the immediate fiscal cliff, but then there's the real cliff in 2013 and as such you can't sustain these deficits obviously and for too long. The Fed can't keep printing money and expecting the world to take it or buying treasury notes to fund trillion dollar deficits forever.

The economy is slow and may be going into another dip. There are foreign policy challenges. So, I actually think the next President will have a moment between November 7th, I agree he has to begin November 7th not January 20th, and I don't know the summer/fall of 2013 to do a lot. And I would bet somewhat contrary to conventional wisdom that actually there'll be a huge legislative agenda in 2013. I think whichever one wins. I don't really buy the gridlock argument.

If Obama gets re-elected he will have kind of a mandate basically. I

mean to go with his version of a big deal which will be, you know, Bowles-Simpson, the left version of Bowles-Simpson let's say. Bowles-Simpson with a tax hike for people over 250 or 500,000 and a little less aggressive entitlement reform than people like me would like. If Romney wins with Paul Ryan as his Vice Presidential candidate, he'll have a mandate for some version of the Ryan budget probably tempered a little bit to get some Democratic votes. But they will, I mean if he defeats the incumbent President I think he will have a mandate for something close to that.

And I think either way, we'll probably get a pretty big deal plus with the pressure of the debt limit and other things and the markets out there, I think 2013 becomes a big entitlement reform, tax reform, budget reform movement. It does mean though, and this sort of gets to Jon's point, there will be an amazing pivot on November 7th and suddenly the campaign will be over and President Obama is going to have to say to a lot of people who voted for him, "Yeah, well I was waiting -- guess what? We are going to do entitlement reform. And guess what? All that stuff I, you know, said about how Mitt Romney's going to destroy America by this -- you know suddenly we're going to be doing stuff that's not going to look that wildly different from some of the reforms the Republicans talked about."

And of course, Romney is going to have the same problem of pivoting. Now I think the Romney campaign, I mean to its credit for the Romney transition team I guess, led by Jon's predecessor as Governor Mike Leavitt is actually working pretty seriously on what they would have to do. But the disconnect -- I don't know if it's good or bad honestly. I don't think it's probably not good. I don't know how bad it is. The disconnect between campaigning and governing is now at something close to an all-time high I would say.

I mean, if you have a conversation with Stuart Stevens, who's running

the Romney campaign, and then have a conversation with Mike Leavitt, who's running the Romney transition; it's just two different worlds. Obama's a little more complicated and I don't have that many private conversations with his top people, but I honestly believe it would be not that dissimilar. That is if you had a conversation with Axelrod and Plouffe, it's a very different conversation than the one you would have with Jack Lew or whoever's really thinking through what Obama would actually do in November/December of this year and in the first six months of next year.

So, I don't think it's impossible. I think maybe it's just the way we're going to have to conduct ourselves which is to pivot extremely quickly after Election Day and get about the business of governing. I don't really buy the argument that the partisanship is so bad that you couldn't get Democratic votes for a Republican budget or vice versa incidentally. I think there'll be a certain momentum to deal with these programs with either a re-elected President or a newly elected President who's likely to have more than 50 percent of the vote given the absence of third-party candidates.

So, that will be an unusual situation. One we haven't had, you know, in a long time, that degree of certain kind of mandate I think. But in any case I think, but it's not going to be -- we're not going to get a lot of clues about this in a funny way over the next five weeks I don't think.

MR. HUNTSMAN: Which is unfortunate.

MR. WEST: Okay. Congressman Gordon, your thoughts on Congressional relations?

MR. GORDON: Well, the Department --

MR. WEST: And you can speak to this as a former Congressman.

MR. GORDON: Partisanship is bad. I mean the partisanship is very bad and it will take leadership to get through that.

Going back to the Ambassador's comments about how Romney would govern, I completely agree with his, the deal making aspect of working with Congress. We saw that as Governor of Massachusetts that he brought Democrats into the Cabinet. He really developed partnership with the Democratic legislature and did a good job there. I think he -- personality-wise and every way -- would do well there.

I also think that he would try to bring this efficiency to the executive branch and he will be a failure at that. Bureaucrats feel like they're going to be there longer than you are -- the elected officials. And so, you know they sort of know what they want to do. They're going to do it. They're going to rope-a-dope you. Now maybe you can do a little structural change, but by and large it is hard. So, he'll have more trouble with his own executive branch, I think, than he will with the legislative branch.

And let me disagree a little bit with President Obama on his style. In a second term of a President, that's a legacy term. You get focused. He is going to pick out some things that he wants to get done and he will get very engaged. I would also disagree some with the Healthcare in that I think that was -- again you have to -- he came in with a platform of crisis. You know, with everything falling apart so, not even really knowing how bad it was. But with Healthcare that was something that he really felt he wanted to do.

I was one of those hold outs on the Energy and Commerce Committee and I was on the Health Subcommittee there. And there was just being a lot thrown at us really quickly. And, you know, how does it all fit together? And so, I wasn't ready really to sign up. And there was a few of us like that. I mean, half a dozen at most. And I was at the White House a lot in very small groups with the President. He was very engaged both in the issues and also in the persuasion in trying to bring folks together.

And I think you'll see that whether it's immigration reform, implementation

of the Healthcare Bill in this next Congress, there'll be some other areas where it will be legacy. And he will also see him, I think learn from the mistakes of, I think George Bush II was much the similar way in that you know, he wanted to read a book, go to bed. He didn't want to fool around with the Congress -- you know, it didn't work very well early on. Toward the end he got very engaged and once again it was sort of interesting and you may see this with President Obama. Toward the end there President Bush really felt somewhat ostracized from his party. He felt they were letting him down in the sense that, you know really the right wing you could never do enough for them. And he just, you know, he was really frustrated.

And for some reason, I was a blue dog so-called Democrat and I think he felt that he was being shunned by the liberals crowd which he really wasn't I mean we were pretty -- but he just wanted to talk about how do you deal with the other part of the party not liking what you're doing. And I think you're going to see, as Bill pointed out the President's going to step forward and say, "Oh, yes we are going to have to do some entitlement reform." And he is going to get it just like President Bush got it. But I think he will have learned, he's going to reach out just as President Bush did in those last few years to Congress and I think will do a much better job working with them.

MR. WEST: So, one of the noteworthy aspects of the past four years in the Obama administration is how much policy has been driven from the White House. I mean some Presidents at least give lip service to Cabinet, government and empowering their secretaries. Obama seems to have gone pretty far the other way. So, I'm curious, one, in a second Obama term would we see a continuation of that pattern and with Romney, how do you think he would run things in terms of the relationship between the Departments and the White House? Governor?

