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## THE FUTURE OF THE REPUBLICAN PARTY: IS THE GOP DOA?

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### PROCEEDINGS

MS. KAMARCK: Good afternoon, everyone. My name is Elaine
Kamarck. I'm a senior fellow here at Governance Studies at Brookings, and on behalf of
everyone at Governance Studies we welcome you to the provocatively titled session
today: "Is the GOP DOA?"

And we do this out of a real dedication to American democracy, to the belief that good democracy has two healthy political parties, and that's what we want to talk about today. But before we do, we're going to treat you to a very small bit of ancient history.

Twenty-five years ago, my colleague Bill Galston and I, much younger, much less gray -- I actually hide it well; Bill just lets it be -- 25 years ago, the Democratic Party was kind of in a mess. We were a party that, in the middle of America's biggest crime wave, had managed somehow to be the party representing the criminals, not the victims, to give you an idea of the trouble we were in.

We had just lost our third presidential election and the party was busy blaming its candidate—Michael Dukakis—blaming technology, blaming messaging, doing everything but taking a long, hard look at itself. And so Bill and I, sponsored by our colleagues at the Democratic Leadership Council and the Progressive Policy Institute, sat down to write a little bit of reality therapy for the Democrats in a piece called "The Politics of Evasion." Here's what we talked about in that piece, and I'll just review it briefly. You can find it online still kicking around.

We said, look, the Democrats had three problems; they were living with three myths. One was the myth of liberal fundamentalism, one was the myth of

mobilization, and one was the myth of the congressional bastion. They all turned out to be representative of what was happening to the Democrats.

Liberal fundamentalism—over the years it became clear to more and more Democrats that there was a problem in the electorate for them, which is that there were always more conservatives than liberals; that liberals alone could not, in fact, win a presidential election. And, in fact, over the years since we wrote, the most liberal candidates in Democratic primaries have failed. And today I think it's fair that you can look at the Democratic Party in its coalition form and say it's not a liberal moderate party, it's a moderate liberal party.

The myth of mobilization was—in an interesting way it has been reversed today. The myth of mobilization in 1989 was that if only we had enough minority voters voting, we could win elections. This was, as my old dissertation advisor used to say, a testable proposition, and Bill and I set out to test it. And, sure enough, mobilization of minority voters in the 1988 election would not have changed the outcome in any but two states, and so that was a failed myth as well.

And third, the myth of the congressional bastion. Democrats were very sort of sanguine in 1989. They thought, ah, it's okay. You know, we've got the Congress; we're going to have the Congress forever. Well, 1994 proved that when you have big demographic trends, when they are moving at the presidential level, your other levels of government will get affected by these big trends. They're not going to be forever, you know, walled off.

We got some things wrong, too. Okay? We had a section in there called "The California Dream," and we expressed skepticism that Democrats could ever put

California in the Democratic column. We didn't anticipate what would happen when a certain Republican governor took on the emerging Latino population and we were wrong about the "California Dream." We thought that California was going to be Republican for a long time and that that would give them an automatic leg-up in the presidential election race because of the Electoral College.

So, we got some things right, we got some things wrong. We think we got more right than wrong and we are stuck, as many people have been, by the parallels to the Republican Party today. So Bill's going to talk for a couple of minutes about what we've learned and then we're going to turn it over to our panel.

MR. GALSTON: Well, here in brief is the hypothesis that Elaine and I are putting on the table, and that is that there are some interesting structural similarities between the situation that the Democratic Party found itself in 25 years ago and the situation that the Republican Party finds itself in today. And let me just frame this thesis with four propositions.

First of all, Republicans today, like Democrats a quarter of a century ago, are the victims of some adverse demographic trends, some gnawing demographic realities that tend to cut against an easy theory of the case for political recovery at the national level. Not impossible. You can make the numbers come out right still if you make sufficiently strong assumptions, but it becomes an increasingly difficult case to make, I think.

Similarity number 2, some unpopular and we believe increasingly unpopular positions on key issues in all three of the major baskets: the economy, social issues, and foreign policy. We can spell that out at some point, if you're interested.

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Point 3, a very demanding base that is far from the center of the political gravity of the country as a whole and which exercises a powerful influence on the nominating process and the primary process, not just at the presidential level, but at the sub-presidential level as well.

And the fourth structural similarity and perhaps the most, you know, easily remediable in the short term is a temptation to evade the party's real difficulties as we see them and to embrace some comforting but ultimately counterproductive myths.

And it may be that for those four reasons, reporters have informed us that the essay that Elaine mentioned, "The Politics of Evasion," is undergoing a certain samizdat circulation in Republican circles. And, you know, for the sake of the Republican Party we hope that's right.

What would be the signs that a party in need of reform is taking that need seriously and is on the road to meeting its requirements? Here, again, we see four critical requirements.

First of all, evidence of a serious, substantive rethinking that extends to issues and broad party themes and principles and to the narratives or stories that Republicans tell the country about where we've been and where we're going.

Second, and I think crucially, given our experience, an institutional locus of reform outside the formal party structure that can bring issues and politics together analytically and to explore ideas freely and without having to bow down to any preexisting commitments.

Third, would-be leaders, who understand both the issues and the politics, have the analytical chops to bring them together and the courage and tenacity to pursue

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those conclusions through the political process, including the presidential nominating process.

And fourth and finally—and I will just put this as bluntly as possible—the ability to recognize extremism when it raises its head and to challenge it frontally and publicly. And we would argue that the 2012 Republican presidential nominee was hurt by many things, but his studied refusal to do anything like that was among the more damaging of the flaws in his campaign.

So that's our hypothesis, you know, four resemblances, four challenges. That sounds a little bit Maoist, but this is The Brookings Institution, we're allowed. But, you know, for the plausibility of that hypothesis or any other hypothesis about the Republican Party, I now turn to some people who have some real skin in this particular game. (Applause)

MR. MANN: Bill and Elaine, thank you very much for setting the table so constructively. I'm Tom Mann, a senior fellow here at Brookings, and I'm delighted to have a chance to direct traffic up here today. Welcome to you all.

Welcome to our rather substantial web audience that's out there. You may send Tweets and you will see on your screens what the address is -- they're also up here. We will try to respond to some of your questions as well.

I want most of all to thank the members of our really distinguished panel here for their willingness to come and share their views about the future of the Republican Party.

Before introducing them, I simply want to underscore something that Elaine said at the very outset. At Brookings, at Governance Studies, we come here not

to provide political advice to one party or the other. We have a premise and the premise is that our politics ain't working too well these days, and that for our politics and governance to improve we need two healthy parties competing for the median voter with plausible programs for governing. That's the idea that that's what makes our system work, our unique constitutional system work. And the presumption is, right at this moment, we probably don't have two such parties that fill that explanation.

There's a lot of thinking and writing and talking underway now about the future of the party and we've managed to get four of those thinkers and writers and speakers here with us this afternoon. Beginning immediately on my left is Alex Castellanos. Most of you know him. Alex has been around almost as long as I have. He co-founded Purple Strategies, a bipartisan public affairs team. He's been developing communications strategies and campaigns for companies and major candidates for most of his adult life, but for our purposes here he has started something called newrepublican.org, which I urge you to go up and see, but Alex will tell you more about that.

To his left is Rob Costa, who is the Washington editor of *National Review*. Rob reports on the White House, Congress, and campaigns, and has garnered recognition for some of the best reporting on those institutions. We're delighted to have him here. If we have time, we'll ask him about Winston Churchill because he's also an expert on him.

Then Liz Mair, who's to Rob's left. Liz is a communications expert, a new media advisor, a political consultant and blogger. She identifies herself as a Libertarian Republican and Arsenal FC fan. And she's a recovering lawyer, so all in all,

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Liz offers a lot of promise for this session.

And finally, at the far end of the panel is Sean Trende, who is senior elections analyst for Real Clear Politics, also a recovering lawyer, best known now as a very keen analyst of election data and public opinion. He's the author of *The Lost Majority: Why the Future of Government is Up for Grabs and Who Will Take It,* and recently wrote a four-part series on the missing white voters on Real Clear Politics that has prompted a rather substantial debate that many of you, I'm sure, have observed or participated in.

So, to kick us off I'm going to ask Sean if he would begin. Each taking roughly five minutes at the beginning and then we'll return to each and then move to questions from our audience.

Three questions: What do you make of Elaine and Bill's case about the parallels between the Democrats' position in 1989 and the Republicans today? Does it have any traction? Is it useful to think in these terms?

Second point, given Bill and Elaine's reference to changing demographics, can the Republican Party succeed over the long haul without increasing their support among non-whites? And if the answer is it's always good to increase your support everywhere, is there a path to increasing that support among non-whites while maintaining most of the present coalition?

And, finally, how can the GOP increase its support among down-scale whites -- think economic populism -- without losing their current supporters? That's just three of many questions we'll be wrestling with, but, Sean, why don't you get us started.

MR. TRENDE: I'd like to thank you for the opportunity to speak here

today. Some of you may have read my series, and that's great. Some of you may have read what other people said about my series, which could be good or bad.

MR. MANN: Which is less great.

