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MR. SALANT: Good afternoon, and welcome to the National Press Club. I'm Jonathan Salant, a reporter for Bloomberg News and president of the Press Club. I'd like to welcome club members and their guests in the audience today, as well as those of you watching on C-SPAN.

The video archive of today's luncheon is provided by ConnectLive and is available to members only through the Press Club's website at [www.press.org](http://www.press.org). Press Club members may also get free transcripts of our luncheons at our website. Nonmembers may buy transcripts, audiotapes and videotapes by calling 1-888-343-1940. For more information about joining the Press Club, please call us at area code 202-662-7511. Before introducing our head table, I'd like to remind our members that Senator Ted Kennedy of Massachusetts is scheduled to speak on January 9th -- our next speaker in our series.

If you have any questions for our speaker, please write them on the cards provided on your tables and pass them up to me. I will ask as many as time permits.

I would like now to introduce our head table guests and ask them to stand briefly when their names are called. Please hold your applause until all of the head table guests are introduced.

From your right, Ron Vagans (ph) of the Kuwaiti News Agency; Rosalind Jordan (sp), a broadcast journalist; Marilou Donahue, producer and editor with Artistically Speaking; Paul Harris of Variety; Jerry Zremski of the Buffalo News, vice president of the National Press Club; Alicia Adams, vice president for International Programming at the Kennedy Center; Angela Greiling Keane of Traffic World Magazine, and the vice chair of the National Press Club's Speakers Committee -- skipping over our speaker for a moment -- Jane Podesta of People Magazine, the Speakers Committee member who arranged today's luncheon -- and Jane, thank you very much; Bob Madigan, WTOP's Man About Town, who's also heard on WGMS; Rachael Ray, a freelance writer covering arts and culture; Rick Dunham of BusinessWeek, the immediate past president of the National Press Club; and Eleanor Clift of Newsweek and a Fox News contributor. (Applause.)

When the president of Pakistan visited the United States earlier this year, he complained to President Bush about the state of culture in his country. President Bush's suggestion? Call for Michael Kaiser. They did, and Mr. Kaiser spent two weeks in Pakistan. It's nothing new to him. He's used to traveling overseas. He advised arts organizations around the world and serves as a cultural ambassador for the State Department.

When he's not globetrotting, Mr. Kaiser is president of the John F. Kennedy Center for the Performing Arts here in Washington. He became president of the Kennedy Center in 2001 after serving as executive director of the Royal Opera House in London. Before then, he headed the American Ballet Theatre and the Alvin Ailey Dance Theater Foundation in the United States.

A former business consultant, a field he entered after realizing he wasn't going to make it as an opera singer -- (laughter) -- Mr. Kaiser entered the arts management field more than 20 years ago. Like others, he explained, "I found that art is more interesting than money." All of the arts organizations he has run have been in the black under his leadership, and he has never run an operating deficit.

At the Kennedy Center he has held festivals celebrating Tennessee Williams and Stephen Sondheim; and has brought in such acts as the Kirov Ballet, the Royal Shakespeare Company and the Iraqi National Symphony Orchestra. Let's welcome Michael Kaiser to the National Press Club. (Applause.)

MR. KAISER: Thank you. Thank you very much.

It's a great pleasure to be here today to discuss the Kennedy Center's approach to international cultural exchange. I must admit to being a relative newcomer to the international arts scene. In fact, after I finished business school I applied to the World Bank for an entry-level position. I was told I was exactly what they were not looking for -- (laughter) -- someone who demonstrated no real passion for international affairs. I hope they would take me more seriously today.

In the early 1990s, I took the Alvin Ailey American Dance Theater on tour to Japan, Greece, France and elsewhere. But my international work really began with an invitation by the Rockefeller Foundation to help the Market Theatre in Johannesburg in 1994.

Three weeks after Nelson Mandela's inauguration, I took my first of 18 monthly visits to Johannesburg. I worked at the Market Theatre; I participated in the creation of the Arts Council for the New South Africa; and I taught an arts management course in Julesburg, Durban and Cape Town. I fell in love with the nation and I gained a mentor at the same time.

Barney Simon, the late, great founder of the Market Theatre, taught me that the arts truly can change the world. Barney, an unlikely father for South African theater, developed and exported anti-apartheid protest theater. He played a major role in educating Europeans and Americans about the horrors of apartheid. He did change the world and he changed me. I learned from Barney about truth in art,

about the courage it takes to be a real leader and the difference between producing change. When Barney died in 1995, the world lost an arts hero and I lost a mentor.

What I learned from Barney provided the foundation for my international work at the Kennedy Center. I've spent the last five years building an international activity that I, perhaps naively, believe will change the world -- maybe not as dramatically as Barney's work, but change nonetheless.

After my internship in South Africa, and after observing the arts from a different perspective when I ran the Royal Opera House in London, I developed my own ideas about cultural exchange. The Kennedy Center has given me a unique platform to test these ideas.

Shortly after I arrived in Washington, I was approached by State Department officials asking me which American artists should be sent abroad to represent the United States and to foster cultural exchange. I surprised these State Department representatives by explaining that many people around the world feel they experience enough American culture. It may not be high culture, but people from London to Julesburg, from Beijing to St. Petersburg have so much exposure to American movies and television and pop music that they have no real interest in more.

And while I am certainly in favor of sending talented Americans to perform abroad, sending one great artist for one concert for 1,000 of the richest and most powerful people in any nation has virtually no impact.