MR. HUNTSMAN: Well, I think we've strayed some distance from

Constitutional Government in the sense that the White House staff has been built up with layers of folks who kind of cushion the President from the departments and agencies. So, I compare and contrast just being, you know, kind of a low level staffer under Reagan on the advance staff and seeing the universe of high profile Cabinet members who interacted at least from what I could see more directly with the President. And now we have layers that kind of cushion the President, you know with a Deputy Chief of Staff for policy or whatever the case might be.

And I think we're drifting farther and farther away from that interaction that I think is so important to good government, the President interacting with a Cabinet. I don't know that Obama's going to change that. That's his operating style, but in fact it was similar to that under Bush. I noticed as Deputy US Trade Representative. I don't know he's going to change that part of it. I do think it needs to be changed.

I think one of the reasons you can't get good people to sign up or to volunteer or to move toward Cabinet level positions, once they look into it and I've heard this from well-known CEOs in the country. When they find that, well I am one or two steps removed away from the President being at the Commerce Department or some other place, thank you, no. I'd rather not do that.

So, I think they are two things going on here. One, I think there's an efficiency issue when you're more removed as a Cabinet from the President like we have today. And I think you run the risk of not being able to bring in top flight talent who want to interact more at the highest levels of government given where they might be coming from.

With Governor Romney, given his background and his view toward efficient organizations, he'll probably come in, take a look at it. Do the metrics, run the numbers. Bring in the Bain and the Mackenzie Consultants and tell them what works and

what doesn't.

MR. WEST: It better not be the Bain people.

MR. HUNTSMAN: Well maybe they will regain some luster after a victory. And then, you know, make some decisions there.

He has a huge opportunity, let me just say this, a reform minded President as you would hope Governor Romney would be if elected. Because I'm not sure that President Obama is interested in this or he would, I think, move in this direction. So, we have a 20th century construct in the 21st century. If economics is going to drive our foreign policy more and more just as example, you know we have four or five different agencies and departments that are part of the international economic decision-making apparatus when you ought to have one.

And it needs to be streamlined. The Commerce Department, the Treasury Department, USTR, State Department, you've got all these groups with a little hand or a role in international economic policy making. And I'm guessing somebody like Governor Romney would step in and say, "Our foreign policy needs more of a healthy dose of international economic involvement," more in the way of trade, for example, which I think President Obama's dropped the ball on for most of his four years. And we therefore need a structure that allows us to get there. Hard as that is to do.

And one would hope that given the smart analytical folks he might surround himself with, those who are used to looking at complex corporate organizations, that they would actually make some recommendations that would bring our bureaucracy into the 21st century on things as important as international economic decision-making just to name one. There are many others. But that would be my sense of it.

MR. GORDON: Well, let me say that would be very good and he would serve a great service to the country, but once again, he'd probably waste his four years.

You have the bureaucracy itself that you have to deal with plus there are a lot of authorizations. When you start the changing the pieces around on the table you've got to get Congressional approval.

And, for example, right now they're trying to move some of NOAH and there's sort of what we call there's a wet NOAH and a dry NOAH. And so, or fish or raccoons whatever, however you might want to look at it. And so, it makes no sense. And so, they're trying to again make some changes there.

But Barb Mikulski has some NOAH facilities in her district. Somebody else has something somewhere else. So, it is not much of an executive fiat, a lot of this is like all sort of types. So, as much as it needs to be done it will be difficult to do it that way. You almost have to take the structure that you have, then again you're going to have to be one-minded on two or three different issues. And you have to bring the Cabinet together because much of whether it's trade, it's not just one area. I mean it's more than one bureau or agency there.

And you really have to have the Cabinet working as a team on two or three issues and driving it down. Just driving it right down all in sync and you can only do that on just a few issues.

MR. WEST: Bill?

MR. KRISTOL: I don't disagree with that. And on a much smaller level having reorganized government as a Governor when people say it can't be done. Nice try, but you'll never get it and doing it. When was the last time we had a President actually stand up and say, "That part of government, I'm going to reorganize it the following way for the following reasons." I can't -- I worked for the last four Presidents. I can't remember one of them ever standing up with clarity at the beginning of an administration and saying, as opposed to just appointing people to the same old

departments and agencies saying, "It's going to look a little different folks. And here's what we're going to do for the following reasons: national security, international economic pol -- "for competitiveness purposes" and then driving the narrative from there.

You're going to hit, of course, that difficulty as you mentioned mechanically with Congress there's no doubt about that. But let's at least start the conversation.

MR. GORDON: Well, and that in addition you're going to be taking care of taxes and budgets and entitlements and all that. You know, if it was a clear pretty day then that would be again a good task and something that would serve a great purpose. But you're going to have all hands on deck over this next year dealing with the budget. So, it's going to be hard to do that and then also to drive the other.

MR. WEST: Bill, is it possible to reorganize the federal government or is this a lost cause?

MR. KRISTOL: Well, I think it's hard and you can do some of it.

MR. GORDON: Well, let's don't say lost cause please.

MR. KRISTOL: And the authorizing committees in Congress are a huge problem of course, if you want to try to do something. I would say unfortunately as Congress legislates less it actually preserves its perks more because they have to do something. And in a sense if you're not going to get credit for passing big legislative -- since they actually don't reauthorize legislation anymore which is what authorizing committees were once supposed to do, what authorizing committees now do is protect particular little parts of departments that they basically control or particular that they have, you know, authorized 20 years ago and whatever.

I have been a little shocked on that. When I came to Washington in '85 I worked for Bill Bennett. I became his Chief of Staff. It was considered then a little

questionable really for Senators or Congressman to get too much into the administrative side of a department's activities. A, there was sort of issues of improper influence, we had competitive, you know, a lot of these were competitive grant programs et cetera. The degree to which Congress now just blithely, you know, figures and you see this in all the letters that get revealed from different Congressman and Senators. Just feel they have the right to just tell the agencies what to do at the Assistant Secretary and Under Secretary level on programs that they have supervision is a little bit, is not friendly to I would say efficient and sensible administration and sometimes to equitable administration.

And so, I think that's -- but fixing that is a big deal. I would say on the Romney side, I do think though, I think what they're thinking, and I don't disagree with what they're thinking, is we have to -- we have a huge agenda in 2013. And we probably only have six to nine months to do it. So, this November 7th to I don't know when, September 30th will be the outdate. I guess the end of the fiscal year, probably really till what August? When you've got to pass your huge budget reconciliation bill which includes tax reform, entitlement reform, I think probably tax, but certainly entitlement reform, I would say some kind of budget reform and of course repealing Obamacare if Romney wins and fixing, replacing large chunks of it.

MR. GORDON: And paying for it.

MR. BRISTOL: And paying for it. So, all of that has to happen very fast. They cannot do that through normal Cabinet processes honestly. So, they are going to have an extremely strong White House and NOB and Treasury for the six nine month agenda.