MR. TRENDE: Depending. As far as the -- I mean, everyone should find a copy of that Galston and Kamarck piece and read it because it's one of the most influential think tank pieces of the last 25 years, obviously, or arguably the most influential. And I agree with a lot of it and that kind of sets a stage for a kind of internal conflict I have, which is I'd love to see a very different Republican Party than we see today. I'd love to see it be more accepting of marriage equality. My name is Sean Patrick Trende, not John Randolph Logan, so I love immigrants. I lived the immigrant experience. I have relatives with foreign accents to this day, so I'd love to see something done about a broken immigration system. I'd even like to see some move to the left on healthcare.

But politics is the art of the possible, right, and so I'm coming at this from a very narrow perspective, which is, okay, people have been saying that the Republicans have to pass not just immigration reform, but have to vote for the Gang of Eight bill, in the President's words, if you guys are ever going to win another national election. Maybe that's true, but let's kind of look at the bigger picture and ask ourselves is that right? And I don't believe the fate of the two-party system hinges on this bill. And the reason is, if you want to break it down, there are three things Republicans could have done to get to 50 percent + 1 in 2012: they could have won an extra 21 percent of the Hispanic vote, they could have won an extra 16 percent of the African-American vote, or they could have won an extra 3 percent of the white vote.

I think lost in a lot of this discussion is that three-quarters of the electorate is still non-Hispanic white, and so pretty marginal changes in that electorate can have a huge impact on the outcome. Now, 30, 40 years from now it's a different story, but 30, 40 years from now we can't even begin to predict what our politics will look like.

So, what I wanted to do was kind of -- I think the best -- my personal favorite is kind of a mix and match, do moderate outreach to all groups, but I wanted to kind of break down kind of different scenarios and say, okay, what happens if the Republican Party wants to do very minimal outreach towards Hispanics and African Americans? Maybe do a little bit better than 6 percent of the African-American vote, which it certainly should be able to do -- it's done that historically -- but focus on whites. What would it have to do?

And so I thought a good place to start would be looking at what happened with turnout. Okay? We know that turnout fell, surprised a lot of people, from 2008 to 2012. And if you had told me before the election that turn out would fall by two and a half million votes and Barack Obama would be re-elected, I'd have told you you were nuts. But it turns out, turn out fell. The white share of the electorate also failed.

And there's only one explanation that flows from that: there were a lot of white people who voted in 2008, who didn't vote in 2012. And, in fact, there were fewer white people that voted in 2012 than voted in 2004. Why is this?

Well, we have to get a better handle on who these white voters are. If it's young people on Manhattan, well, that doesn't get the Republicans anywhere, but if you look at where turnout was down, that's not what happened. It's Southeastern Ohio.

It's Western Virginia. It's this swath of counties from upstate New York on almost a diagonal down across to New Mexico. And if you go back to the beginning origins of the kind of DLC coalition, that was the Perot vote. Ross Perot was not someone who appealed to Southerners, he was not someone who appealed to urban dwellers; he appealed to the Rust Belt. These voters swung towards Republicans in 1994, they swung back somewhat to the Democrats in 1996. And I'm not saying literal Perot voters because a lot of them are no longer with us, but people who lived in the Perot areas of the country, for some reason in 2012, stayed home.

Now, to me that's not hard to explain. Perot was a populist. Perot was not someone with a heavy religious right bent to him at all, he was actually pro-gay rights and pro-choice, but his message was economic populism. And if you were a blue collar worker in Ashtabula, Ohio, and you looked at Barack Obama's message, you say, okay, I'm not particularly liberal. I'm not going to vote for Barack Obama this time. Maybe I did in 2008 after the crash, but not this time.

And then you turn to Willard Mitt Romney, who is a venture capitalist, who says things like 47 percent of the country isn't going to vote for me, so why bother? That's not quite fair, but that's how it was heard. You know, he put someone who looks like a stockbroker on the ticket with him, who wants to privatize Medicare and Social Security. Mitt Romney did not offer much to working class whites. And we find ourselves in this country in kind of a fascinating situation where for the first time in probably over 100 years, the working class white vote doesn't have a natural home in the party. And that's a function of the demographic changes that are going on in the country and the different viewpoints of the parties. And so that's kind of one path.

There are other paths that I kind of explored, looking at moderate outreach to Hispanics. Does outreach to Hispanics have to be a path to citizenship?

There's a whole wide range of things that could be a path to legalization. It might be as simple as not saying something just stupid, like I'm going to make life so miserable for you that you want to go back—self-deport—to your home country. A horrible comment. I wouldn't vote for him. It horrified me.

These things all make differences, but I think the big picture to take away is that, just if you look at the math, there are multiple ways to skin the electoral cat and I think we've focused far too heavily on one path. It's a path that I think is a good path, as far as these things go, but it's not the only path.

One other quick note, just some numbers I'll throw out, and this is courtesy of John Sides. I think there's kind of this assumption as to how the general public views the Republican Party and the Democratic Party, but Larry Bartles has put together some poll numbers, perceived ideological positions of the presidential candidates over time. And it turns out that Barack Obama was perceived as slightly to the left of Michael Dukakis, just a tick. Willard Mitt Romney, almost identical to Reagan, no further to the right.

If you look at the polling from YouGov and the National Election Study, they asked people to rank the parties from extremely liberal to extremely conservative. Republicans are now a tick more conservative than they were viewed in the 1980, but Democrats are viewed a tick more liberal, actually, than they were viewed in the 1980s.

If you look at the exit polls, who do you trust better to handle the economy? Mitt Romney a point over Obama. Who do you better trust to handle the

budget deficit? Mitt Romney two points over Obama. And those are the two most prominent policy debates of the election and Romney comes out ahead.

Where he gets killed is who cares about people like me? Now, you can argue, okay, some of this policy stuff gets mixed into there, but I think there are policy things that have to change. But I think we also have to keep in mind that for a broad swath of the electorate, Mitt Romney just had absolutely no appeal. That affected turn out, but it also affected the Republican Party's share of the vote.

MR. MANN: All right. One point of information. Since you had such nice things to say about Elaine and Bill's article, that people should read it, it's being revised and republished in *Democracy* magazine. Is that correct?

It's not true? (Laughter)

MR. GALSTON: No, a 25-year retrospective is being published.

MR. MANN: Oh, well, that's -- so you'll have to read both the original article and a 25-year retrospective. I'm sure we'll get a link to the former very quickly. Liz?

MS. MAIR: Well, thanks so much for having me here today. I think I do agree with a lot of what Sean has said and also what you both have posited in terms of your thesis here. But one point I would like to get across as a political consultant is, I think, oftentimes when we're sitting here analyzing things from our desks in Washington, D.C., there can be a tendency to focus a lot on very specific things, like policy, and that can lead us into a lot of this discussion about we must pass Gang of Eight or we must do more in terms of child tax credits or whatever it may be.

I think one of the areas where I definitely do agree with Sean, I think a lot

of the loss in 2012 was not to do with policy. I think a lot of it was to do with who we were running. I don't think Mitt Romney was an at all appealing candidate. I, personally, had to hold my nose a lot to vote for him and really the only reason I did was because Paul Ryan was on the ticket. If he hadn't done that, I don't know what I would have done.

But I guess if he'd picked Rand Paul I would have voted for him, too. But in any event, he was certainly up against it with me and has been historically. And I think it's important to bear in mind as we're having this discussion about what is wrong with the Republican Party and why it is struggling, there are a number of factors, many of which I think are difficult to see unless you're operating from inside the campaign world.

So, policy is one. I would distinguish outreach from policy, although outreach on policy is obviously an important thing that happens. Outreach is another. I think we clearly have some technological deficiencies. That's not something that I will go into great depth with here, but I do think that it is a problem and it was particularly a problem in 2012.

In addition to that, I think we have some issue just in terms of image and perception and I think that's hopefully dealt with by not running somebody who is like Mitt Romney in 2016. But we certainly have other image and perception problems out there. When you get into the realm of the Todd Akins of the world, clearly you start seeing this fairly prominently.

And I think there are also questions generally about sort of governance and interaction and the fact that Congress has a very low approval rating, so being in a position where, as a minority party, that's what you are associated with. You're not associated with the presidency. I always worry about how that plays out for people.

My general view, I guess, when we're talking about the issue of demographics, which is obviously key to this discussion, I think it's very hard when you're projecting out. As you say, it is very hard to anticipate where politics will be when you look 30 years down the line. It's kind of the same thing as if you go and ask for budgetary projections 30 years down the line. I mean, everybody can conjecture, but there's probably a 90 percent chance that you're going to be wrong in some form.

With that being said, however, I think when you look at the Hispanic birth rate, when you look at the fact that as much as many Republicans want to say, oh, but not all Hispanics are legal, they're not all citizens. Well, that's fine, but if their kids are born here, they will be and they will be voting. And you look at the number of Hispanics who are eligible to vote, who become eligible to vote every single month, and I think it's pretty clear that the Republican Party, as it is currently constructed and given a lot of the policies that Republicans like to advance, we probably do have a bit of a ticking time bomb there.

Now, I also agree that when you're looking at working class whites, which is probably how I would characterize that, particularly in the Midwest, that is something that is a challenge also.

It's interesting, you say your predictions about where turnout would have been, I mean, I have always been a Romney skeptic, but when people were asking me back in 2009 if Romney gets the nomination, what will happen, more or less what happened is pretty much what I thought was going to happen. Because you look at the guy -- I mean, I think it's also important to distinguish -- you said venture capitalist. I mean, if he'd been a venture capitalist that would have been a whole lot better because

he could have actually gone out and talked about investing in businesses on day one and growing them up into these massive employers.