I suggested that we need to take a new approach -- a new, two-pronged approach to cultural exchange. First, we need to recognize that Americans know almost nothing about other peoples. We read about political leaders and movements, but we know nothing about the people who live in Chile or Lebanon or Colombia. And I believe the most effective and engaging way to learn about other people is to experience their arts. We need to provide access to the art and culture of other peoples. We need Americans to see what moves other people, what they think of as beautiful, what they worry about.

When we hosted the Iraqi Symphony at the Kennedy Center three years ago, the most common response I heard was, "I didn't know Iraq had a symphony." Most Americans were completely unaware of the level of education and culture of the people of Iraq.

In October of last year, we hosted 900 performers from China at the Kennedy Center in a landmark four-week festival of Chinese art. We presented Eastern and Western music, Chinese opera, theater, ballet, modern dance, film and puppetry. Virtually every performance was sold out. One member of a shadow puppet performance depicted the devastating impact of the Japanese bombing of China through the eyes of a little boy. My audience developed a new and vivid idea of the concerns of Chinese parents. They realized they were far more like Chinese people than they were different. Not only our audiences were affected -- the press attention in Washington, throughout the United States and in China was huge. I believe we influenced the thinking of many people.

We have festivals of Japanese art, Arab art, Russian art and Indian art planned for the coming years. But that is only one-half of the cultural exchange puzzle. I feel we have to exchange with other nations, but it does not necessarily have to be art that we offer back. I have learned from my travels that there is almost no arts management education in other countries. And while I could, and often do, make speeches on the need for better arts management education in the United States, I find the state of this training in other countries to be even more rudimentary.

It appears that the central role of government funding in other nations has limited the perceived need for this kind of education. But so many governments -- in fact most governments -- are cutting back on their arts support, and arts organizations in big European countries and small African countries and Latin countries and Asian countries are threatened. Arts managers here and elsewhere have no idea how to respond. They have never learned how to develop new sources of contributed funds and have been unable, for various reasons, to develop high levels of earned income. Therefore, I believe that instead of only exchanging our art for the art of other nations, we should also offer our experience and expertise in arts management and revenue generation to arts managers and government officials in other countries.

We at the Kennedy Center believe we are in a strong position to address this issue, because we have systematically developed approaches to teaching arts management. When I first arrived at the Kennedy Center in 2001, we established an arts management institute to address the challenge of training managers in the United States and abroad. To date, we have welcomed 66 fellows. Half of them have come from countries other than the United States. These practicing arts administrators have come from Russia and the Czech Republic and Malaysia and Spain and Egypt and Pakistan and numerous other countries. They take classes in development, marketing, technology, financial management, labor relations, et cetera. I teach strategic planning every Friday morning.

But they also work in our various departments on high-level projects, participate in board meetings and other similar events and develop a strong understanding of the way an arts organization can function. For many of our fellows, and certainly many of our foreign fellows, this is their first exposure to a large, well functioning arts organization. Just last month on a trip to Cairo, I was touring an independent arts organization named A Townhouse. As I opened the door to their new theater, there was Nora Amin (sp), a former fellow, teaching arts management to many young Egyptians. It was both surprising and deeply rewarding.

We have also developing a training program for the leaders of arts organizations of color throughout the United States. This program complements periodic in-person symposia with more frequent online training sessions that have become an efficient way for us to reach students from many geographical areas at once. Since developing this program four years ago, we have created others for small and mid- sized orchestras and arts organizations in New York City.

In total, we are working with 90 arts organizations in this country. And most recently, we have developed a program for training board members of arts organizations and created a website, [artsmanager.org](http://artsmanager.org), featuring arts management resources.

In some cases we work with individual arts organizations in need. For the past two years we have worked to help save the Dance Theatre of Harlem. More recently, we have worked to assist an arts organization truly in a perilous place at a perilous time -- the Louisiana Philharmonic Orchestra, New Orleans' largest classical arts organization. Hurricane Katrina destroyed the LPO's theater, its offices, its music library and its larger instruments. The subscriber base has been scattered and their donor base focused on more immediate needs.

Yet, the intrepid LPO staff and board, with some guidance from us, has been able to raise enough to bring the full orchestra back, to mount a fairly large spring program this past season and to pay off virtually all the payables of the institution.

All of this work has prepared us to address the challenge of teaching arts management in other nations. Our focus has been on countries in transition and in trouble. Why? Because I believe that the arts play an especially important role in troubled societies. I believe that the arts have a power to heal. Expressing anger, pain and fear on stage is productive and effective. The protest theater of South Africa helped many people cope with their anger while also producing change.

Arts can address all segments of society. While the largest arts organizations typically address the wealthier and better educated segments of society, the smaller, nongovernmental organizations reach far beyond the elite. That is why we have focused our attention on these organizations.

Artists are opinion generators. When we support artists in troubled areas, we teach others about the problems in society and the impact of these problems. In fact, the arts are the safest way for people to express themselves, and the arts can replace pain with beauty. My first foray into this new international realm was in Mexico. Until their recent presidential election -- not really a country in turmoil, but an arts environment in turmoil. The government of Mexico has been responsible for approximately 90 percent of arts funding in that country and has a goal of reducing this level of support. Also, this funding is concentrated. Too few organizations receive any government funding, and the nongovernmental organizations, the NGOs, are typically tiny and struggling.

I have spent the last three years training a group of 35 arts managers of small arts organizations in Mexico who all run NGOs. They each received their first government grant in a special program called "Mexico on Stage." These grants were two-year grants totaling \$50,000 per organization. Part of the grant was access to a weeklong seminar on planning at the beginning of the grant, and quarterly classes thereafter. I am the teacher of these programs.