Now, I think, and the right way to think about it probably is to think that there will almost be two Romney administrations. This sort of November 7th to let's say

September 30th, 2013 which is dealing with the immediate issues they've got to deal with. And I think, and that's going to be very much, you know, Mike Leavitt is White House Chief of Staff. Whoever is Budget Director, Paul Ryan as Vice President who knows a heck of a lot about this and whoever's the Treasury Secretary meeting, you know, twice a day I would guess at the White House at 9 a.m. and 5 p.m. with senior White House Staff and maybe the HHS Secretary gets to be in those meetings since after all the healthcare is a big part of it. And everyone else is sort of, you know, doing -- getting their under- and assistant secretaries confirmed and getting to know their authorizing committees on the hill.

And then there would be the rest of the Obama administration where I would hope they would move to more of a modernizing government and a whole bunch of other things that could be done in a bunch of departments which really need to be improved both from a policy point of view and an execution administration point of view. But I do think, at least my sense is that the Romney people, and I think they're right about this, are very focused on that first six nine months and if you want to do that you do need extremely strong White House and OMB control. And if I were advising Romney I would say here are my best eight people. I would say put them all at the White House, OMB and Treasury at the beginning.

You know what? After a year, move them over to be Cabinet Secretaries, but it's just they need the best most experienced to really make those decisions early and to work with Congress. And I would also get a couple of people who either have served or are very familiar with Congress to run that process because it's obviously, you know you can't just dictate to Congress. And they're going to need to make that stuff happen very fast.

MR. GORDON: So, are you advocating tsars?

MR. KRISTOL: Well, no just a very strong White House Chief of Staff, very strong Budget Director. I mean Reagan '81 would be the model obviously with Stockman before he went and decided he didn't like the Reagan agenda and Jim Baker and others in the White House who knew what they were doing. A very strong legislative affairs office and really the ability, I mean it was impressive what they did when you look back on it picking up 70 or 80 Democrats in the House even though Tip O'Neill was a pretty strong speaker.

And, but being able to get that stuff through was not a -- we look at history in retrospect Reagan won and therefore he was inevitably going to get all this stuff through in '81. That's not really how the world works. And the fact that he did it was pretty startling and it would be worth looking at those as a model I suppose.

MR. GORDON: Well, Governor Romney is also going to have the difficulty of just a change of administration and the confirmation process now is just awful. And so, you probably will have to have those whatever the new term for tsars are, that are in the administration trying to cobble together this jurisdiction or various agencies to push whatever needs to be done.

MR. WEST: Okay. I'd like to involve our audience here. So, if you have a question, raise your hand. We have a question over here. So, if we have a microphone over here if you can take it over here. If you can give us your name and your organization and we would ask you to keep your questions brief so we can get to as many people as possible.

Yes, sir?

MR. GRINDSTAFF: Hugh Grindstaff. There was Al Gore is reinventing government. But really when it comes down to it, no matter who's elected the President at that time should come up and say, "Look we can't do it with Democrats or we can't do

it with Republicans. We have to get a bipartisan solution to this." You know the next President has to get the leaders of the Congress and also it wouldn't be bad to have Governors, have all 50 States' Governors come in and say, "Look we're in a crisis here. We need to get something done. Forget your party, let's get it done."

MR. GORDON: You know, I think that's what all of America would like to see, but the model for Congress and I say Congress in the House or the Senate, if you want to go from the minority to the majority, the model has been well established. If you're in the minority then you try to stop the majority from getting anything done even if you're halfway for, or mostly for it.

And so, it really again, as Chairman of the Science and Technology Committee it's not nearly as difficult, obviously, as many of these issues, but we were able -- we passed 151 bills and resolutions in those four years. All were bipartisan. And so, I found that it is the responsibility of the majority whether you're the majority in the House, the Senate, or whatever you are, it's really the responsibility of the majority to reach out to the minority. And sometimes you have to go, you know, when Mitch McConnell says his job is to see you beat then it's a little bit tough. So, you might have to go down to Mark Alexander. You may have to go down to somebody else.

But whether the majority in the House, the majority in the Senate, and whichever party is the President, they have to really reach out. They have to stoop over, and then maybe you can get a little cooperation.

MR. KRISTOL: And I would say there are two models, I think, for how to do this. And I don't really have a view about which would be better in 2013. I mean one is the leadership deal model which is Andrews Air Force Base in 1990. President Bush and Dick Durbin making a deal with the Democratic leaders of the House and Senate, or Gingrich Clinton in '97. There's been plenty of legislation, big legislation passed that way.

The other model would be Reagan '81, Bush '01 I would say, at least on the tax bill which is to go pick off 10 Democratic senators or 70 Democratic House members if you're a Republican President or vice versa incidentally a Democratic President could do the same. And I think it would be an interesting tactical question actually for Romney. I mean does he think he has to sit down with Harry Reid? Or does he think he has to go sit down with Joe Mansion and Mark Warner and eight other Senate Dems and I think the same for President Obama.

I think he might, I think Republicans I will say, as a Republican, are underestimating how strong Obama will be if he's re-elected and I don't believe Boehner can hold, if he's got a 15 vote margin in the House, I don't think he can hold all the Republicans against an Obama version, for example, of a budget deal. There are still enough moderate Republicans House members. I mean the leadership is stronger than it used to be. I think they have more leverage over members partly because of campaign finance issues and other things. But having said that, I think an Obama going to some of the Mark Alexanders of the world and the Senate and there are some equivalents in the House, even if the Democrats of both houses of Congress he would have some leverage to go around leadership if leadership is resistant.

Though in the case of Boehner I suspect he wouldn't mind. I mean, he'll feel he sort of is obliged to try a kind of deal with Obama in 2013 if Romney has lost. But I think it's an interesting tactic, people say bipartisanship, but there are two forms of bipartisanship. One is the leadership negotiation; the other is the picking off of the members against the wishes of leadership.

MR. GORDON: But the premise in both of those is there has to be personal relationships developed before that can occur. And I think the Ambassador pointed out well that Governor Romney will have those talents. I think now that President

Obama knows -- he has them. He's just going to have to now demonstrate them more and be more engaged.

MR. HUNTSMAN: So, the reality is this. We're a few short weeks away from the real work starting. And I think Bill hit it right on and I totally agree. I think there will be a moment of real clarity after the election. You know, we'll all wake up the next morning and some will be happy some will be sad. And then, the expectations will be there. We've got to move.

And I think people will start thinking a little differently about this interregnum between November and January and what needs to get done. Because I think the fiscal cliff and the reality of a downgrade, an S&P downgrade and the impact that would have on the markets, I think that's very real. And I think that's going to focus the attention of a lot of people which is a good thing. And I do believe that that period is going to be a productive period, maybe more so than people might imagine today.