In actual fact, I think people started to understand by virtue of some of the very hard-hitting attack ads that were run against him that that's not what Mitt Romney was doing. Or, certainly, that's not what he was depicting he was doing because the only example he could ever cite pretty much was Staples. So I think there are a bunch of problems that we have. Some is policy, some is actual functional outreach.

You know, one of my big criticisms is, you have a number of Republican candidates that think that the way you do Hispanic outreach and the way you get better than 27 percent of the Hispanic vote is, well, hey, it's mid-September, so let's do a press event in a Mexican restaurant. (Laughter) You know, if you go and you look at leading corporations, particularly if you go and you look at, like, truck makers and you look at how they do outreach to Hispanics -- because a lot of Hispanics are in the construction industry; they buy a lot of trucks -- they don't just go and do it like, I don't know, a month and a half before the new model year comes out. It's a continuous, on-going process, and I think the Republican Party is generally pretty bad at that. We're pretty bad at that with a lot of different demographic groups and that's probably true when you're talking about working class whites as well. So I think that's a problem.

The technology is a problem. Certainly optics and image are a problem and message has also been a problem. So I think it's important to look at this in a multifaceted way.

Personally my view is that we do need to do something on immigration. I

don't have a huge problem with the Gang of Eight bill. I think it's pretty good. There are bits of it that I don't like, but I think it's mostly where I'd want it to be. I think it's acceptable. I don't think it's necessarily the only path that Republicans have to go down, but I do think that we have to do something on immigration, not primarily even from a political standpoint, but just because as a matter of policy and looking at economic growth, I think that's actually highly critical, but I think that's important.

I think we do have some issues. We are bound to have some issues in the future when you're looking at millennial voters who do not participate at a very high rate at this point, but at some point are going to become much more reliable voters. We're out of step with them on the question of same-sex marriage, that's potentially going to be an issue at some point. And you can pick off other areas where the party probably does need to move, but I do think it's important to bear in mind that there's more to it than simply shifting on policy.

MR. MANN: Rob, please. Thank you, Liz.

MR. COSTA: Well, it's a real pleasure to be here this afternoon. I'm Robert Costa. I'm a reporter for *National Review*, and I spent most of 2012 on the campaign trail covering Governor Romney. And since November of 2012, I've been back on Capitol Hill covering the Republican Party. That's my beat. And one of the insights I've really gleaned over the past few months is that when the question about is the Republican Party DOA often comes up, but I really don't feel like I'm covering the end of a party or, you know, the end of the GOP, but rather the end of power. And that's what I really see in Congress every day when I'm covering the House and the Senate is that power for Republican leaders has really diminished. And the trouble is not necessarily

just for the Republican Party, but it's more broad. It's trouble for the right. And so I think these two elements are coming together right now: the end of power for Republican congressional leaders and the overall problems on the right that are fueling this Republican downslide in 2012 up to the current day.

And I'm taken back to January of this year. And to really understand how the Republican Party is operating right now, they're almost on their hands and knees praying. And this congressional session started out in January with the fiscal cliff. And Speaker John Boehner went to HC-5, which is the basement conference room in the Capitol, and he couldn't find the votes for his Plan B on the fiscal cliff, he couldn't corral the right flank of his conference together. So he went before them in HC-5, the Capitol basement, and he read them the Serenity Prayer, and, you know, famous from Alcoholics Anonymous, "God grant me the ability to accept the things I cannot change." (Laughter) And he read this and he was almost in tears and his conference couldn't believe it. And this is Congress today, Boehner actually praying for support in front of his colleagues.

And we've seen this throughout the year on, most recently, the farm bill, on the Violence Against Women Act, on immigration of course ongoing. Boehner, Eric Cantor in the House, Mitch McConnell, they have very limited means. It's the end of power. The Tom DeLay era is often referenced by people who are on the outside, saying, well, why can't Boehner just push this through? It's because Boehner has, one, sworn off closed-door negotiations with the President. He got so much pressure during the summer of 2011 about the debt limit that he was told you're effectively going to lose your job if you continue to go to the White House and talk with the President. I mean, that's how bad governance has gotten. The Speaker has sworn off even talking to the

President behind closed doors. Everything has to go through now what's called regular order, and this means slow-walking a bill through the committee process. And so you have that commitment to regular order, which is really a commitment to not have any kind of grand bargain on anything.

And then the end of earmarks. After Republicans got elected in 2010, they swore off earmarks. So if you're a whip right now -- I have a piece up on nationalreview.com today interviewing Kevin McCarthy. He's the whip, number three in the House. He doesn't have earmarks to offer. All he really has is a smile and a handshake, and that's not much. (Laughter) And then someone could say, well, maybe the leadership has money to offer. Maybe Boehner could come do an event in a district. Most members of Congress don't want Boehner in their district and the money really isn't there within the national party.

And this comes to my point about it's not about the end of a party, but more problems on the right, is that you have groups right now -- like Heritage Action, like the Club for Growth -- very popular on the right, with *National Review* readers and other conservatives, who are driving the conversation. And it's not the party from a top-down perspective driving the conversation on Capitol Hill. And so you have this party that's really struggling.

And I think the introduction, the comparison between 1989 post-Dukakis to now, post-Romney and 2013, is a good one. And you're seeing the party really struggling in so many ways. The RNC came out with its autopsy after the election and really the right did not pay attention to this, dismissed it. It was written by a lot of smart conservatives, the Beltway establishment. Dismissed.

And so a lot of people say, I'm just saying this as a reporter, they think the Republican Party is maybe moving towards the center and that it's ready to evolve. I'm very skeptical of that point of view. I think actually 2016 could be a 1964 in the sense that the Republican Party is not ready to move to the center. The conservative movement especially is not ready to move to the center.

And I'm going to Iowa tonight to cover Ted Cruz. He's going to be in Iowa on Friday. Rand Paul will be in Iowa on Thursday. I'll be there. These folks -- Ted Cruz, new senator from Texas; Rand Paul from Kentucky -- are driving the conversation on the right and thus in the Republican Party. And as much as people in Washington want to talk about Chris Christie perhaps or Jeb Bush, who I don't think will run for President, are maybe the flag-holders next time, it could be a Ted Cruz very easily. He's very popular, has the means. You don't need to have an operation now. You have to have an online presence. You have to have the ability to raise money.

But there are some glimmers of hope if you're a Republican because as much as Boehner, Cantor, and McCarthy have limited power -- I have interviewed all of them about their efforts post-Romney to try to come to grips with the demise of the party, with the struggles within the party, and just a few examples. After the election Paul Ryan, who may have looked like a stockbroker or whatever, he actually is a long-time member of the Jack Kemp wing of the Republican Party. He started out as Jack Kemp's research assistant at Empower America, a now defunct think tank, back in the early '90s after he graduated from Miami University in Ohio. And after the election he said the Republican Party is not winning over blacks, it's not winning over other minority groups. How do we get back to the Kemp model, which is empowerment, which is not being divisive in

rhetoric? And so he actually went to a man named Bob Woodson, a long-time community organizer on the right. And he has been going around the country -- I've reported on this for *National Review* -- going around the country -- Cleveland, Texas, elsewhere -- meeting privately, no press -- he wouldn't even talk to me about it and Ryan's pretty friendly with *National Review*; wouldn't talk about it -- quietly trying to reestablish relationships with the minority community, with the poor.

And Eric Cantor just today, in a press conference this morning, talked about on immigration, which is a very volatile issue within the House, he wants to do something very soon on the Dream Act. And you had Boehner have positive comments this morning about the Dream Act.

The Republicans, as I mentioned, are so hamstrung in the House they can't really push the right flank. When you see the leadership in a very vague fashion, but don't mistake it, they are moving towards the center on immigration, they're not going to force the process through in the House because, as I said, regular order dominates this conversation, but Boehner and Cantor came out just today talking about the Dream Act. That doesn't mean they're going to endorse the Gang of Eight, but that also doesn't mean that immigration reform is dead.

And even Boehner himself has done a lot on education. The House is pretty soon going to try to rewrite No Child Left Behind. Boehner is a former chairman of the Education Committee. He spends a lot of time in inner city schools in Washington, D.C., Catholic schools, working on school vouchers. Is it a perfect solution? No. Are some efforts being made? Yes.

But I think, you know, at *National Review* we cover the conservative

movement as our thing. And when you look at the DLC in 1989, '90, there is great writing. There is great analysis about how the Democratic Party had to adjust. But I think the Republican Party right now are still reading those type of articles because what elevated the DLC is its leadership. And Bill Clinton, this governor from Arkansas, who fumbled at the '88 convention, he emerges as someone who can articulate that analysis and bring it national. And I don't see a Bill Clinton yet within the Republican sphere. And you see a lot of talk, but it's going to take leadership to really move the Republican Party forward. And until then, I think I'm just going to rest on my analysis of a sclerotic Congress that's very limited. I don't think it's dead, but it's definitely struggling for a few breaths right now.

MR. MANN: Rob, thank you. Alex.