The program ends this month, as the government of Mexico changes. Virtually all of the groups have made huge strides. Most have improved their artistic quality substantially, and many have created new fundraising and marketing capabilities. About one-half of the groups are truly poised for additional growth and achievement as this program ends.

As I was initiating this program in Mexico, I also began to develop a relationship with the government of China. Our festival of Chinese art was of great interest to that government there and a strong relationship was developed. In keeping with my philosophy expressed earlier, we traded art for expertise. The Chinese provided us with a remarkable array of performers and performing groups. We offered back training in arts management. I go to China twice a year to teach up to 500 arts managers at a time. In addition, we host 20 arts managers from China at the Kennedy Center each summer.

I must admit to being a bit daunted the first time I faced a room of 500 students, and the Socratic method of teaching I prefer took my students many days to become accustomed to. I have also had to fight, as I have elsewhere, to ensure that the majority of my students are truly arts managers and not government bureaucrats. This has been a consistent challenge in every country in which I have taught.

But my students in China are excellent and learn quickly and they're working diligently to develop private sources of funding and new marketing techniques. Like my students in Mexico and elsewhere, there's far greater comfort attempting to raise funds from foundations and corporations, but I continue to pressure my students to attempt to develop an individual donor base as well. For as we have learned in America -- (audio break) -- are far more loyal than -- (audio break) -- from individuals.

Arts organizations that rely most heavily on institutional giving typically remain small.

Much of my work here and elsewhere focuses in part on the problems faced by all arts organizations, whether in Beijing or Butte.

Of course, the central difficulty we face in the performing arts is the challenge of improving productivity. Unlike virtually every other industry, we cannot cover the costs of inflation with increases in productivity. There are the same number of performers in "Don Giovanni" as when Mozart wrote it over 200 years ago.

This productivity challenge is matched by an earned income challenge. Once we build a theater, we have literally set our earned revenue potential in concrete. We cannot increase true earned revenue, because we cannot increase the number of seats in our theaters.

I remember bringing the Ailey company to the Herod Atticus, a beautiful Roman amphitheater built into the base of the Acropolis in Athens, Greece. The entire company was awed by the setting, performing outdoors with the moon over the Acropolis. I only stood on stage and marveled that there were the same number of seats as when it was built 2,000 years before. (Laughter.)

These productivity and earned income constraints that the arts have been facing for centuries place great pressure on ticket prices unless new sources of funding can be developed. And in most countries, raising ticket prices simply means reducing audience size and diversity -- hardly an attractive option.

We teach how to plan for the challenges faced by every arts organization and how to plan for the idiosyncratic challenges faced in a given country. While every arts organization must address the productivity problem, the challenges posed by religious factions in Pakistan are different from the government restrictions faced by Chinese organizations.

Of course, a good deal of this planning must address how to develop new sources of revenue and particularly how marketing can be used to aid this effort. My mantra for running a successful arts organization is "Great art well marketed."

I have yet to see an arts organization that routinely produces great art and also markets that art aggressively that does not have the resources to pursue this mission.

We teach why this is true and how to implement strong artistic planning and how to develop a comprehensive marketing campaign.

Most recently we've addressed these issues in Pakistan. The Pakistani arts ecology has experienced 30 years of neglect, and its government has asked us to help build back the sector. We've created a plan to address this goal. Central elements of this plan include:

One, investing in physical infrastructure. Pakistani theaters are in tremendous disrepair. I visited one of the country's better theaters, the Alhambra in Lahore. It has a floor so warped, it cannot house professional dancers, and has only 10 lighting instruments, as compared to the 300 or so we expect in an American theater.

Two, creating flagship arts organizations. There are no larger arts organizations that create important art and serve as role models for the nation. A national gallery of art is about to open. We need major dance and theater and musical organizations as well that can serve as centers of expertise and training.

Three, improving production capabilities. If Pakistani artists are to compete internationally, the nation must develop more expertise in technical theater -- lighting, set, costume and sound design.

Four, teaching arts management. There is virtually no training for people running arts organizations. We must develop some teaching capacity in Pakistan, as we must in other countries, in which we can only play a minimal role.

Five, creating arts education programs. There is little arts education in the schools and very few teachers equipped to bring the arts into the classroom. In addition, there are few works developed expressly for young audiences, so children are too rarely introduced to the arts.

And six, building international awareness of Pakistani arts and culture. There is very little understanding of the rich history of culture in the region, and there are currently few arts organizations that can tour with competitive programming. We have begun to implement this plan. We produced a one-week training program for 30 arts leaders this August. We have created a website on Pakistani culture to be used to educate their children and others throughout the world on the rich heritage of the nation. We have planned a children's theater collaboration between the Kennedy Center and the Pakistan National Council on the Arts. Additional programs are also in the planning stage.

But if Pakistan is developed into a true democracy, artists must be free to create, and an infrastructure to present this art must be developed. It is still unclear if the current government will demonstrate a sustained interest in this endeavor and will be willing to change the vestigial laws that continue to restrict artistic freedom.

I am committed to working with the government of Pakistan to build the strength of this arts ecology but will also work with the nation's artists to change legislation that prohibits this development.

I have learned a great deal from my experience in China and Mexico and Pakistan. I can summarize them in 10 major observations.

One, most arts managers in many countries have few peers and fewer mentors from whom they can learn. These managers feel isolated and helpless. If a major donor is going to truly make change, one must provide consistent and substantial technical support, as well as cash.