But you raise another good point about Governors and having been one here's what the next President I think has an opportunity to do. Having been Chair of the Western Governors Association just to highlight this point, I don't remember a time in recent history where a President has actually used the Governors effectively to drive policy. Now, if ever there was a truly bipartisan group, people who actually do stuff, and have to go back and report to their constituents, or else you don't get re-elected it really is kind of a can do problem solving body for the most part.

And to have a President call in the 50 Governors early on and say, "Republicans, Democrats alike we're all in this together and we've got a period during this very important 10 month stretch ahead. Here's what I'm going to be focused on. I know some of you might disagree, but hang with me here. Here's what I'm going to be focused on and as for you, I need some help on things like Energy policy because that's going to

be hugely important. And I want you to drive it because so much of it has to do with our public lands and the attitudes locally that will help me help you in making this a reality."

I think engaging, harnessing, and even asking for the help of the nation's Governors, so typically you meet with the President once or twice a year as a group and you get briefings as opposed to the President saying, "I need your help. Please go out and do this. Republicans, Democrats, I need help on Healthcare. 2014 is around the corner. We need some clarity or help in there. I need some help on Energy policy. Here is the broad framework. Let's help to fill in some of the gaps and make it national effort," if you will. I think there's huge untapped potential in that area that could speak to bipartisanship.

MR. KRISTOL: And I sort of agree with and you know I think the one biggest policy achievement in my view in the last 20 years might have been welfare reform and 25 years I guess now, 26 years. No, about 15, 16 years, '96 and that was done by Clinton who was I mean grudgingly accepted it after modifying it some. But the Governors had a huge role in that I think. Actually Engler, Thompson, Leavitt on the Republican side, and a couple of Democratic Governors.

So I think you could imagine in that in some, certainly if you're going to do serious Healthcare reform and you're going to do the Republican version of Healthcare reform which includes Medicaid back to the States, you need to have a very serious -- and even truthfully even Obamacare will depend on the States doing some things. So, I mean you do need to have a serious conversation with Governors who understand those issues.

MR. HUNTSMAN: And to that end I think Governor Romney would be in a position to, at least instinctively understand the culture of Governors. How to harness them and how to energize them going forward.

MR. WEST: Okay. Other questions? Right there on the aisle, there's a microphone coming up behind you.

MR. AMAN: Governor Huntsman, my name is Bill Aman, I'm with Linktank. You stated that the President has an opportunity to set a framework. And so, Congress has been addressed a lot and things like filibuster reform or the inability for Congress to push major reforms or bills. Will Romney be more successful in that or is a new Congress, do they have an opportunity to -- does that happen internally or will the new President set that vision?

MR. HUNTSMAN: I think this is where the executive branch has enormous power to set the agenda and to frame the issues. My only comment here would be to simplify, simplify, simplify. You know, when you're in an executive position like Governor which I assume is much like the Presidency, Bill's been very close to this. You have to simplify your list of things that you're taking before the American people and indeed Congress because your ability to get things done, I think, is pretty limited and you have to be realistic about that which is achievable.

And so, for the next President I think framing the two or three must have items as opposed to wandering off. It's nice to talk about reform and all of that and eventually we're going to have to have some serious conversations in this country about broader reform efforts. I do believe that the next 10 months will require a very precise delineation of the two or three things that are the must haves. And it will probably be around tax reform, and spending and you know if you can throw in something around energy policy.

You know, if we could get the through the next year, tax reform, you know along the lines of some Simpson-Bowles deal, we're phasing out loopholes, lowering the rate, broadening the base. A target on spending over the next 10 years you

know something between the Ryan plan and Simpson-Bowles, you know where it's likely to end up. And then have energy policy because I think natural gas is going to be probably the most powerful boom to our nation's bottom line than we've seen in probably two decades. And could very well establish kind of a review of our manufacturing muscle in this country and what our expectations ought to be going forward. I think it's going to be hugely consequential economically.

So, that's just an example of maybe three things that could be outlined without wandering off into all the reform areas. Nice to talk about, but probably not realistic given the reality of the political constraints over the next many months.

MR. GORDON: All three of those are going to be done with one bill.

MR. KRISTOL: What reconciliation? I mean just thinking about this too, one does tend to project, we all tend to project the recent past into the future and that can be misleading. I was thinking about this. So, if we were sitting here in 2002, 10 years ago, here's what we would say I think about the preceding 20 years. We would say you know what? There's been a heck of a lot of legislation passed, a lot of it big legislation and a lot of it with some bipartisan support.

So, there's Reagan '81 obviously with his initial budget. There's Reagan '86 tax reform, genuinely bipartisan. There's immigration reform under Reagan with Alan Simpson, bipartisan. There's Bush '90 the budget deal. His own party rebels against it, but nonetheless passes with bipartisan support and then Bush '91 the Americans with Disabilities Act and some other legislation, environmental legislation as well that's pretty important, the Clean Air Act, right? And amendments which were what? I think '90 or '91.

Then we get under Clinton, after some partisan fighting, we get welfare reform in '96 and a pretty big budget deal in '97 and Bush in '01 does both his tax bill with

some Democratic Support and No Child Left Behind with genuine bipartisan support. So, if you're sitting in '02 I think you think gee we have 20 years where, you know, there's the usual partisan fighting, but then every three, four, five years there's sort of pretty big legislative achievements.

Things changed, I think, to some degree in '02 and we can leave aside blame and maybe it was just the accidents of life it became very partisan. The foreign policy stuff started to dominate. The tax fight because it was extremely partisan after '03 and for whatever the rest of Bush didn't have much in the way of bipartisan legislation. He tried, to be fair, a little bit certainly on immigration. That fell apart in '06, '07 partly because of a vote within his party, partly because I do think what Bush and McCain say that the Democrats having talked a good game weren't willing to actually give Republicans a victory on or a legislative achievement on immigration in '06 and '07.

Obama comes in. I don't think this was inevitable. I mean, I know people say McConnell wanted to beat him and the Republicans and so right wing. They were so demoralized. Believe me I was there in February '09. That a more skillful legislative strategy on the part of Obama, and I still do not understand it, maybe you can explain this, why Rahm went the way he did, but in any case they went with the partisan Stimulus Bill and then, in my view, just insanely went with Healthcare instead of the stuff where they would have split the Republicans.

The idea of the Republicans, you couldn't have got a ton of Republican votes for a version of Dodd-Frank at that point, in the height of the financial crisis. The Republicans were going to fall on their sword for Wall Street? It would have been ludicrous. I mean, I would have supported some version of that in early '09. Instead they, stupidly did a partisan stimulus bill and went right to Healthcare and indeed made you guys vote in the House on Cap and Trade. And pretended to push car check, I mean

it was really nuts in my opinion, but anyway it created --

MR. WEST: So, now we have our (inaudible) Kristol supports Dodd-Frank.