MR. CASTELLANOS: And now for the bad news. (Laughter) Our strategy, as you may have guessed as Republicans, is we're out the lower expectations. How are we doing? (Laughter)

If I were to title a book about the Republican Party today it would probably be It's Not As Bad As You Think, It's Worse. (Laughter)

MR. MANN: How about It's Even Worse Than It Looks? (Laughter)

MR. CASTELLANOS: But in that, there's good news. In that, there's

good news.

First of all, I think the party is in trouble and in serious trouble. Our brand is despoiled. We have a nearly 60 percent unfavorable rating. This is what our candidates start with, shackled to their ankles when they start their races. That's the brand, the GOP brand.

Women think we don't care. Young people think we're out of ideas and even scary, not just negative. Hispanics think we don't like them. I have to carry -- you know, I belong to a party where I have to carry my own passport in my pocket just to prove citizenship here. So that's not a good thing. And most people you ask, we're the cold, soulless party of big business. In other words, of other people, not you. That's the brand today.

And despite that, geez, we nearly, with a rotten campaign, no message, nothing to offer, we were still competitive. We're not the only ones in town with problems, guys. So maybe that's a good place to start.

Why did Republicans do so well in 2010 and so poorly in 2012? 2010, Democrats controlled everything, right? House, Senate, White House. No brake pedal on that car, three accelerators. America saw Washington out of control, somebody hit the brakes. They trusted Republicans to say no and no farther because we have never competed for anything beyond no, at least in recent times. We're the party of the brake pedal. We're the party trusted to say no.

2012, we just put the brake pedal on the car. 2012 is the leadership election. Our economy's in a ditch, move us forward, get us out of here, get this country going again. They didn't trust with the steering wheel. We didn't make that case. That's where the Republican Party is now. That's kind of the crying need of the Republican Party.

Is there hope for us? So is that old Republican Party of no dead? Yes, it is. But out of the ashes, new things arise.

What's our opportunity? Well, our opportunity is the Democrats because

if there is one party, I think, that is exhausted and intellectually out of ideas, it's the Democratic Party in the United States today.

Why do Democrats think the way they do? Many of you here may be Democrats. I know some generally good people, have dogs, families, kids. (Laughter) Why do Democrats think the way they do? They're a product of a certain time, a certain kind of thinking, the Industrial Age. Henry Ford said, geez, we put a conveyor belt on these things, we don't have to make them one at a time. What a great idea. Imagine what that must have been like, and look what it built: this economy. That's a remarkable idea. Industrial Age.

And so you build things. You model society after it. You start looking at the world in a Newtonian way, like it's a clock. Wind it up. Things are cogs and gears. Everything's linear. And in that world, you build a government and that government does some wonderful things. It creates some big things that work. It fights big wars, it builds big projects. But guess what? We're not living in that world anymore. Big, dumb, slow, top-down, centralized things are suffering and dying.

Newspapers, over 200 of them, that's how we used to get our information, right? Top down from the filter. Newspapers, 200 of them, over 200 of them have gone out of business in the last decade or so; 12 media companies have gone bankrupt. There are now over 160 million blogs. We get our information from each other down at the bottom of the pyramid, not top down. We don't live in the world of the Encyclopedia Britannica anymore. Knowledge is not static and doesn't sit on a shelf. We live in a Wikipedia world.

If you look at the way people are thinking and understanding the world,

In the Universe, the Santa Fe Institute -- their understanding of the world is very different. It's about emergent systems. It's about complex, adaptive systems. None of us in today's economy are a cog or a gear, inert and unable to make decisions that impact the very systems that we're in. We're living things. We have a voice in those things. So all of a sudden, you see these social systems emerge where the power's devolving to the bottom. What does that mean? That means that big, dumb, slow, top-down government is having a very hard time governing anything.

What does Industrial Age government govern? Education. How's that working for us? We're condemning a generation of kids to a life of despair. Do they govern retirement? It's a disaster. Seniors living on the margin, you know, razor-thin margin lives, and we've already spent their retirement. Does government govern our fiscal affairs? It's a disaster. Tell me what government governs.

So what's happening in this world? Well, nature takes its course. Big, dumb, slow, top-down things, whether they are newspapers, whether they are big companies that refuse to change, die and new things emerge. So we're seeing an unusual thing happen. Government is emerging outside the old public sector. Pick up a book called *Citizenville* by Gavin Newsom of all people in California, a Democrat, where government burned to the ground, where government exhausted itself, spent everything it had and governed nothing. What are they doing? Governing outside the public sector.

Bitcoin, currency outside the public sector. SeeClickFix.com, people in communities getting together to govern themselves because the factory failed them.

So where is the opportunity then for either party, but I think especially for

Republicans? Well, it turns out that in an Industrial Age world Republican thinking is very hard to sell because you can get a machine, you can wind it up, you can do a big project and fix things, but guess what. In the world we're moving into, that world, the world complexity, a world of a zillion subtle relationships, that world can't exist without freedom. That's not a top-down world. That's a bottom-up world.

So what does that mean? That means there's a new generation of Republican candidates coming and there's going to be a very different debate in I hope October of next year. Right now here's how the debate's going to go if nothing changes, the old Republican Party versus the old Democratic Party.

The Democrat's going to say our economy's in big trouble, but thank god I'm here. I have a plan. I'm going to tax the incredibly wealthy who aren't paying their fair share and I'm going to take that money and create this new jobs program and it's going to work even though none of the others ever have. But even if it doesn't, at least I'm trying. And my Republican opponent over here, you all he can do is say no. He's a disaster. All he can do is say no. He's not even going to try.

And if nothing changes the Republican will then stand up in that debate, it'll be his turn, and he'll say that's right. His stuff won't work, no. But what if the Republican said something else? What if the conflict is not between a Democratic Party that promises more and Republican Party that says no? What if the dynamic is a Democratic Party that promises something old that hasn't worked and a Republican who says, great, I'm glad you want to grow the economy? I just have one question. Why do you want to do it the old way? Why do you want to grow the economy politically and artificially top down from Washington? Why do you want to plant the seeds of growth in

the sterile concrete of Washington where nothing grows? Why don't we plant the seeds of growth in the fertile soil of your economy and your economy, where you live, where you work, where you save? Why don't we grow the economy naturally and organically, bottom up instead of politically and artificially top down?

And then that Republican can say you know what? An open economy's a good thing. So is an open school system. I'm going to go into the barrio, I'm going to go into the inner city, and I'm going to say I know two great parents in Washington who love their daughters and chose the best schools for them. Good for them, Michelle and Barack Obama. Why don't you choose the best school for your kids? Equal opportunity in education, that's a Republican institution. Because unless everybody in this country moves forward, that's all our kids, we're not going to make it in the new global economic frontier. We need everybody to succeed, so equal opportunity in education.

Why don't we let the money follow the child instead of the child follow the money and we have an open, bottom-up energy economy and we have an open, bottom-up healthcare system where doctors and patients make decisions? Go to the next generation of voters and ask them if they want natural economic growth, organic economic growth, or political and artificial top-down growth; if they want the old or if they want the new; if the understand Facebook or if they understand -- if they prefer to be in a regimented zoned economy. There's a new generation of Republican thinking. There's a new generation of Republican leadership coming. Yes, the old one's in big trouble, but the bureaucratic, top-down way of thinking that has been offered by the Democratic Party has exhausted itself and governs nothing. I'd buy our stock now.

Oh, go to newrepublican.org and some of this is there.

MR. MANN: Well, Alex has actually taken issue with his colleagues here in many ways because I didn't hear a lot of sort of policy talk from the first three presentations. I didn't hear anything that said we can't be a majority governing party and still embrace supply-side economics, Grover Norquist's no new tax pledge. That has a regressive effect and how are you going to get those striving white voters downscale aboard if you insist on doing that? How do you deal with the fact that the presidential electorate increases by two -- non-white share increases by 2 percentage points each cycle, 2, 4, 6, 8, 10? We've gone through four or five of those already and it will continue for some more. Eventually you've got to have not alone, but as sort of necessary but not sufficient condition, some way of appealing.

But you know something? If you look at public opinion on non-whites, for the most part it's true of Asian Americans, it's certainly true of African Americans and most Hispanics, they actually are much more favorable to government, Alex. They sort of believe it's an important part of our life and our society. If you went and asked them, well, we want government to have a social safety net. We want research and development. If we want big projects we need infrastructure and that's government playing a role with the private sector. We want them to help with a new energy world and to deal with climate change. And our healthcare system is out of control. We've got to get everyone covered and we've got to control the costs. Don't those issues have to be grappled with directly, first of all? So it's not just image of the party.

Can a party that now has its base in the white rural South appeal to young voters, appeal to non-whites, appeal to postgraduate educated people, to appeal to people involved in new technology, who accept the world as Alex sees it? That is does

the Republican Party have to change? I think Alex is suggesting yes. How about you guys?

MS. MAIR: I would suggest yes, but I think that there's a problem with the idea that African-American or Hispanic voters are inherently Democrats. I mean, first of all, I generally don't like stereotyping anybody on the basis of race. I think that's a terrible, terrible way of approaching politics or really anything.

But second to that, you know, part of the objection that I have when people do engage in that kind of rhetoric, so if you put somebody in a room and you give them a choice between dead silence or somebody who talks about solutions -- solutions, solutions, solutions -- and maybe they're terrible solutions, maybe they're the worse solutions going, but it's that or silence, well, they're probably going to vote for the crappy solution. I would.

