

NATIONAL PRESS CLUB LUNCHEON WITH GOVERNOR TIM Kaine

SUBJECT: DEMOCRATIC PARTY 2010 ELECTION PROSPECTS

MODERATOR: ALAN BJERGA, PRESIDENT, NATIONAL PRESS CLUB

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ALAN BJERGA: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Alan Bjerga. I'm a reporter for Bloomberg News, and the President of the National Press Club. We're the world's leading professional organization for journalists and are committed to our profession's future through our programming and through fostering a free press worldwide. For more information about the Press Club, please visit our website at www.press.org. To donate to our programs, please visit www.press.org/library.

On behalf of our members worldwide, I'd like to welcome our speaker and attendees to today's event, which includes guests of our speaker as well as working journalists. I'd also like to welcome our C-SPAN and Public Radio audiences. After the speech concludes, I will ask as many audience questions as time permits. I'd now like to introduce our head table guests.

From your right, Kyung Song, Seattle Times; Andrea Stone of AOL News; Nathan Hurst from the Detroit News; Mame Reiley, Chair of the Women's Caucus for the Democratic National Committee, and a guest of the speaker; Mark Shields, syndicated columnist; Anne Holton, former First Lady of Virginia, and the wife of the speaker; Andrew Schneider, Associate Editor for Kiplinger, and Chairman of the Speakers Committee.

Skipping our speaker for the moment, Rod Kuckro, Platts, and Speakers Committee member who organized today's luncheon; Alice Germond, Secretary of the

Democratic National Committee; Shawna Thomas, a producer with NBC; Carl Leubsdorf of the Dallas Morning News; and Giles Whittell of the Times of London. (Applause)

Our guest today may not have gotten a lot of sleep last night, given the Democratic senate primary in Arkansas. Senator Blanche Lincoln, who did not get 50 percent of the vote, now faces a June 8th runoff against Democratic Lieutenant Governor Bill Halter. And you also have to wonder how our speaker feels about upstart Congressman Joe Sestak beating back Pennsylvania's Democratic Party establishment, and efforts by the National Democratic Party to nominate former Republican Arlen Specter for this fall's Senate race. For the Democrats that our speaker leads, these are indeed interesting times.

Governor Tim Kaine took charge of the DNC on January 21st, 2009, after serving as co-chair of President Obama's 2008 campaign and after four years as governor of Virginia. During his time as governor, Virginia was recognized as the best state for business in America, its top performing state government, and the state where "a child is most likely to have a successful life." As DNC chair, his mission is to promote the success of President Obama and Democratic officeholders and candidates throughout America, while building a strong grass roots infrastructure to produce change in the nation's policies and politics.

He leads the party that many political observers believe is headed for potentially massive losses in the November congressional elections as voters unrest over the deficit, bailouts, two wars and the ambitious agenda being pursued by President Obama. Today, we are interested in hearing how Governor Kaine plans to prove those pundits wrong. Please welcome to the National Press Club Tim Kaine. (Applause)

MR. KAINE: Thank you very much, thank you all. Thank you so much. Please have a seat. I want to thank you all for that very warm welcome and the invitation to be with you today. I've looked forward to one day gracing this podium, and it will be good to have a chance to talk and answer your questions.

I'm proud to be the chairman of the oldest political party in the world, and I'm happy to share today the Democratic Party's commitment to working hand in hand with a wonderful President to move this nation out of a decade of economic stagnation and diminished international position.

I want to thank your president, Alan Bjerger, for having me here today. I want to recognize those who have joined me on the dais, especially my wife Anne. She was described as former first lady, there's no former in the first lady in my house. She's the first, last and always lady. Mame Reiley, who's the Chair of the DNC Women's Caucus, Alice Germond, who's the Secretary of the Democratic Party, and we have a number of other DNC members, DNC staff, volunteers in the audience and I appreciate you coming to be with us today.

It was just a little over three years ago that then-Senator Obama announced that he was running an audacious campaign to be President of the United States. He asked Americans to join him in making history, in rebuilding our economy, tackling our healthcare crisis, expanding educational opportunities, promoting national security with moves to achieve energy independence and reestablishing America's global leadership and doing all these things in a way that would lift up middle class families that were hurting.

President Obama said that times were tough, but he knew, and the times demanded, citizen leaders who were capable of doing hard work in a challenging time to push for fundamental change. Millions of Americans accepted the challenge, and this year the President is calling on his supporters again to help him to continue to deliver on that promise.

To that end, the Democratic National Committee that I chair is gearing up for an unprecedented midterm effort. We'll be reaching out to Americans from all walks of life, to the people who powered this movement from the very beginning. And in particular, to the millions of people who cast their first vote in 2008, voters who can make a critical difference in numerous races this year.

Our message to Americans is pretty simple. In the face of near-united Republican opposition, the President and Democrats have taken bold action to turn the economy around, lay a foundation for long-term prosperity, and provide greater choices and opportunities for the American people. But there's still a lot to be done and the President can't do it alone. He needs allies who will stand with him in Congress and in state capitols all across America. And especially in the absence of any meaningful cooperation from the Republican Party, he needs Americans to help him elect, and reelect, strong Democratic allies. At the DNC, knowing all the challenges were still confident that we can help make that case and allow us to beat some of the doom and gloom prognostications and help the President's allies succeed.