MR. KRISTOL: No, well I do support a version of Dodd-Frank and I do think it's a huge problem for Republicans that say they're for repealing Dodd-Frank. I mean, I'd be actually for breaking up the big banks instead of Dodd-Frank which is I think it's just too big to fail. You know, a corporatist, crony capitalist kind of legislation, but Republicans have a problem in there, I think, in not explaining what they would do on that. And that will be something Romney will have to address when he takes over.

But so, and for whatever reason, you know whoever's to blame, the Obama Administration became, looked very partisan by mid '09. The Republicans looked very partisan; the Tea Party, et cetera. Then in 2011 he had another chance with Bowles-Simpson, which again we can squabble about who exactly what Obama should have done, whether Paul Ryan should have voted for it, whether the deal with Boehner couldn't have happened, but there was a moment where it looked like something could happen and it didn't. But I would be wary of generalizing from the last 10 years, just as one would have made a mistake in '02 to say that the preceding 20 years would have been model.

And I do think that the system isn't so broken, or so partisan that one couldn't have more like what we had in the '80s and '90s on a whole bunch of issues. And I think this really does get to the original topic of this panel though which is, I mean the more I've thought about this just sitting here, the Presidential leadership. I mean adept and skillful Presidential leadership in real practical leadership as well as rhetorical, I mean, will be very, very important.

And there's a bunch of issues. I do believe you could do immigration

reform honestly in 2013. I don't think there's really a huge substantive disagreement. But I think you could get 70, you could get 75 Senate votes and 280 House votes for the right piece of legislation.

MR. GORDON: That would be one of Obama's parties.

MR. KRISTOL: But is anyone going to really step up and do that and you could imagine a 2013 that resolves a lot of these issues that seem totally intractable, not resolves, but deals with a lot of these seem intractable. But that does require skillful Presidential leadership.

MR. GORDON: And focused.

MR. WEST: Okay. Right here on the aisle we have a person with a question.

MS. O'CONNELL: June O'Connell, a retired Foreign Service officer.

MR. WEST: Thanks for your service.

MS. O'CONNELL: Getting back to the subject today which is what Presidential campaigns reveal about leadership. In the past several months, Governor Romney has advocated repealing the Affordable Care Act and keeping parts of it. Repealing or revoking the DREAM Act and keeping parts of it.

My question is you've all suggested that either way deals will have to be struck on November 7th. As to Governor Romney, hasn't his leadership skill been primarily one of lack of transparency and consistency?

MR. KRISTOL: I mean, I'll defend Governor Romney here since I've been fairly critical of him. No, I don't think -- look his positions on the two issues you cited are perfectly reasonable. He's for -- I'm for getting rid of Obamacare and I'm not for having, I mean I'm not against having bans on preexisting conditions and other such things which is what Romney is trying to say somewhat inartfully. And on the DREAM

Act, I am in fact in favor of the Rubio version of the DREAM Act and against the Obama version. That's not a ridiculous intellectual position.

So, I mean what Romney is saying, again it's easy to parody, to mock it a little bit, but I don't think it's an intellectually ridiculous position that Romney is taking. And people want to say, well you got to be for the ACA or you're against all healthcare reform, that's not really reasonable. So, I think Romney has a real chance to govern with a center right agenda. And incidentally Obama's going to have to govern, come to the center if he wants to govern unless people think he's doing a great job out there running \$1.2 trillion deficits every year.

MR. WEST: Back in the corner there's a question. The woman with her hand up.

MS. SIDDIQUI: Sabrina Siddiqui with *The Huffington Post*. The last couple of weeks, in particular, have been very difficult for Governor Romney in his campaign. They've announced a couple of resets or reboots as they've called them. Where do you think his campaign has been missing the mark and what do you think that he needs to come out and do both tonight on the first Presidential debate and in the remaining five weeks?

MR. HUNTSMAN: Yeah so, I ran for President and failed miserably so I'm in no position to opine on this one that's for darn sure. And I'm not much of a political analyst anyway. But let me just draw from a little bit of experience and say that you know it helps when you look into the camera and you speak from the heart in ways that allow the voters to feel the sincerity and the commitment to the issues around jobs and economic growth which I think must happen before anything else.

So, is there any opportunity tonight to do that very thing? So, the listeners in the audience, they hear the words and they process the data. We all do that

but we also feel something when our candidates speak to us. You know what I mean? It's all part of the process of winning votes. You have to speak the words that make sense from a policy standpoint and you have to move people with emotion as Bill Clinton did when he spoke at the Democratic Convention. And my thought after that was where is our Bill Clinton in the Republican Party?

Now, I thought Marco Rubio did a pretty good job but here Bill Clinton disaggregated some complicated issues. Simplified them, delivered them into the living room of every voter and had an intelligent conversation. That's what voters want. They just want a sincere, intelligent conversation, no BS, no fluff, no hype, hyperbole, just give me the scoop and tell me where you think you can take us. And that's where I think there's an opportunity still in the weeks remaining. And I believe that Governor Romney has that capacity to deliver that kind of level of sincerity and direction.

MR. GORDON: Let me try and quickly address that. The Republicans had a candidate doing that in the primary. Unfortunately that candidate was addressing the general election electorate rather than the primary electorate. You know that's different, but if you look at Governor Romney's problems I think it goes back to two numbers. The first number was brought up today the 50.1 percent in the sense that he's just trying to do what's necessary again to be elected.

So, there's some of that lack of sincerity. The other number is the 47 that we've heard so much about which is sort of Peggy Noonan's comment about a tin ear. I think he went into this with tin ear because he didn't really associate and wasn't around regular people that much. I think, though, that the campaign hopefully has allowed him to better tune that ear. So, I think the path forward has to be; tonight he just has to look Presidential and able. No long balls and then that gets him started and then he's going to have to reach into himself and think about the people that he's met on the

campaign over these last few months and really talk about what he feels about them.

And then, you got to make some structural changes. They've run a very poor mechanical campaign. And they're going to have to get into the battleground states. They're going to have to get their field offices. They're going to have to have a better message there, but that's got to be corrected too.

MR. KRISTOL: I would just, having beaten up the Romney campaign for the last few weeks and months and even year and a half, I forego beating them up again because I have been critical of them. And remain critical, but I would say this. Honestly, just analytically looking at the numbers today, contrary to your question, I mean it's been a terrible two weeks. He made all these mistakes, 47 percent. Got clobbered on that. Where are the actual poll numbers? You know, they're not much worse than they were.

In fact, it's not even clear they are worse than they were two weeks ago. Certainly not at the National level. Swing States slightly worse. We got the NBC Wall Street Journal out the morning at three points. All the other GW battleground, the serious polls, the likely voters are around three points. If I were Axelrod or Plouffe, I would be a little worried actually. I mean just as Romney should have been ahead, in my view, two months ago and blew the summer entirely and then blew the Republican Convention.