MR. CASTELLANOS: I would.

MS. MAIR: And that is one of the problems that we're having. You know, I am an advocate of changing on policy. I'm probably one of the most pro-immigration Republicans that you're going to meet and I think we do need to deal with that. I think that in order to deal with the situation that we're going to have with millennials becoming more routine voters and more reliable voters, we are probably going to have to continue to move quite a bit when it comes to same-sex marriage. I mean, obviously, on both of these things I want us to move because that's my ideology, but, you know, I think that the polling shows that, too.

I think that there are a number of areas where substantively on policy we are probably going to have to shift. But I really reject the idea that the issue is, well,

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Republicans are just automatically going to have to move to the left if they want to have any success with all of these voters because, well, if you're brown, you're inherently liberal. I mean, what a load of crap. And I hear a lot of people on both sides of the political debate making that argument right now. I think that that is very, very ill-considered.

But, by the same token, engaging with those voters and actually making your arguments when people are not used to hearing from you, it is difficult. Of course, it's difficult, and I think that's a challenge for the Republican Party overall is that in order to overcome the current sort of doldrums that we're in, we're going to have to do things that are hard. And that's something that a lot of people just don't like doing. There are a lot of people who are inherently lazy and that's how that goes.

MR. MANN: But, Liz, do you believe -- I mean, I accept what you've said about the policy changes you embrace.

MS. MAIR: Yeah.

MR. MANN: But do you believe there has to be changes on the domestic front? And do you think, if you will, an economic Libertarian agenda can be persuasive with a majority of Americans?

MS. MAIR: I think it possibly can be, but I think a lot of that depends on what the specifics of the policy are. I think it depends a lot on who the messenger is. I think it depends a lot on the campaign infrastructure that they build around them that enables that to be communicated. I think it depends a lot on the use of technology to enable that to be communicated consistently.

I think that people's opinions on things are a little bit more fluid probably

than your average American does. I don't see that people are as static as we want to believe. If opinions were static, I don't think that we would have the concept of the swing voter, right? We'd just be fighting over turnout the whole time, and I'm not sure that that's actually what we are doing. I think that's part of why we have this challenge.

MR. CASTELLANOS: The energy right now in the Republican Party is with the Rand Pauls. That's the only thing attracting young voters.

MS. MAIR: Mm-hmm.

MR. CASTELLANOS: The next generation of voters, I had a chance to spend a semester up at Harvard and nobody's ever told these kids what to do about anything. These are the most empowered people you've ever met in your life, hire one and see what happens. You can't tell them what to do. They've just elected the biggest tell-us-what-to-do, old way of governing in history. At some point that goes like this (snaps fingers). So, yes, I think for the Republican Party to move forward there are certain conditions.

One is we can't be the party of no. We have to be the party of more, which, by the way, is a Republican idea; not more from an old, decaying public sector, but more from a growing American economy. Given the choice, I think Liz said it well, between somebody who's trying and somebody who just says no, gee, I'll take a shot with you.

So, two, demography is not destiny. This country's been changing demographically for 200 years, you know. It's going to keep changing. Our job is to make it appealing for folks and to reach out. So as far as, you know, Texas becoming blue? Yeah, if we do nothing, if the world remains as it is, but it won't. We'll adapt.

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Three, Republicans are not against government. Republicans have never been against government. Do you know anybody who likes order more than Republicans? We want the trains to run on time, you know. We venerate our institutions. We like rules and regulations on the side of the road. We just don't think the old public sector being told what to do is the way to do it.

So, can you change the definition of government? Is the only tool in our toolbox the old factory? Are there other tools? Do we govern ourselves lots of other ways? Well, actually, we do.

And the world has changed now. We're hyper connected in ways we've never been before. People on the Internet say that power on the Internet boils down to one thing: your ability to form a group. The world's exploded in that way in the past few years. Government's going to change, so I think there's tremendous opportunities there for a very different dynamic: old versus new. Why are you doing things the old way?

And I don't see the Democrat Party -- I think it's going to be very hard for the Democratic Party to do anything new because they're held slave by a lot of constituencies vested in the current system.

MR. MANN: Sean.

MR. TRENDE: Yeah. I didn't talk a lot about policy because I'm the elections guy.

MR. MANN: Right.

MR. TRENDE: But, you know, even when I talk about a more populous tone for the GOP, I'm not just talking about a different voice. I am talking about some policy shifts in terms I could go into.

But I think the question you asked is a good one, though, about, you know, the polls that show that 75 percent of Hispanics favor -- answer the question do you want a larger government who does more or a smaller government that does less, 75 percent say a larger government that does more. But there's a generational component to that. Second and third generation Hispanics, as you go down, become progressively less likely to say they want the larger government.

I think embedded in all of this is a class dynamic, too. African Americans and Hispanics in this country are generally more towards a -- if you look at the Bell curve of incomes, they're more pushed towards the lower end of the socioeconomic spectrum. If you break down the Hispanic vote by income, it doesn't look all that much different than the white vote broken down by income. There's a bit, there's maybe a 10 point difference in each income quartile, but it's really the distribution that makes the huge difference in the Hispanic vote.

But one final note on that is, you know, it gets back to the question how well does the GOP have to do with Hispanics and African Americans given the performance with whites? If 30 percent of African Americans say I would rather have the government that does less, and there actually is a large segment of the electorate, the African-American electorate, that describes itself as conservative. You know, if the GOP gets itself up to 20, 30 percent of the African-American vote, it's over for the Democrats. I mean, they're the party that's going to extinction. And I think that's actually a very good question. I mean, I think the answer is fairly obvious given history, but the better question for the GOP than Hispanics is what can we do to get to even 20 percent of the African-American vote? Because that would kill the northern Democratic Party.

MR. MANN: Yeah.

MS. MAIR: I think that there are probably a lot of Republicans that would agree with that. I'm sure that if you ask Mike Huckabee or if you asked former Virginia Governor Gilmore, they would probably both say that making inroads with African-American voters is absolutely key. Again, though, that's an area where you may have some policy shifts that are needed. But when I look at the problem that the Republican Party has there, I see a lot of -- you know, well, we do like a school choice event and that's enough to get African-Americans interested in us, and that's just total crap. I mean, there's a whole lot more engagement that needs to be done there and the party tends to be a little bit lazy about that, I think.

MR. MANN: Rob?

MR. COSTA: I see two areas, policy areas, where there is an active debate right now where a lot of punches are being thrown within the party. And then there are some other elements that you mentioned, Tom, that are more glacial in how that debate is evolving. I think what really stoked the debate this year is when Rand Paul went to the Senate chamber and spoke for 13 hours on the filibuster on the drones. I think that really is an example of the debate between the Bush hawks, who remain very influential within the party, and the rise, the ascent of the Rand Paul coalition.

And foreign policies is a place where the Bush brand from 2001 to 2009 is really starting to fade. And I don't think Rand Paul yet has captured the party, but he's moving in that direction, and there is an active debate. There's no one who's really an active defender of the Bush idea, the Bush doctrine of an active foreign policy. In the House you have someone like Tom Cotton and there are many senators who have that

kind of view, but there's no real leader who can compete with Rand Paul. And I think that's why you see Rand Paul gaining such traction on foreign policy, a more Libertarian foreign policy. And I think that debate's very much up for grabs.

Social issues, again, are another issue. Foreign policy and social issues, that's where I see the debate and that's a debate where I'm not sure who's going to be the victor. After the recent Supreme Court cases, you don't see the right now talking about gay marriage as some kind of issue. In 2014, that's going to be a culture war. The right's not ready to fight a culture war right now. Do a lot to people want to fight the culture war on the right? Sure, but there's not the same kind of activity that they had in recent years.

And when Rob Portman's son announced that he was gay and Rob Portman expressed his willingness to support gay marriage, I think that was just like Rand Paul's filibuster in the social issue realm. And you're seeing a lot of Republicans privately tell me on Capitol Hill, when you get them off the record, you put the recorder away, that same-sex marriage, it's not a big issue for them. And back home, they're not getting heat on it. And some big shots in Congress, Senate and the House, really feel this way. And so you have the leadership of the party dejected privately on the social front, but you're not going to see them really, I think, start to disavow social issues voters on the right because these are the voters who come out for you in the off-year elections, who come out for you during a presidential election. And so they're very careful about moving too far to the left on social issues.

And you saw a real fight after the autopsy was published earlier this year. Social conservatives were saying we're almost not mentioned in this report. It's

offensive. And I think a lot of Republican leaders don't want to enter a fight with social leaders, social conservatives.

And the nominating process, back to the point about, you know, the party's is often perceived as a Southern, right rural party. How does that change? Well, you have to have new leaders elected. Well, the nominating process from 2012 has not changed at all. The RNC autopsy report doesn't really try to change much of the process. So if Rick Santorum, who, remember, was winning primaries and caucuses into the deep spring -- and when some of this game change-type stuff comes out more you're going to really see how nervous Romney World was -- Rick Santorum, a guy who lost by over 15, 18 points in 2006 in Pennsylvania, was almost -- not going to win the nomination, but was close to making it a real battle. The nominating process has not changed. So we could talk about all these fresh leaders, but I'm going to lowa tonight. Rand Paul, Ted Cruz, they're all competing for the lowa Caucus. There's not some new process to go down.