Two, to make major change in many countries requires involvement of the government. In Mexico, for example, arts group(s) receiving consistent government funding must return to the government that portion of their subsidies that equal their private fundraising or extraordinary ticket sales. This means there is no inducement for acting entrepreneurially. I am working with the government leaders of Mexico to change this rule to foster the development of new sources of funding.

We must also make the case for the arts to government leaders. Most governments do not appreciate the economic impact of the arts, the role of the arts in tourism and the role of the arts in creating international image.

Three, private donors must be involved in changing the culture of giving in any country. When I consulted to the Market Theater, one of our board members was one of the wealthiest people in the world. When I asked her why I did not see her listed as a donor to the theater, she replied, "I do donate. I donate my time by coming to board meetings."

But we also need to make donors comfortable that their money is truly having an impact and is being well spent. This is particularly true in countries without a tradition of arts philanthropy. In other words, we must market to our donors as well as



to our audience. Four, non-recurring grants must be tied to a matching requirement. If arts organizations are forced to raise new funds to match a large gift from a single donor, they are forced to developed expertise in fundraising.

I asked the Mexican government, before they made the two-year grants to my students, to include some kind of match, and I was ignored. As a result, while several of the groups have prepared well for the end of the special grant, an equal number of them have not and are now being forced to downsize and abandon the projects they initiated with grant funds. This could have been avoided if a matching requirement had been attached to the grant and the groups were required to develop new sources of funding.

Five, most arts groups in most countries address very small audiences and have minimal scope of operations.

While bigger is not always better in the arts, some level of size is required to have an impact and to establish a measure of stability. We need to help arts groups get larger.

Six, while it is assumed that fundraising skills are the major deficiency in many countries, in fact marketing knowledge is deficient, at best. We must teach how to develop focused programmatic marketing campaigns that help sell tickets and aggressive institutional marketing campaigns that help raise money and awareness.

Seven, we need to expand the planning horizon for arts organizations in troubled countries. Most arts organizations have planning horizons of less than six months. This makes it virtually impossible to build strong fundraising efforts and major touring programs. But we also have to help train arts leaders to act entrepreneurially. In my experience, there is no conflict between planning and entrepreneurship, but this is not evident to everyone.

Eight, we must encourage artists to collaborate with administrators. One of my students in Mexico experienced a total life change when he handed over to an administrator the things he did not know how to do and focused exclusively on his role as artistic director. Today he has two years of his budget stored in the bank.

Nine, the training we offer must be practical and hands-on. While our goals are idealistic, our training techniques must be immediately implementable if our students are to make change.

And finally, number 10, we must work hard to encourage arts organizations not to waste anything. While this is true for arts organizations throughout the world, those organizations in challenging environments must use every dollar and every hour to maximum advantage.

Next on our agenda is a major project with the 22 Arab countries. Again, we are using our two-pronged approach to cultural exchange. We are mounting a major Arab arts festival at the Kennedy Center in 2009, but beginning this coming spring, we are also holding annual symposia on arts management in the Arab countries. We have begun by surveying a large list of Arab arts organizations to determine their chief concerns. Just last month, I visited Cairo, Amman, Riyadh

and Damascus to discuss our plans with government leaders, arts managers and artists. The response was very positive from all sectors, and the press we received was encouraging. On numerous occasions during my trip, I heard enthusiasm for our idea of helping Americans understand Arabs as people rather than as political entities. And the training we are offering is seen as an act of generosity by people who do not always think of Americans in that way.

I am convinced that this project, our most ambitious to date, will have the dual benefits of educating the American public, while also creating stronger cultural institutions in the Arab world. We hope this will allow these institutions to play a more vital role in their countries, and will foster relationships between Americans and Arabs that will help to unite and bring understanding and peace.

This is an ambitious goal. Some would call it naive, but it would be impossible for us not to try. Thank you very much.

(Applause.)

MR. SALANT: Our first question: How do you decide which arts groups should represent the U.S. abroad, and which ones should come here?

MR. KAISER: Well, fortunately we're not in the role to decide which arts groups go abroad, and I'm very lucky to have a wonderful collaborator, Alicia Adams, who runs our international festivals, who picks which arts groups are going to come here.

We're looking to develop a diverse set of arts groups to come. We want our festivals to show the broad range of arts in any given region, both contemporary and classic, a range of art forms, both regional and big city arts organizations, so we're looking to do a range. We never can be encyclopedic with our festivals because we don't have enough time to do that, but our goal is to present the best of many different kinds of arts groups.

MR. SALANT: Are the countries you visit as little educated about each other as the U.S. is about their cultures?

MR. KAISER: I think the answer in most cases is no. I think there's much greater understanding and much greater cultural awareness of other countries in other countries. Part of this has to do with the proximity of other countries. Many countries in Europe are very close together, many of the Arab countries are very close together, so there's much more exchange of people and ideas and much more movement back and forth between borders. But I think we in this country are particularly isolated when it comes to our knowledge about the cultures of other people, and about the geography of other people as well.

MR. SALANT: What problems, if any, do the language barriers present in the cultural exchange?

MR. KAISER: Language is a challenge. When we did our China Festival, we had to change all the signs at the Kennedy Center to be both in English and in Chinese. We have to have translators who can help the artists get to where they want to go. On our visits abroad,

we frequently have translators who help us. But again, I have to say, language is not my greatest facility, and I'm embarrassed by how much better other people speak English than I speak their languages. I'm learning a little bit in each trip, but I have to say that it's not my skill area.