Now, I really wonder whether the Obama campaign won't look back at these last two weeks where they really had a chance, I think, to pull ahead and ending up, you know, sniping at Romney at ways that could just be repeated problems. Reiterated that he had problems, which everybody knew about, and have not really closed the sale. And so, now we go into the debate in a three point race and I'd be a little -- I mean it does strike me that structurally President Obama is -- this part of the Romney analysis is correct that he remains a week incumbent running for re-election. He's not Clinton in '96. He's not even quite Bush if you look at the numbers in '04 and therefore is

somewhat vulnerable.

And I wonder if they could have done more. I mean everyone keeps saying Romney; I keep saying Romney should give a major speech. Romney should do this. Romney should lay out his agenda. I suspect the Democrats have been more solid in their support of President Obama I would say, maybe a little less critical at least in public. But if I were a Democrat who wished him well from the outside I might have thought over the last two or three weeks maybe he should be doing a little more to lay out a positive agenda.

So, I think he's at some risk now of looking like an incumbent who's trying to stagger to victory or who's to sort of coast to victory perhaps by discrediting his opponent with 50.1 percent of the electorate. And it might work of course. One of them is going to be to discredit the other with 50.1 percent of the electorate, but I think he's left Romney more running room than I would have expected. If you had told me two weeks ago what would have happened in the last two weeks, I would have thought that the numbers would be worse for Romney.

MR. WEST: Okay, up here in the front row we have a question. There's a microphone coming over to you. So, if you can give us your name and organization please.

MS. KIRCHGAESSNER: Stephanie Kirchgaessner, with *The Financial Times*. And I'm just curious about what you predict the dynamic would be or any of you would predict the dynamic would be between if Governor Romney is elected, between him and Paul Ryan as his Vice President. And then dealing with the House and obviously you'd have to deal with Harry Reid whether he's still majority leader or in the minority, not having the filibuster proof Senate.

What does that look like? Because from what I'm hearing on the House

side it doesn't seem like there are many predictions that things are really going to change. And that there are too many people who are going to be willing to compromise. The sense is also from a Tea Party activist I've been speaking to that Governor Romney's going to have to prove his conservative credentials even if he is the one to unseat Barack Obama.

MR. KRISTOL: I don't know. I mean, well, so let's just assume Romney wins. So, if Romney wins we assume the Republicans hold the house and probably don't even lose many House seats. I believe he has huge clout then in the House. And with Paul with him, I mean I don't, yes there's going to be complaining for this and that by some people if he doesn't do A, B, or C. But I think he has the ability to pass his reconciliation bill through the House at the end of the day with very few defections on the Republican side.

Then he has to decide how much he wants to try to get Democratic and how much he's willing to just do what Obama was willing to do in '09 and take and pass it through the House. I think he's in reasonably good shape in the Senate, too though honestly. At least for the big reconciliation bill.

I just don't buy, Republicans who think that John Boehner is going to block a re-elected President who would have been re-elected with a pretty clear agenda in terms of taxes and especially in the tax policy, the idea the Boehner is going to hold Republicans against that is the Spring of 2013 I don't quite buy. And I certainly don't think Harry Reid can hold them, even if he's got 51 Democrats, can hold the Democrats against that anywhere than they could, than Tip O'Neill could in '81 against Reagan.

I just think then it will be a tactical question for Romney and for Ryan about how much they want to compromise and do they want 70 votes for reconciliation bill or do they want to do it with 52 or 55. And you know there are some practical

questions there obviously, but I guess I don't -- I mean I'm not sure Reid is still leader incidentally if they don't hold the Senate. You know? So, then you can work with Chuck Schumer which I'm sure would be fun in its own way.

I don't know, these things are hard to predict, but I guess I tend to be of the view that either one if he wins will have a strong hand. The crisis will make him stronger. The fact you've got to move on the debt limit, the fact that the markets will be saying we need to see some progress on entitlement reform. The fact that the whole business community will be saying correctly we need to see some real tax reform. The corporate income tax rate is crazy no matter what your ideological view about the right progressivity of income tax is. I mean, it really is kind of crazy for us to be just hurting American businesses when they're competing with businesses abroad.

I mean there's just some obvious things that have to happen to say nothing of everything expiring in December 31st. So, I really do think that the President will be in a strong position to shape the agenda, and either whichever man is President, and I would say really in either body including the Senate. I just, I think we've got a little bit -- I mean there's been, I think we've overdoing how much a Mitch McConnell or a Harry Reid is going to stop a newly elected President or a newly re-elected President on the core parts of his agenda is he focuses in 2013.

MR. GORDON: I'll make a prediction here. In all likelihood President Obama will be re-elected and if he is re-elected then there's a good likelihood that the Senate will narrowly, very narrowly stay Democratic. And it's almost certain that the House will stay in with a Republican majority. These used to we just knew at the end of the day at the last hour you know the adults would get together and everybody would give some and it worked out.

It's much more nervous now, but there are very big stakes. After the

election I think you're going to see the business community come in hard saying, you've got to step up. Republicans you've got to make some compromises. Democrats, if you want jobs well the hell with it. Cause they're all going to go away if you don't do this.

So, and then there's going to be this we're going to do taxes, budget. Everything is going to be in one bill. I think that you're going to see John Boehner, he is an adult. There's no question about it. And he's a patriot. He knows what needs to be done. I think, if necessary, he will sacrifice being re-elected Speaker the next time around to do the right thing. I think he and the President can get together and the President will give on entitlements.

Boehner will give on taxes in the sense that rates will come down, but there'll be enough slop leftover from doing away with some of the so-called loopholes that you'll have some extra money. And then in the Senate is really where it all has to start. You're going to have to see again Lamar Alexander and Mark Warner and others outside the really top leadership come together with a framework.

Now, they could put the framework together. You can't initiate that. It has to be initiated in the House. But I think that will be the framework and again this bold, light, heavy, whatever you want to say kind of thing. And then that can be where folks can rally around. You're going to have to set a framework within the lame duck session. You can't go to the end of the year because it will start to smell. But you take some time to be able to get it right. Because I mean these -- you have to do corporate and personal taxes together. You can't do one without the other. There's too much interlocking there. And it'll just take a while to go through it. But whether it's 4th of July or the August recess, there's got to be a deadline like that.

Now, I'm an optimist and I think that all that will come about. But it is fragile and somebody can get their nose out of whack and it can be a problem. But it's

going to have to be a bipartisan situation. And I think again that the adults will step forward and at the risk of alienating some of their own party.

MR. WEST: Christine has a question from our webcast audience.

CHRISTINE: Yes, I have a question from Abby Huntsman.

MR. WEST: Uh oh. Governor you better watch this.

MR. GORDON: When are you going to be home?

MR. WEST: I've seen her twitter account and she can be very tough.