And just one quick note on Grover. Grover Norquist dominates discussion as to why won't Republicans give on taxes. Fair enough. Republicans I don't think are going to move in the same way they're moving on social issues and foreign policy as they will on the tax front. It's a glacial process on the tax front.

And one thing on the taxes, though, Republicans are a little bit more open. Remember Boehner during the grand bargain was willing to raise taxes or at least raise a lot of revenue, and during the fiscal cliff earlier this year Republicans didn't commit suicide when they allowed some rates to rise. So in the upper echelon of the party, they're still committed to Grover. They're not disavowing the pledge, but there's

room for maneuvering on revenue.

MS. MAIR: Right.

MR. MANN: Very interesting, yeah.

MS. MAIR: If I can just jump in on --

MR. MANN: Liz and then Alex, yeah.

MS. MAIR: If I can just jump in on two points there. I mean, yeah, I think it's important to bear in mind what you say about social conservatives, although I would slightly distinguish, and I always do, social conservatives that are very concerned about same-sex marriage versus social conservatives that are primarily driven by life issues. At the end of the day, I think when you ask more social conservatives who are anti-same-sex marriage and pro-life, the majority of them are going to say I can move if I have to move on the same-sex marriage front. I don't like it, but I can move there because that's not a life-and-death issue. But when we're talking about abortion, that's life, that's actually like murder, you know. And that is a very stark thing.

At the end of the day, I think that probably means that you will see quite a bit more movement when you're looking at the same-sex marriage side of that equation. I don't think you're going to see more movement when you're looking at abortion. Because, at the end of the day, those are the people that man the phone banks, knock on doors, et cetera, et cetera. They donate money; you need them. And they are going to be primarily concerned about abortion in that equation, much less so same-sex marriage.

The other thing I was going to say is if we want to talk about changing attitudes in politics and how people can go from, you know, one extreme to the other

relatively rapidly, I think looking at what's happening on civil liberties is extremely instructive. Before Rand Paul did his filibuster, when you looked at polling there wasn't a great deal of concern about the issue of drones. Subsequently, there has been quite a bit more. I think you actually move to a position, and you'll probably be able to correct me on this because you look at the polling data more than I do, but I think you actually move to a position where a majority of people polled were expressing concern about that and expressing concern about civil liberties that's quite dramatic.

If you look at Quinnipiac polling that came out I guess it was probably early last week, and you look at how people are responding to the question of NSA surveillance and Edward Snowden, the fact that you have a majority of people in that poll saying that they think he's a whistleblower, not a traitor, I think that is indicative of the fact that a sort of Libertarian populist approach like you see coming out of Rand Paul, that is something that apparently people haven't been hearing much of and it does seem to be persuasive with a lot of people. So I don't think that the electorate and its views on things is static, but I do think at the moment there's a case to be made that sort of Libertarian populism can be quite attractive to a number of voters.

MR. MANN: Alex.

MR. CASTELLANOS: I just want to note in your new Republican books there, there's a little reading list. I would add one book to it: *The End of Big* by Nicco Mele. Nicco was the guy who actually did what Joe Trippi gets all the credit for, which was the Internet stuff for Howard Dean.

MR. MANN: Right, oh, yeah.

MR. CASTELLANOS: I would recommend that. But there is one book in

there, a very short one, called *Freedom Nationally, Virtue Locally*, which is what I hope and think will be where Republicans are going on resolving the how do you get Rick Santorum and Rand Paul in the same tent? And that is freedom nationally, values locally. I think that's a good slogan and a good position for a Republican Party that is seeing a younger generation of voters coming up that have never been told what to do by anybody. And that doesn't require anybody in the Republican Party to change what they believe. What it does require is an agreement that you can't be a big government social conservative; that you can't use the big government cram-down, big government to enforce its values, because when you do, you legitimize it to enforce everybody else's.

So I think if conservatives start going at conservatives saying, well, you're not conservative enough if you think it's Washington's role to enforce these values, again, conservatives are for order. Conservatives are for government. We want rules. We want regulations. We want lines on the side of the road. Otherwise, you can't get where you're going. They don't need to be so wide you can't get through, but we want lines on the side of the road. The question is whose role is it to do it? The old way does not seem to be working.

So I would recommend that to you. *Freedom Nationally, Virtue Locally* is the book.

MR. COSTA: I have a quick question.

MR. MANN: Rob, yeah.

MR. COSTA: So I was at the Reagan Library recently and Rand Paul was giving a big speech out there. And he mentioned composting in his speech and he talked about how he considers himself a crunchy conservative. This is the granola-eating

conservatives, who, you know, listen to Phish and -- (Laughter)

MS. MAIR: We own sandals.

MR. COSTA: Right.

MS. MAIR: We do. I'm not wearing them, but we do.

MR. COSTA: And I hear a lot of -- Alex's commentary is very insightful about how the Republican Party needs to have this kind of almost organic message. But is it the message? Is talking about composting and eating granola and going to hang with hippie types and younger people on college campuses, is that enough or does it have to be like a deeper policy recommendation? Can you make the message click?

MR. CASTELLANOS: Well, we're working on policy now, but part of policy is devolving power down, you know. It's not replacing the factory that's too big and decrepit with an even bigger and older, more decrepit factory. It's governing in different ways.

I mean, if we created government today, would it look anything like it does now in today's world? Really? We'd sell half these buildings and replace them with three good websites. It wouldn't look anything like this. What would that government look like? That's what we should be thinking about talking about as Republicans. But what does it mean in policy? Yes, it means moving money and power out of Washington; bottom-up natural economic growth, not top-down political or artificial growth. Equal opportunity in education, it means that.

By the way, it means a couple of other things. It means you can't cheat and be a big government social conservative. You got to be consistent. It also means that the end of monopolies. We can't be for the public sector monopoly or the private

sector monopoly. We can't be big business conservatives. We can't be the party that advances favors for -- you know, more privileges for the privileged, which is what the Republican Party is now, which was what Mitt Romney represented during the campaign. We have to be for every basis. If you're bottom up, you're bottom up. The Democratic Party is the top-down party. We have to be consistent across that.

If we do that -- once upon a time the Republican Party was a party of ideas and it was a party of fun. If I go to a college campus now and try to start a college Republican club I'd get three nerdy guys and the girl who can't get a date. (Laughter)

SPEAKER: That's a little harsh.

MR. CASTELLANOS: But if I go there now --

MS. MAIR: But fair.

MR. CASTELLANOS: But if I go there now and try to start organic Republicans, natural Republicans, if I have a T-shirt that says, "Let's do it naturally, economic growth," we can have fun again. We can be the party of ideas, and I think there is an agenda that comes with that.

Yes, kill the big bad thing, but, look, the global middle class is going to double in the next 17 years or so. That statistic came from Bain Capital, so I know it's true. (Laughter) Do we remember what happened in this country when the middle class bloomed? That's going to happen globally. It's going to happen in an environment where we're connected in ways we've never been.

It turns out we have energy abundance. Human capital with access to resources it's never had and all of this in the middle of an explosion of technology. We're on the edge of a new global economic frontier here, the most promising time in human

history. There's going to be an explosion of prosperity here.

Who is all that going to belong to? It can belong to this country. That's what we ought to be focusing on, what a Republican Party -- austerity's what we have now. You know, I think you're going to see that kind of Republican candidate coming and that kind of agenda.

MR. MANN: That would be very good. Let's take some questions from the audience. This gentleman right here. Wait for the mic, identify yourselves.

SPEAKER: Hi. I'm Brian and I'm a student. I was just wondering to one of the points made about the lack of Republican leadership as parallels to the DLC leadership. To what extent is that a result of geography? The DLC leaders, as Mr. Galston noted in "The Politics of Evasion," were mostly Southern Democrats who had held on because of the power of incumbency and there isn't really a similar faction of blue state Republicans. To what extent is that true and to what extent is that changing?

MR. COSTA: I think that's a great point. New England, Northeast, the Republican Party is deflated. It's almost dead. Scott Brown lost his Senate race last year; Susan Collins, I mean, not really considered a Republican national leader; and Chris Christie, just for hugging the President during a storm, has been almost written off by many conservatives.

MS. MAIR: And Pat Toomey also got in trouble because of he'd gone and compromised with (inaudible).

MR. COSTA: But I think Toomey, though, it's interesting because

Toomey I think would go to that DLC point. Toomey, remember, ran the Club for Growth,
one of the most right wing guys in the country as an activist, and now he was the leader

coming to the center on gun control. Disagree or agree with him on that, he is moving I think maybe in the RLC model, whatever you want to call it.

MR. MANN: Okay, next? Yes, sir.

MR. ABDULLA: Thank you. Hi. My name is Namo Abdullah. I work for Rudaw; it's a Kurdish television station. I didn't see any of you or I didn't hear any of you talking about foreign policy. I'm wondering whether foreign policy plays any role in the way the GOP performs today. Because, you know, there's a big debate in the presidential debate on foreign policy and, you know, I just --

MR. MANN: Well, Rob had something to say about that.

MR. COSTA: Maybe someone else.

MR. MANN: But anyone else want to pick up on that? There is --

MS. MAIR: Well, first of all, I'll just say that I do think that the discussion of civil liberties is pretty inextricably linked from the topic of foreign policy. And certainly I think when we're talking about drones it really is.