But when artists come here in large groups, particularly artists who may not speak English, we have to really facilitate that. Even backstage, we have to have translators who help stage managers translate as we're running a show to make sure that all the stage activities happen as they're planned.

MR. SALANT: When does cultural exchange begin and politics begin and how do they interact?

MR. KAISER: Good question. I always say I'm a non-political person because I don't personally actively engage in discussions about political issues when I travel to other countries. But I do believe that the cultural exchange can influence politicians and politics, because to the extent that we can make people understand each other better, collaborate with each other better, I believe we have a real opportunity to create political change.

I did visit Damascus, Syria. We don't have, currently, an ambassador in Damascus, but I believe that the discussions that we had with the Syrians can hopefully lead to a better understanding between peoples.

For example, the Syrian Symphony asked if they could have an American conductor come and work with their symphony and train their symphony. I think it's a wonderful idea. And in fact, the government officials in Syria -- the Syrian government officials were very excited by that idea as well.

So I do believe that we can have an impact on politics, even though I don't play a political role, personally.

MR. SALANT: Do you see any potential for joint productions between the U.S. and these countries, whether musically or theatrically?

MR. KAISER: Absolutely. And I can give you two examples. In our China Festival, we had a collaboration between a great American artist, Ping Chong, and the Shaanxi Folk Art Theater, that created a wonderful puppet show that I talked about. The shadow puppets I talked about was a collaboration between an American artist -- a Chinese-American artist and a Chinese arts group.

And more recently, we did a joint Children's Theater production with an Arts Center in Amman, Jordan. We created that production together with artists from the U.S., and artists from Jordan. And together that was presented first at the Kennedy Center, and now it will be presented in Amman, Jordan, for children in both countries.

So yes, we absolutely believe that productions can happen that are collaborative. But I believe first we have to establish a dialogue, and then we can move to actually creating art together.

MR. SALANT: The old U.S. Information Agency would focus on cultural exchange and other forms of public diplomacy. Now those duties are under the State Department. Does the cultural exchange program get the same attention under this arrangement?

MR. KAISER: Well, I'm not going to enter that discussion. (Laughter.) I have worked in both systems. The work I did in South Africa was under the old USIS, and the work I'm doing in Mexico and in Pakistan is under the aegis of the State Department. In both cases I've had remarkable professionals to work with and gotten tremendous levels of support.

I can't speak to the totality of the effort because I'm not involved with the totality of the effort. MR. SALANT: Is there any concern that more aggressive marketing within countries is being viewed as "Americanizing" their cultures?

MR. KAISER: That's a really good question and a very important one. And one of the things that I've had to convince artists and arts leaders in other countries is that when I talk about improving their marketing and raising funds, I'm not talking about leaving their mission and sort of trying to create -- sell toothpaste or sell other consumer goods but, rather, that I want them to maintain their artistic vision, artistic mission, but, rather, use more sophisticated techniques to support that vision.

One of the experiences I had was when I was on my first trip to Pakistan, I met with someone who runs a great independent theater company in Lahore. And she was very, very skeptical of my ability to do anything but to turn her theater into a consumer product. And since she's doing alternative theater and protest theater, she was very nervous. And I could use the example of my work at the Market Theatre in Johannesburg as an example of a place which did not try and change the nature of their art but, rather, to support that art better. The Market Theatre, in 1994, was about to go bankrupt. Today it's a thriving international theater. And what they do is they do a better job of fund-raising, a better job of marketing, but they still are true to their artistic vision and mission. And that's the message I try to get across when I teach in these other countries. It's less a concern about Americanizing than it is a concern about cheapening or commercializing their art. And that's a message I have to get across to every artist I teach. And the reason -- I always start by saying that it begins with great art is because, A, I believe that; and B, I need to put artists' minds at ease that I'm not trying to change the nature of their art in order to make it more salable, that's not what I'm trying to do.

MR. SALANT: How do you encourage foreign arts organizations to seek more gifts from individuals if they don't have the tax advantages available to donors in this country?

MR. KAISER: That's a really important question. There's a really easy answer. And I have worked in most countries, including

when I ran the Royal Opera House, where there wasn't the equivalent tax deduction for your gifts. And what I said was the marginal tax rate in the U.S. is about 30 percent, which means for an American, if they give \$100, it really only costs them \$70. So just give 70 percent of what you would have given in America, and you're even. (Laughter.)

MR. SALANT: There are a lot of questions about how arts can bridge the divide between the U.S. and other countries. This questioner writes: Could your work help bring an end to the war in Iraq? MR. KAISER: No, I don't think so. (Laughs.) But what I think it can do is -- (audio break) -- and it was an astonishing visit for me. I went there three years ago, exactly three years ago this week. Actually, I should say exactly three years ago this week we brought the Iraqi Symphony here. I had been, three months earlier, to Iraq. And I met with university presidents, and I met with contemporary artists, and I met with musicians and actors. And I have to acknowledge that I was tremendously unaware of the education and the cultural level of that country.

And I think what we need to do as people is always to understand the people we're influencing, the people we're affecting, and not just understand the governments that we're influencing and affecting.

MR. SALANT: How can you use art to overcome anti-American feelings abroad?

MR. KAISER: That's a very important question. And I have to say again, I don't believe that the way you overcome anti-American feelings is just to give them more American art, because as I said, many countries feel they have enough American art. There's a love/hate relationship. They love the art, they love the TV shows and the pop music, but they also are not so thrilled it comes from abroad.