CHRISTINE: She said, "Dad or Governor, what will need to happen to the GOP if Romney loses?" And I guess that's for the whole panel, but she did say Dad.

MR. HUNTSMAN: What happens to the GOP if Romney loses? What needs to happen? Oh boy, I'm so glad my daughter threw me a softball and the one that will keep me out of trouble no doubt.

There will be all the predictable fingers pointing and the blame game and that will sort itself out as is the case at the end of any losing campaign. And then the party will wander for a while. It may be a little bit like Yugoslavia at the end of Communism where you have several entities that kind of fall out of one. And they have no real direction, governance or leadership. And it takes a while to sort that out.

And I don't know what that means longer term when you look at the viability of the party. I think we're going to have to come around and recognize that we have to stay relevant. You have to stay consistent with demographic changes if you're going to be a viable party. You have to be consistent with your founding principles and by founding principles, you know, I look to Lincoln's leadership. I look to Teddy Roosevelt's leadership; I look to Eisenhower's leadership. I look to Reagan's leadership. All Republicans, we forget that the party wasn't created five years ago. You know it has a history going all the way back to our first President who was a Republican, Abraham

Lincoln. Fremont lost in the election of 1856 but Lincoln did okay.

So, we have everything from the importance of individual dignity in our political discourse to an articulation of the humanity that we're passing down to the next generation as stated by Theodore Roosevelt, to the importance of our infrastructure system as discussed by Eisenhower. To a big bold President like Reagan who was willing to sit down with the evil empire to engage in direct negotiations.

So, we're drawing from a long history of I think real important achievements for this country. And at some point, as Republicans we're going to have to have a discussion about what Republicanism is today in the 21st century while drawing from our roots and while recognizing that we have to keep pace with changing demographics. That's just the reality. Companies go broke if they lose their customer base. They will go out of business. They will cease to exist but we also have to have a heart and a soul.

You know a party can't just be a holding company for fundraisers and a convention ever four years. You got to have a heart and soul. You got to project a vision and some principles that people hear and can sense are real and consistent with our time and place in history. And we're not there yet. And I really don't know where we're going to be over time.

MR. WEST: I really like that new headline coming out of this event. The GOP is like Yugoslavia at the end of communism.

MR. KRISTOL: Well, there will be a ton of fingerpointing and bloodletting which *The Weekly Standard* will cheerfully participate in and I want people already working on those articles. But one thing I would add to what Jon said though, there is a real existing Republican party in the country and more importantly there are real existing Republican Governors. And it's not as if they go away.

So, Bob McDonnell is actually governing Virginia. Chris Christie is governing New Jersey and Bobby Jindal is governing Louisiana and Susana Martinez is governing New Mexico and Mike Pence will be governing Indiana following up on Mitch Daniels. And Scott Walker is governing Wisconsin. So, I think they have the ball. I mean and I think from my point of view that's good because they are the kind of reform conservatives that I think that I like, that I think are successful both in policy and political terms. I think they become extremely important.

We'll still focus, I suppose, on Boehner and McConnell, but the truth is maybe they do a little bit of blocking and holding and maybe they negotiate with President Obama if he wins. But on the scenario of Romney losing, I think those Governors become central to the future of the party both in terms of actual policies and in terms of politics. They become the model of how you actually succeed in governing as a reform conservative including in many states where they will by definition be governing in many states that Romney will have lost, right? Nevada, New Mexico, New Jersey, maybe Virginia of course, maybe Ohio with Kasich.

So, I think they become really central and I think it will be hard for us in Washington to sort of remind ourselves that they're more important than what happens in the leadership in the House and the Senate. One time caveat, I wrote this a couple of weeks ago, maybe I'm wrong. Everyone assumes that the Republicans will hold the House, of course, even if Romney loses. I'm not so certain about that.

I mean I think people, just that my only electoral campaign point I would make and this is just a guess, an analytical guess I guess. I think people are underestimating the variance of outcomes that could still happen. I don't buy the argument that we're locked in 51/48 race either way. I think it could be a six point, seven point victory for Obama if he breaks it open. I'm not so sure that Romney still couldn't

break it open a little bit. If he gets a 53/47 which is possible, it's not like if Obama's ahead by three or four points now he could win by six. That's not like out of the question.

And the generic goes to plus two Democrat, I'm not so sure Republicans hold the House. I know the Republicans are widely confident and the Democrats don't think they can take it back. But if you go do the math, if you start losing the generic ballot by two points you do lose the House. And so, I think you could have more turmoil and that would be big.

I mean I think that would really lead to the meltdown if Republicans loose a body that everyone is assuming rather cavalierly in my opinion, well of course you can't lose the House. I mean if that were to happen, that would be a huge shock. But then they would even put more emphasis I would think on the states where Republicans are governing pretty successfully.

MR. GORDON: As an outsider, let me quickly agree and disagree. Of course, there's going to be the finger pointing. You've got to go through all that. And as the Ambassador said, they'll get through that. But at the end of the day the House is going to stay in the Republican hands. Whether the Republicans have a majority or not in the Senate, they still have the filibuster. And so, there's not going to be an epiphany moment. It's not going to be we were wiped out; we've got to rethink everything.

They're going to go through a period where part of it is well we lost because we weren't conservative enough. We didn't go to our base. And then they'll be some that will have the courage to say, well we lost because we didn't we go to the middle. And so, that's going to go on and on and on and on and on. And I think the Tea Party effect will linger a little bit longer, but the Tea Party is not the individual members that are elected that are so-called Tea Party. It is the fear that the Tea Party has struck to moderate Republicans about their primaries that is going to stop them from having that

really good conversation. Because it's not, again, they didn't get wiped out. It won't be epiphany time. They've got to let this Tea Party thing get a little bit further out before again the adults can really have a good conversation.

And then certainly Hispanics, Asians, all these things they've got to talk about all that. But it's a little bit out. Now the good news for the Republicans is we're going to be doing the same thing. We're going to be arguing among the Democrats oh, we'd have done even better if we would have gotten the majority in the Senate, if we had been, for lack of a better term, more liberal or whatever, if we'd been more of our base. So, the Democrats will have some of this same sort of thing.

So, unfortunately I think you're going to see everything sort of pushed along the same for a while and then there's going to have to be some real thinking in both parties.

MR. KRISTOL: I don't agree with that. I mean I just think honestly I think you underestimate how much Republicans assumed this was a Presidential race they should win. I think losing two Presidential races in a row is a blow in a way that losing one isn't. And traditionally has led to fairly fundamental rethinking in political parties about their, and I think it would be rethinking in some respects, such as on issues relating to Hispanics and some other issues. I'm more pro-Tea Party and I think there'll be a combination of conservative rethinking and moderate thinking. It'll be complicated where the party goes, but I think there will be more of a shock than you think.