Separate to that, yeah, I mean, there are certain voters that are moved by foreign policy. And I think one of the areas where you have seen that is, I think, in many regards, President Obama has kind of co-opted what a lot of traditional Republican foreign policy is. And that has left those who have concerns about that foreign policy, again, looking more at your Rand Pauls and your Ted Cruzes, right? So I do think that there is that dynamic going on. But also, candidly, I don't think American voters vote on foreign policy. I don't think they care.

SPEAKER: It's not so much foreign policy, yeah.

MR. ABDULLA: You know, I don't just mean like -- of course, when you

talk about foreign policy so much is about the Middle East or like the war.

MS. MAIR: Sure.

MR. ABDULLA: You know, some people talk about China and --

MS. MAIR: Of course.

MR. ABDULLA: -- trade, you know, how -- because of a seven-point policy drugs have been shipped from America abroad, you know, the way (inaudible).

MS. MAIR: Well, that came up quite a bit in 2012. I mean, I remember getting personally extremely incensed with Mitt Romney essentially going out and making comments that were indicating that he was going to start a currency war or whatever, or a trade war with China, so I think that does happen. But broadly, I don't think American voters care about foreign policy.

MR. MANN: Of course, the American government --

MS. MAIR: I'm sorry. It's my view, but they don't.

MR. MANN: -- has to in the end and they would if they take control of government.

A question for Sean. What concrete policies can Republicans support to win working class votes that GOP Libertarians can support?

MR. TRENDE: Well, that's the -- no, look, that's the big question about all this stuff, is that there's inherently tradeoffs in policies, right? I mean, and this goes back, way back. I mean, FDR moves the Democratic Party left; he immediately begins to lose the South. The South goes into the GOP; they immediately begin to lose their moderate faction from the North. So there's always this give and take.

My general view of coalitions is actually that elections are mostly about

the economy. People vote their pocketbooks. And the coalitions make the difference maybe two or three points either way at the margins.

To get directly to the question, though, and, again, I'm not a policy guy, but what appealed to me, Jim Pethokoukis was doing a lengthy push to try to get Romney to get behind breaking up the banks. I think you could have put that together with a message that -- you know, going after the financial reform bill, the way it was put together, the way that there was a lot of work going back and forth with investment banks to get something that was acceptable to them instead of sticking it to them, which I think is what a lot of Americans wanted. You put that together with how Obamacare was put together, again, pulling in all the interest groups and making sure that they were on board and happy with this monstrous outcome I think that a lot of people don't like. I would prefer single payer to it. I would prefer single payer to the status quo, but that's my personal view. So you have all of these possible things.

Now, how would the Libertarians feel about that? I think a lot of that the Libertarian populist wing would kind of go for, at least that line of attack. Would you lose some people? Absolutely, but I think you'd gain it back. And, quite frankly, I think the push for working class whites doesn't just bring working class whites on board. I think it appeals to working class Hispanics and it appeals to working class African Americans, a lot of whom are as turned off by the image of the GOP as the party of favors to big business as working class whites are.

MS. MAIR: I think where you have problems, since you mentioned Jim Pethokoukis, is, you know, you have a certain number of thought leaders out there on the conservative side of things that have talked a lot about the need to do more that's like

pro-family, like increased child tax credits, this kind of thing. I think Ross Douthat and Reihan Salam have both said things to this effect. I want to say Ramesh also has, if I'm remembering that correctly, and Jim has, too. That's the area where as a Libertarian I start hearing that and I'm like, oh, my god, this is ridiculous. If they go down this route, I'm not voting for them. Not doing it. So there are definitely areas of friction and I think that might be one.

But yeah, I mean, on the banks point, I think that you will find some
Libertarians that would completely revolt at that notion and then there are others that
would be more favorable to it. I probably put myself in the latter camp because I guess I
think it's very difficult to actually have a functional system that is freedom-based unless
you have competition. And so that's like the one area where I think -- that and national
defense are probably the two areas where I'm like it's okay to have a certain amount of
government.

MR. TRENDE: Quick point. The bottom line is there's this entire corporate welfare state that the GOP has at times toyed with trying to take down. It's never quite gone there and I think a lot of young voters would like it to go there. I think a lot of working class voters would like it to go there. I think it's the business wing of the party that runs the party that keeps them from going there.

MS. MAIR: That's probably true.

MR. MANN: Yes, back there.

MR. HOFFARTH: Hi. My name's Alexander Hoffarth. I wanted to thank you for your comments. I found them really interesting. I do wonder, though, if perhaps we might want to change the title of this event and call it "Is the Washington, D.C., GOP

DOA?" Or "Is the Inside the Beltway GOP DOA?" Because we've talked a lot about what's going on in Congress, what's going on with Romney, but I guess we're forgetting what's going on at the state level with the governors that are doing well in Wisconsin, in Indiana, Ohio, Kansas, Louisiana, and the state legislatures. So could you talk about that in terms of the rebirth of the GOP and what role the states have to play and the governors have to play in that?

MR. CASTELLANOS: Well, I'd say that, yeah, the party is quite successful in a lot of states, right? A lot of governors, a lot of state legislatures.

SPEAKER: Thirty governors.

MR. CASTELLANOS: Thirty governors. But even there they are encumbered by this rotten brand. They do have to shake themselves loose from the national GOP. But the more local, the better for the Republican Party, which tells you something about its future, that its future is bottom up. It's not top down. How to teach the elephant here to dance a little better is not going to be our answer. As a matter of fact, the things we've been talking about here, you know, that the difference between Republicans and Democrats is not no versus more, it's old versus new. Those things are much easier to talk about and sell to Republicans beyond Washington because they're successful here. If you're in a congressional district here where you're safe, you don't need to change anything. And so change will happen here last.

MR. MANN: Okay. All the way in the back there.

SPEAKER: Question for Sean. Sean, you've written a lot about the increasing GOP share of the white vote at the presidential level. And I'm curious as to your thoughts on whether -- how much of that has been concentrated in states that

they're going to win anyway from an Electoral College perspective, where they increase that share of the white vote in kind of non-rural populist counties in swing states where elections seem to be won or lost. And if so, how come states like Minnesota and New Hampshire that don't really have a significant non-white population really haven't been closer in the last few elections?

MR. TRENDE: Well, it depends on your point of view. From 20 years ago, a lot of those states weren't swing states. You know, people talk about the shift in Nevada, which is -- it's stunning. I mean, it's gone from like a 10 point Republican lead to like a D + 3 state now. It leans Democrat. No one talks about West Virginia and no one really goes there from here unless they're road-tripping to Vegas, but it's gone from being a state that was about 10 points leaning to the Democrats that's about 3 or 4 or 5 points leaning towards Republicans now. I mean, historically speaking, it is absolutely stunning that the Democrats can't come up with a candidate for an open seat in West Virginia.

And people forget that in 1996, West Virginia and Kentucky and Tennessee and Missouri and Arkansas and Louisiana were all blue states. So, in other words -- and, I mean, those states taken together have 40 electoral votes.

So, you know, if you want to look to four years ago, how much of a swing was there? Well, actually, in the upper Midwest there was a swing towards Republicans. And if you go back to 1988, you know, the upper Midwestern states were Dukakis states, even as George W. Bush was winning by eight points nationally. Today they're states that are two or three points more Democratic than the country as a whole. There's been this gradualized shift towards Republicans even in the upper Midwest.

So I think, you know, when you say the red states are becoming redder

today, well, they weren't red 20 years ago. And even some of the purple states in the upper Midwest were a lot bluer 20, 30 years ago than they are today.

MR. CASTELLANOS: But Sean is not recommending that the Republican Party focus on maximizing its white vote, right?

MR. TRENDE: I'm not recommending anything. I mean, that's what a lot of -- I say that --

MR. MANN: He's analyzing. (Laughter)

MR. CASTELLANOS: Analyzing.

MR. TRENDE: Yeah, that there's a path to victory that involves focusing on the upper Midwest and Michigan. I mean, we're talking about whites in Iowa voting three points more Republican. We're talking about whites in Michigan and Wisconsin voting like whites in Minnesota -- or Michigan. We're talking about --

MR. CASTELLANOS: The problem with that --

MR. TRENDE: -- you know, marginal achievements.

MR. CASTELLANOS: -- is you're drawing to an inside straight. It is getting progressively harder to get that last remaining crumb of 3 percent. And, two, it masked the bigger problem, which is nobody likes us. We're not a party people want to join. Our problems are much bigger.

Yes, we could survive for a little while like this, but, you know, the number one condiment in America ain't ketchup. It's salsa. This country's changing and we have to grow with it.

MR. MANN: Okay. Alex is riding too high here, so we have a Tweet for you, Alex. How does one solve tragedy of the commons problems without top-down

government? And what I would give you is climate change as an example. Any role for the top-down government in Washington on climate change?

MR. CASTELLANOS: I will artfully duck the climate change question because, frankly, there --

MS. MAIR: I'll take that.

MR. CASTELLANOS: Because there hasn't been any for 17 years, because I'm not as convinced as others on all of that, and because even if there were I'm not sure what solutions we have.

Look, there is a role for factories in economies. There are big things that big, old, slow, dumb government can do, and Republicans need to and have supported.

Is that the only --

MR. MANN: Would Social Security and Medicare count as those?