And so I believe what we're doing by offering training to their arts organizations is the way to do this, because it's a true act of generosity for the American people to say, "We want to help your arts organizations get stronger. We want your arts organizations to be strong, we want your art to be healthy." That is actually perceived as a true act of generosity, and I believe that helps us to overcome anti-American feelings much more than one more visit by a great opera singer to another capital.

MR. SALANT: Has anti-American feelings, especially in Muslim countries, hindered your efforts in cultural exchanges?

MR. KAISER: When I went to the Middle East, and my first trip was -- apart from my trip to Iraq, my first trip was a month ago -- I was concerned about that. I was interested to see what was going to be the perception of the relationship between the people, the artists and particularly the government leaders to me. And I have to say the response was just extraordinarily warm.

Part of this is built into the Arab culture. It's a very, very hospitable and inviting culture. The Arab people are extremely lovely and gracious hosts. So they'll do that for anybody. But I have to say that I found great excitement about the idea of teaching

Americans about Arab people because I think there is the belief that Americans know very little about Arab people.

And I also felt there as tremendous excitement about anything we could offer to help them strengthen their arts organizations because many of their arts organizations are relatively small and relatively underfunded. And there was tremendous interest in seeing those organizations get stronger, allowing them to play more of a role internationally.

And so there was a tremendous dialogue, and I felt very, very much at home. And I felt a true open and honest discussion, and I didn't feel that there were barriers of suspicion that were between myself and the Arab people on the trip or between the people I met in other countries.

The biggest fear was the one I mentioned before, that the biggest fear was I was going to come in and try and change the arts. And when I make it very, very clear that is not my goal -- in fact it's the reverse of my goal; when I bring foreign arts to the Kennedy Center, I want it to be as authentic as possible. We had an experience in the China festival where there was one performing group that Alicia saw it perform in China and very much wanted to bring to the U.S. And they felt, in between her visit and their visit to the U.S., that they somehow had Americanized their performances so that we would like them. And in doing so, they completely subverted the goal of this whole festival.

So once I make this very clear that we're interested in the true, authentic art, and that I believe it is by viewing that art that people in my country will understand them better as people, that they start to relax and we start to have a very, very honest discussion.

And when I went to bring the Iraqi Symphony over three years ago, it was very funny. I was there with several State Department officials and I sat in a room with the leaders of their orchestra, and we had the exact same discussion I would have with a leader of any orchestra in any place in the world; you know, how much rehearsal time, who sits where, what repertory. You know, that was the level of the discussion. Arts tend to reduce us all to a common denominator when we have those discussions and it tends to lead to much more honesty.

MR. SALANT: How do you anticipate that government funding of the arts will change with the Democratic takeover of Congress?

MR. KAISER: Well, I must say we haven't seen a Democratic administration increase funding for the arts for about 20-some-odd years, so I'm not optimistic. It is wonderful when our federal government gives us direct support for the arts, but at this point the level of that support is so small that it really has the biggest impact on the smallest arts organizations, those in rural areas, those that are serving underserved populations, as opposed to direct government support that comes to the very largest organizations.

But we have to remember when we say that that the federal government gives us a huge indirect support by the tax deductibility

of the contributions. And so we are getting government support for the arts in this country, it's just not direct government support.

MR. SALANT: We mentioned in the introduction that all the groups you've run have never run a deficit. What are the key principles, policies and actions that you have used to avoid that and might be useful to other performance and non-profit groups?

MR. KAISER: I'm afraid that's a very long answer to answer that question, and I would refer anyone who's interested to our new website, called [artsmanager.org](http://artsmanager.org), where we have case studies of each of the organizations I've run and talk about how we eliminated their deficits.

The central mantra, again, is great art well-marketed.

It's producing really important, interesting art and then marketing that art very, very aggressively. When you do that, the money comes in.

You know, the Kennedy Center has been very, very fortunate over the last six years to double its annual private fundraising from \$35 million a year six years ago to \$70 million this year. I believe that comes from really working very hard to try and increase the quality and the interestingness of what we do, and then also to market that art very, very aggressively. And combination results in more revenue, and this is what I teach to every arts organization.

And most troubled arts organizations -- each of the organizations I ran before coming to the Kennedy Center was very troubled -- most troubled arts organizations do the exact reverse. What they do when they get frightened, what they do when they face financial challenges, they cut back -- what you have to do -- but they cut back in the wrong areas. They cut back on the art, because it's discretionary, and they cut back on the marketing, because it's discretionary and they don't have to fire anybody. And what happens is when you cut back on art and marketing, you guarantee that next year you'll have less money, because what excites your donors and your audience is exciting art and good marketing. So when you cut those activities, you have less, and then you cut them even more and you have less, and you cut them more and you have even less, and you get smaller and smaller and smaller and smaller.

So the antidote is to save your pennies, put anything you can do -- be very, very cheap on everything that's not on the stage and then put all your money into exciting art and into exciting marketing, and that will then start to build back the revenue.

When I got into American Ballet Theatre in 1995, the company had performed Romeo and Juliet for seven consecutive years during their metropolitan opera season. That bored our donors. That bored our audience. What we did is we took all the money we could find, we created a brand-new work. It was a full-length version of Othello by the great choreographer Lar Lubovitch. It's coming to the Kennedy Center next month. (Laughter.) And we put our money into this very, very large venture that was very, very risky, but it got people excited that we were artistically dynamic again, and they started to give us

more money. And within two and a half years, we had paid off our entire \$5 1/2 million deficit. (Applause.) MR. SALANT: The Government Accountability Office has criticized the Kennedy Center board for lax oversight of the center. What is being done in response to the GAO's criticism?