If not to take back the Senate and lose the Presidency in this year, after the gains of 2009 and 2010 and presumably lose House seats and maybe, I still think, get dangerously close to losing the House. I think it will be a shock to the system.

MR. GORDON: It will be a shock, but the conversation though will be should we be more moderate or should we be more conservative?

MR. KRISTOL: Well, that's always the conversation. That was the conversation after '92. So, after '92 --

MR. GORDON: And the Tea Party --

MR. KRISTOL: The Tea Party does not intimidate members as much as you say. It has --

MR. GORDON: What are you talking about?

MR. KRISTOL: How many members were defeated by Tea Party challenges this year?

MR. GORDON: How many members completely changed the way they would vote their life because they didn't want a Tea Party opponent in the primary?

MR. KRISTOL: Well, fine. After going through it once and maybe some did, but I think after this year it's going to be much harder to tell Republican members that they can't win primaries. They all won. 82 of out 85 Republican House members beat back the "Tea Party" --

MR. GORDON: Yeah, because they said climate change is not real whether they believe it or not. I won't go on to other things but the --

MR. HUNTSMAN: This is yesterday's discussion right here.

MR. GORDON: No, it's one more year, one more cycle.

MR. HUNTSMAN: Let's talk about the reality after the election and going forward because I think what Bill mentioned about the catastrophe that would be a Republican loss and the implication then for the party, but driving this whole conversation in the years ahead will be two things.

On, the reality that the fastest growing party in America is the unaffiliated party. And even in my own Red State of Utah, what's the fastest growing party? The unaffiliated party, not the Rs and the Ds. So, if you just extrapolate out the demographics

in a few years the implications are enormous. And if you couple that with technology trends, so I would argue that no party really has harnessed effectively the Internet. But we're kind of scratching around the surface. But that is going to provide a platform for delivering messages, organizing, fundraising, doing all the things that traditional parties do.

So, when you couple demographic changes and party affiliation, pictures that look far different than they do today, with technology and how that's going to continue to effect and change the political dynamic, I don't think we can adequately predict where this thing is going over the next years. But I think we're in for some unexpected surprises and shocks to the party status quo in the years to come and I don't think we can even predict what's it like.

The whole discussion of Tea Party or Occupy Wall Street in the years to come will be history. And we'll be looking at a horizon that looks so different from today I don't think we could even forecast what that might be.

MR. KRISTOL: Well, one point that I would say that would sort of half agree with that, though I don't think, I'm not sure the Tea Party and Occupy Wall Street aren't harbingers of something to happen. I would say if you were a historian and you looked at 2012 you would have an expected third party candidate. And of course, there were efforts to make it happen and they happened to fizzle out for various reasons, but the truth is historically if you have a bad recession and difficult wars, an apparently failed Presidency and then a takeover with great hopes and hopes for change which then fizzle out to some degree in 2010, it was a classic scenario where you should have had a Perot '92 type moment, really.

I mean there should have been some sense of it that way. You should have a primary challenge honestly on the Democratic side. You didn't for various

reasons. Then you should have had a sort of Perot '92 moment, you didn't. I've wondered is that something structural? Are we not going to have that the way we had it so many times in the past? Or is just an accident of history? Obama happened to be peculiarly positioned so as to thwart the sort of obvious primary challenge that would have happened if it had been different. He took Clinton into the Cabinet so the Clinton people were gone. He's the first African-American President so the left couldn't really challenge him. But it should have been more like Bush '92.

MR. GORDON: Structure. It was all structure. Bloomberg would have run in a minute if he thought that he could have won, but he looked at the process of getting on the ballots --

MR. KRISTOL: But Bloomberg's the wrong type of candidate -- but getting on the ballot was done. American's Elect did that. I mean I just think American's Elect had the wrong understanding of the right kind of third party candidate. They wanted an upscale, socially liberal, Bloomberg respectable, even Jon Huntsman type candidate. And in fact, the mood out there of course was for a Perot, Huckabee, Buchanan type candidate or on the left, a left version of that.

And now that's not good for the country in my opinion. I wouldn't vote for such a person, but I'm just saying analytically there's obviously sentiment. And if we do have a failure over the next year or two to come together and to pass serious reforms I do think -- my hunch is that Jon's right. The degree of turmoil we can have, and the degree of unexpected developments, third, fourth parties, splits within both parties incidentally. It's not as if the Democrats are entirely comfortable with where Obama has taken them and if he does go to the center he will have a problem on his left.

Certainly going forward where you don't have to challenge Obama when you're looking at a 2016 candidacy, I agree with Republicans. There are very different

strains within the Republican Party. There's a lot of cross cutting cleavages in a way. I mean is Mike Huckabee more to the center or more to the right? Mike Huckabee is more on social issues is very conservative. He also was governor. Also he was a critic of Wall Street.

I mean everyone laughed at Huckabee in '07 and '08 from within the Republican Party for being a guy who said, "I think this housing bubble is unsustainable. I think there's a big financial crisis and I think we need to be more of a populace party." That's a pretty attractive message in many ways. I'm not here to tout Huckabee particularly, but I just think that there's a lot of cross cutting cleavages within both parties and I very much agree with Jon's instinct that you could have real big changes over the next two, three, four years. Especially if the scenario I outlined earlier which is a reasonably successful legislative agenda in 2013 doesn't happen. And if some of these crises either abroad or at home seem to spin out of control.

MR. WEST: So, where is Ross Perot when we need him? Let me just --

MR. KRISTOL: Well, that's a good question. Ross Perot got 19 million votes in 1992 and was ahead in the polls in the summer of '92.

MR. HUNTSMAN: But more important than the numbers, what did he drive home? He drove home an intelligent discussion about debt. And so, what happened between '92 and '96? People got busy addressing debt because nobody wanted to stare down yet another Perot challenge. But what didn't he have in '92 even though he spent, I don't know, 15, 16 million bucks on that. I think he only got in a handful of state ballots. Can you imagine what Theodore Roosevelt would have done in 1912 when he left the convention in Chicago that summer upset at William Howard Taft?

If he had been on the ballot of every state, or if he had had the internet at his disposal, think about '92 and Perot if he had been on every state ballot which is the

big change, Bill, this last election cycle with American's Elect or whoever the movements was. They were able to crack the code on getting on state ballots. That's never been done before. And folks, that's been the hurdle up to this point. No one's been able to get on all the state ballots because the barriers to entry have been so onerous.

Once you get on the state ballots, which is the big achievement of this last election cycle, a movement that didn't have a candidate, but they did something very important. They cracked the code on getting on the state ballots which will be here from now going forward. And I think that creates a whole new dynamic in terms of how this thing plays out.

MR. WEST: Okay, we're going to make that the benediction of this event, but I want to thank Jon, Bill and Bart for a very invigorating discussion. Thank you very much.

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