MR. CASTELLANOS: I think those are engrained in our system. But you know what? They're not working very well. And if we leave them alone we're going to hurt a lot of people. And I think you've seen Democrats from Bill Clinton on up say we ought to take a look at that because there's got to be a better way and maybe a more bottom-up way.

Yes, I think we've got to look at them. But is the only tool in our toolbox the old one, the one that's not doing so well now with anything? And the answer has got to be no. And I think unless the Democratic Party confronts that and unless the Republican Party takes advantage of that opportunity, the country's in big trouble.

MR. MANN: Liz, you wanted to say something.

MS. MAIR: Yeah. So I think that the answer, to the extent that there is

anything that can be done about climate change in terms of either halting it or reversing it, because let's bear in mind a lot of this depends not on the United States, it depends on India and China, but to the extent that those solutions are going to be U.S.-based, I would actually urge people to look at what's going on in the marketplace. Look at the automotive sector. You know, 10 years ago, did anybody think that we would have anything close to the number of Priuses on the road? Did anybody think that we were going to have the number of hybrids that were being sold and marketed successfully? What about the innovation of clean diesel when you're looking at German automakers?

I drive a car that gets 50 miles to the gallon. I drove between D.C. and Louisville, Kentucky, back and forth, it took two tanks of gas. I mean, I think when you look at what a lot of the private sector has been doing it's technological innovation that I think is going to enable us to beat a lot of these environmental challenges, not let's have cap and trade. I mean, that's the thing that I guess I feel like is constantly missing in this discussion.

Now, you can have a discussion about what government does to incentivize that. Certainly, in 2008, John McCain was talking about a prize to whoever would produce the best form of new car battery. And obviously, Obama has been very wiling to do subsidies of Solyndra and the like. But I think the things that we have found that seem to be working are the things that are coming out of the private sector.

And if you compare the energy efficiency of appliances in your household now to where they were in 2000, I think you would see a marked difference.

At the end of the day, if we're concerned about controlling our emissions and we're concerned about what is being output into the environment, that's probably the thing

that's going to make a huge difference.

MR. MANN: But, Liz, wasn't that all driven by government regulation?

MS. MAIR: No, I think a lot of it was driven by consumers. The reason that I bought my car isn't because, oh, the government said that I'd get a tax credit. The reason I bought it is because I'm cheap. I don't want to spend a lot of money on petrol. And if I can buy a car that's going to cost \$25,000 and I can do 50 miles to the gallon on it, I really don't care what government says. I'm cheap. (Laughter) There are a lot of people out there that are.

Why would you want to be spending twice as much on your electricity bill as you possibly could if Whirlpool comes up with a better fridge? I mean, nobody, unless they are just casual spendthrifts, nobody's going to make that decision. It's very commonsense.

MR. MANN: Yeah. Final question, we're running out of time. This gentleman right here.

SPEAKER: As a Republican for almost 50 years, since Barry Goldwater, Young American for Freedom, a bunch of other ones, ACU, the Republican Party has lost me. I voted for Jon Huntsman in the Maryland primary and I voted for Barack Obama in the General Election because I take an approach that the party has to reach out to all of America and not just one segment of America.

And things like no labels, Mr. Galston has a little bit to do, is really pushing a program forward that as a Republican or as a Democrat you have to look for solutions, not that just go to your party, but to the nation at large. And I didn't hear much today about Independents because really the Independents are where the votes are

coming from, not the party anymore.

MR. MANN: Well, just empirically, most Independents lean toward one party or the other and, for the most part, act as if they were partisans themselves. So it's a small group, but that doesn't mean it's not a pivotal group. Would you like to respond?

MR. CASTELLANOS: I'd just say that I think no labels is great in bringing people together. It'd be nice if people got to know each other and remembered they're people on the other side. But I think as far as a, you know, again, a church without God, that's not what the purpose of a political party is. Anybody can come, we believe in nothing. No. I think it's healthier to have vociferous disagreement on these things, but it ought to be clear. And I don't think no labels serves that purpose. I think they have a better one than that.

I think the two-party system is suffering right now because they're selling a bad product, both of them. And sometimes you can't compromise when you're making a choice like this.

People ask me all the time why don't these people in Washington, don't they understand how critical this is? Why can't they compromise? No, because they understand how critical it is, that's why they can. There are things you cannot resolve. You know, Duke and Carolina can't meet at center court and work it out. They have a very different thing. And we're making a big decision at a time where something old is dying and we're going to head in a new direction, and that is something worth fighting for, respectfully, I think with some intellectual seriousness, but I don't think it's something you compromise away.

MR. MANN: How about any other last thoughts in response to this

question or anything else?

MS. MAIR: I don't mind labels. In fact, I quite like them. What I don't like are crappy labels and I don't like people being -- I won't use profanity, but you can insert your derogatory swear of choice into this sentence. I don't like people being "that" to each other or to me. And I think -- so, you know, to the extent that that's the purpose of no labels, I mean, I think that that is valuable. But, at the end of the day, I do have a label that I apply to myself. And if somebody isn't speaking to my concerns as a Libertarian, I'm probably not going to vote for them. And I can be fairly independent-minded. I do obviously affiliate as a Republican, but I also live in Virginia, and we run some really terrible candidates there, so we have to think about this every single time there's an election. It is not an obvious tick-the-box process.

MR. COSTA: You know, just real quick on -- you say you're a Huntsman voter and that's a rare thing. (Laughter) But Jon Huntsman, I followed his campaign very closely, followed him around New Hampshire for a week. And he did a lot of things I think that hurt him because his message on paper I think was very pragmatic. His record as governor of Utah very conservative, pro-growth governor. But he Tweeted talking about climate change: Call me crazy, I believe in climate change. And since the election and during the election he's almost made fun of the Republican Party. So I don't think he handled his campaign very well. He wasn't engaged in the internal Republican debate in a way that made people feel welcome and open to a more broader discussion with him.

But I think the party is trying to win over you and voters like you. I mean, just look at Rubio. Rubio was a Tea Party champion in 2010. On the cover of *New York Times Magazine* as a Tea Party guy. And now he tried to take a political risk on

immigration that's alienating much of his base and he's tried to move forward. And you see now that the party on immigration, for example, the Steve Kings of the world who were so big in the 2007 immigration debate, they're not ruling and have a hold on the conversation and the debate like they did then. And so, you know, I would have your ears open. There are people like Rubio and others who are trying to move towards you. And they may not have the pure moderate Republican stance of a Huntsman, but they're dancing around the idea.

MS. MAIR: Yeah.

MR. CASTELLANOS: The answer's not to be moderate. There's a false choice that Huntsman brought in, too, which is how do you win the middle? Do Republicans compromise what they believe, become Democrats Lite and lose? Or do they keep talking about things the way they do now and lose? Neither of those seem very attractive. There's a different way and that is the old way doesn't work, there's something new, let's try that.

Watering down -- I mean, Democrats won the middle by welfare reform, school uniforms, 100,000 cops. If Democrats can win the middle with Republican ideas, maybe Republicans can, too.

MR. MANN: Yeah, Sean?

MR. TRENDE: I actually thought Huntsman was going to be the nominee at first. And I think he might have been except, as people have noted, he seemed to run his campaign trying to stick his thumb in the eye of the GOP voters. It was almost as if he had been out of the country for two years and missed the Tea Party movement. (Laughter)

But, you know, I think the party may well have moved away from you. I mean, because parties -- I think something that was said, parties cannot be all things to all people. In a diverse country you could try to pick up certain portions of the electorate and the other party will be opportunistic and move in and pick up the part that you moved away from. And that's what happened. It may well have moved away from you. It's moved towards other people.

And if you look at party identification, and this is kind of my contrarian instinct because, like I said, my big picture I think there's change -- there needs to be change, but if you look at party identification over the past 20 years it's pretty stable. You know, there are probably a lot -- there are a lot of non-white voters that have come online in the last 20 years and they're overwhelmingly Democrat. And yet, the Democrats are the same share of the electorate that they were 20 years ago. Well, what does that tell you? That tells you there's another chunk of the population that's moved towards the Republicans. I don't know that that will keep up forever, but that's just -- I don't think it will, but that's the kind of dynamic of two-party competition in this country.

MR. MANN: That's probably a good point on which to end. We've gone past our time allotment. But I think in response to the title of this session -- "The Future of the Republican Party: Dead on Arrival?" -- the answer is no. We have sort of powerful forces, as Sean was alluding to, that's really kept both of our major parties in. But the way it's happened is each party has figured out when it's in trouble, this isn't working and we've got to try something new. I think we've begun to explore some of those directions. And those of you who want to pursue some of them, go to newrepublican.org.

MR. COSTA: Or read *National Review*. (Laughter)

MR. MANN: Or read *National Review* or Real Clear Politics pieces by Sean, who's analyzing this. And go on HBO Bill Maher to see Liz Mair.

MS. MAIR: Or actually just follow me on Twitter and watch me rant about stuff, including arsenal quite frequently.

SPEAKER: With profanity.

MS. MAIR: With a lot of profanity, a lot more profanity than we got here.

MR. MANN: Yes, much, much more colorful.

MS. MAIR: Right.

MR. MANN: Listen, you all have been terrific. Thank you so much for coming. That was fun. (Applause)

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