MR. KAISER: The GAO criticized exactly one activity, which was the number of board members who came to our operations committee meeting. We have to be clear -- they did not complain about overall lax oversight; they were concerned that not enough board members were coming to our -- a particular committee on operations, and that's the committee that oversees the building.

The challenge there is that 14 members of that committee are members of Congress. (Laughter). And you can appreciate the difficulty of getting 14 members of Congress to our committee meetings. So you would say, well, why don't they send a member of staff? Each of them does, but the GAO does not count that as attendance.

MR. SALANT: What does the Kennedy Center have to do to be accessible to the many Washington area residents who can't afford tickets and wouldn't think to go to the Millennium Stage?

MR. KAISER: Well, obviously the challenge there is to get them to come to the Millennium Stage. For those of you who don't know, the Millennium Stage is a free performance that we give every day of the year, 365 days a year, at 6:00 -- Christmas Day, New Year's Day, you name it. There's a different free performance every single day. You can come without a ticket and get a wonderful performance.

And so the big challenge is to educate people about the Millennium Stage. And we have a separate board, called the Community Advisory Board, that is made up of people from many of the specific communities of Washington, that helps us to develop marketing techniques to reach the different communities, who might feel they're not welcome at the Kennedy Center, because indeed everyone is welcome at the Kennedy Center.

MR. SALANT: What's the status of the new plaza at the Kennedy Center, to make it more accessible by foot?

MR. KAISER: Unfortunately, the plaza project, which was conceived of just before I arrived at the Kennedy Center, in the year 2000, which would have built a connection between the Kennedy Center and downtown Washington, was a victim of budget cuts in Washington. It was both a public-private partnership, and we had raised \$150 million of private money for this project but were unable to raise the government funds because of general budget cuts and particularly cuts to the Highway Trust Fund legislation that was passed last year, which suffered about a hundred-billion-dollar cut to the legislation.

So that project is now dormant. We hope one day it might be resuscitated.

It was also very painful to give back \$150 million of private money. (Laughter.)



MR. SALANT: You talked a little bit about the festival involving the Arab countries. How are plans progressing, and can you talk a little bit more about that?

MR. KAISER: Well, Alicia is working very hard. I'm surprised she has time to be here at lunch today -- (laughter) -- because she is responsible for putting together the artistic selections for that festival. She'll be going over to the Middle East in a couple of months to start that work. We've been doing a lot of intellectualizing, a lot of study and a lot of discussion. We hope that over the next year or, let's say, next 14, 15 months to make the selections of the art. There are 22 Arab countries, so it's a very, very difficult selection process, because there's such a wide range. And there isn't one Arab kind of art, and there -- as -- just isn't one kind of Arab. The art in Morocco is very, very different from the art in Lebanon, which is very, very different from the art of the Gulf states. So she will have a very challenging time putting that together.

Our goal is to have all the art selected by a year from this coming February, because it will take us a full year to get visas for the artists.

MR. SALANT: This questioner says that they read recently that you will only be with the Kennedy Center for another four years. Is this true?

MR. KAISER: No, it's actually another five years.  
(Laughter.)

My contract expires on December 31st, 2011. I fully expect at that point the board will appoint someone new for the position, or before I leave, obviously.

I believe it's very, very important -- I'll have been there 11 years in total by the time I leave. And I do believe it's very important for a presenting organization to have change in leadership every decade or so, because the audience deserves a different focus, someone's new -- someone -- a new person's perspective, and not to have the same person constantly making decisions for the organization. So I think an 11-year tenure will be just about fine.

MR. SALANT: Other than the Kennedy Center, what is your favorite performing arts venue in Washington? (Laughter.)

MR. KAISER: There are so many wonderful performing arts venues in Washington. (Laughter.)

There's -- and let me make a case just in general for theater in this city. We have more professional theaters than any other city besides New York City in this country, which is really astonishing. I don't think of it all the time, but it's true. We are an amazing theater city.

We're an amazing chorus city. We have great, great choruses in Washington and great resources in the choral tradition.

Next year, I'm actually going to do a festival at the Kennedy Center that's slightly unusual, which will be a chorus -- a festival of a cappella singing, because there's so much great a cappella singing around the world. My press person is dying up front because I'm not supposed to be announcing this. But that's okay. (Laughter.) All over the world, there's this unbelievable a cappella music -- a cappella music meaning music without accompaniment. And so we're going to have a major festival that looks at this kind of music from around the world, including Mexican a cappella music and South African a cappella music, and American, and British, and Asian countries. It's an amazingly rich tradition of singing without accompaniment.

But choral music is great in Washington. Obviously, the visual arts in Washington are astonishing. There are so many great venues. There's great chamber music venues in many of the visual arts organizations. It's a remarkable arts town. And I think one of the things that I'm proud of having played a small role in while I've been here the last six years, has been to elevate the role that Washington plays in the arts scene around the country and around the world. And I believe many more people are taking all of the arts institutions in Washington more seriously.

MR. SALANT: What has been your favorite performance at the Kennedy Center?

MR. KAISER: That's a really hard one.

Last year, the Kirov Opera was here with us. The Kirov Opera comes every year to the Kennedy Center, they're in a 10-year arrangement with us. We're just mid-point of that. And last year they did a Verdi Requiem that was really, really, very, very astonishing. And it was very simple -- the Verdi Requiem has no sets or costumes. It was just the wonderful orchestra of the Kirov and their maestro, Valery Gergiev, and four great soloists, and it was just astonishing music-making.

So I would have to say that was one of my favorites, but I know I'll get in trouble for saying that. (Laughter.)

MR. SALANT: A couple of questions about the Kennedy Center Honors. Could you please discuss how you pulled off the honors program last Sunday? And also, one questioner says: How about honoring some of the older national artists? MR. KAISER: Well, firstly I have to give full credit to George Stevens, Jr. He is the producer of the show. I always call myself his sous chef. (Laughter.) He really puts it together, and he does an astonishing job. As you know, we announce the honorees in September, so we have three months between announcing the honorees and the show. And it's really quite astonishing what he pulls off each year.

We have honored many, many of the older artists. In fact, what you'll find is that our honorees are getting younger, because in the beginning of the Honors, we had an entire century of people to honor. And so we've gradually run out of many of the older honorees, and we're moving to some younger people. But I think each year's group is truly a remarkable group. And if you look at the history -- if you

look over the history of the last 29 years of all the honorees, it's an astonishing array of performers. We're very, very proud to have honored each one of them.

MR. SALANT: What should the U.S. and other nations do to encourage more children to play instruments, sing, dance, or otherwise participate in the arts?

MR. KAISER: This is a question very near and dear to my heart.

Since I've been at the Kennedy Center, we've tripled how much we spend on arts education. The Kennedy Center is now the largest arts education program in the world. We spend \$25 million a year educating children across the United States; we work in all 50 states.

I believe the answer is to do three things. One is to bring children into the theaters, which means creating work that children can appreciate, which is why we produce six or seven new children's theater works each year at the Kennedy Center, and then tour many of them around the United States. As I think many of you will know, we built a new Children's Theater, exactly a year ago that we opened that. And so that's one very important piece.

And the other importance piece is to have teachers bring the arts into their classroom. When you teach history, when you teach language, when you teach literature, the arts can play a great role in helping you teach those subjects. And so we've made a speciality of training teachers. We're now training about 16,000 teachers every year across the United States to use the arts as examples, to bring the arts into their classroom, and thereby inspire children to participate more. Because we have to be realistic, most school districts do not have the level of arts education that they had when we all went to school. And so we at the Kennedy Center, and other arts organizations, have to fill in the breach.

MR. SALANT: Do you plan to use i-Pods and the Internet and other high-technology tools and media to foster greater appreciation of the arts among kids?

MR. KAISER: We already are. We use the Internet extensively. We have a wonderful website called ArtsEdge, which is available to anyone, but particularly for teachers' use to help teachers plan their lesson plans, to do their readings, to do their homework assignments as they bring the arts into the classroom. We've now widened ArtsEdge so that there are now portals for students to enter so you can study about shadow puppets, you can study about jazz, you can learn about the arts of Pakistan. As a child, you can now log on and explore these various areas online.

We use a satellite network. We buy into a satellite network so that many of our arts education programs that we manage here at the Kennedy Center are now available to children all over the country. So, for example, if the Alvin Ailey company is here doing an educational program, we can beam it live to 300,000 children at a time. And we do that with great regularity. And yes, many of our programs are also i-Pod-able -- downloadable to i-Pods. We're using each new technology

because we find that we have to use technology to reach the number of children and the number of adults that we choose to. We can't reach them face to face.

MR. SALANT: Do you consider the culinary arts as part of the total cultural experience?

MR. KAISER: Well, I love to cook, so I do personally consider the culinary arts as part of what I do in my life.

It's not a central part of what we do at the Kennedy Center, although for specific festivals we will have food that relates to that festival. We try continuously to serve very good food because food is part of the experience, the same way getting out of your parking lot quickly is part of the experience -- (laughter) -- of going to an arts venue. So that is important.

But in terms of art forms, I would say we focus more on more traditional performing arts forms.

MR. SALANT: Before we ask the last question, I'd like to present you with the official National Press Club coffee mug. (Laughter.)

MR. KAISER: Fantastic. Thank you so much.

MR. SALANT: Suitable for having a nice beverage when you're watching your next performance.

MR. KAISER: Thank you.

MR. SALANT: And a certificate of appreciation for appearing here today. Thank you very much.

MR. KAISER: Thank you very, very much. (Applause.)

MR. SALANT: We began talking about the cultural exchanges. What has been the impact of U.S. movies and television and other arts on the world? And what's the U.S. image being created abroad by them?

MR. KAISER: Movies and television have had a huge impact abroad. I remember going to work in South Africa, and every Tuesday night all the restaurants closed because "Dallas" was on -- (laughter) -- and no one went out. But I'm not sure that it gives -- that movies and television and pop music give the full range of Americans and really explain who we are. I think they tend to represent us as rather materialistic, rich and not as the diverse and concerned communities that we have in this country.

We are a very diverse country, as you all know, but I'm not sure we're portrayed that way in the popular entertainment. And so it is very important for us to explain to others around the world that we are really a much more diverse country than we are given credit for in popular entertainment.

MR. SALANT: Well, thank you very much.

MR. KAISER: Thank you. (Applause.)

MR. SALANT: I'd like to thank everyone for coming today. I'd also like to thank National Press Club staff members Melinda Cooke, Pat Nelson, Jo Anne Booze and Howard Rothman for organizing today's lunch, and thanks to the Eric Friedheim National Journalism Library at the National Press Club for its research. Research is available to all club members by calling (202) 662-7523.

Good afternoon and happy holidays. We're adjourned.

(Sounds gavel.)

(Applause.)

END.