So let me talk a little bit about that. In January, 2009, when President Obama walked in the door, he found an economy in freefall and we were shedding jobs at an alarming rate of 750,000 a month. The stock market was plunging, along with retirement dreams of millions of American families and the future was uncertain. The \$237 billion surplus left by the Clinton Administration had been squandered, and the nation faced a \$1.3 billion deficit.

The Republican Party while in power championed policies that created the conditions for the disaster and produced something that we had never really seen in this nation; a decade of lagging wages and near-zero job growth. Today, Americans are still paying the price for those misguided policies as we continue to dig out of the lost decade and the worst recession since the Great Depression. But thanks to the leadership of President Obama and Congress, we're in a much different place.

Our economy is growing again. You got some charts on your table that show that. Instead of losing jobs, we've gained jobs for each of the last four months, offering hope now to millions of Americans who are looking for work. In fact, there is strong reason to believe that America will create more jobs in 2010 than in the entire eight years of the Bush Administration. This didn't happen by accident. When the President took office, there were many economists warning of the imminent collapse of a banking system and the real prospect of a second Great Depression. So he and the Democrats did what had to be done, what the moment required. They met their responsibilities, they made tough, even politically challenging choices to prevent the catastrophe and put the nation back on track. They put their country, and they put our future first.

And they had to do it alone. Because in a time of maximum peril, Republicans in Congress decided as a bloc to sit on the sidelines and leave it to the President to clean up the mess they created. In the words of their de facto chairman, Rush Limbaugh, they rooted for the President to fail. And they did it for the most cynical of reasons. Their theory was that if he stumbled, they would prosper. If he failed, they as a party would succeed. So with virtually no help from Republicans, President Obama and Democrats in Congress rescued the American economy from the brink of disaster. The American Recovery and Reinvestment Act saved or created two million jobs across America, provided tax cuts to 95 percent of working families, and made critical investments in our nation's infrastructure, also helping police, firefighters and teachers keep their jobs.

President Obama inherited a healthcare system, and you know this story. It was broken. Without any help from Republicans, President Obama and Democrats in Congress achieved a signature and historic win, making necessary reforms which are making coverage more affordable and available to millions of Americans, including small businesses, young people and seniors. The reforms are ending the most abusive practices of the insurance industry, insuring that no American is ever again denied insurance due to a preexisting health condition, or losing their policy simply because they get sick.

President Obama inherited a broken financial system, one corrupted by excessive greed and enabled by regulators who turned a blind eye to risky behavior. How Democrats are on the verge of passing Wall Street reforms that will give Americans the information they need to choose the right credit card and right mortgage for their family or business, that will hold executives accountable for risky bets they take with others' money, and will end the need for taxpayer funded bailouts of banks and other financial institutions.

There have been more successes; a saved auto industry, more American kids with health insurance, credit card reform, great Supreme Court appointments, eradication of key Taliban leadership in Afghanistan and Pakistan, a new global commitment to eradicating nuclear weapons. In short, President Obama just 15 or 16 months ago inherited a government that simply was not working for everyday American citizens. He's begun to restore our promise and to address America's biggest challenges at home and abroad.

But there's still more work to be done to find clean and innovative energy solutions, to reform our nation's immigration laws, to restore America to number one again in higher education attainment. That's why it's so important that we elect Democrats this fall. We've been doing the heavy lifting to get this nation's economy going again. We were in a ditch, and we had to build a ladder. And now we're climbing. We need to keep climbing, rather than slip backward.

While the President has made extraordinary efforts to reach across the aisle and find commonsense solutions in a difficult time, the Republican Party is more interested in continuing business as usual in Washington, partisanship obstruction and political games. Even before the President was sworn in office, Republicans had set out a plan to disrupt his agenda, no matter what the issue, for their short-term political good. But they didn't just do it for political good. They've often blocked progress on the nation's most critical issues to benefit special interest allies, and thus made it clear who they represent, lobbyists for insurance companies, oil companies, and Wall Street firms.

And if Republicans are put back in charge, they pretty much made it plain what they'll do. They say their priority will be to roll back the hard-fought benefits that President Obama has won for American families and businesses. They want to repeal health reform. They want to cancel aspects of the Recovery Act, including tax relief provisions. And they want to put off hard decisions that have to be made to strengthen America's fiscal foundation. They'd put us right back in the ditch where we were when President Obama was inaugurated in January of 2009.

But we're not going to let that happen. And that's why we're going to be fighting so hard for Democratic candidates all across the nation. Now, we do know we've got a tough battle ahead. Americans continue to be very anxious about this economy, and many are still feeling the bite of the deep recession from which we're only beginning to emerge. And they're holding incumbents of both parties accountable in a tough time. This year, incumbent Democrats and Republicans alike face the prospect of competitive primaries and potential losses. In fact, both parties have already seen candidates, elected officials, suffer primary defeats. And that's because voters have set a high standard. They're demanding leaders who are focused on addressing our nation's long-term challenges, individuals capable of putting aside business as usual to continue to do the heavy lifting here to achieve progress.

But even in this difficult political climate, voters have rewarded, and we believe they'll continue to reward, strong Democrats who've delivered results. Now, it is true that yesterday Senator Arlen Specter fell short in the Pennsylvania senatorial primary. He will not represent the Democratic Party in this fall's elections. But while the Senate will be losing a very talented and courageous public servant, Joe Sestak has also been a strong supporter of the President's agenda and has definitely showed that he's going to be a great campaigner for us this fall.

More telling is yesterday's special Congressional election, also in Pennsylvania. That victory is just the latest in a string of special elections in Congress stretching back to

the contest for the New York 23rd Congressional district last November. And it demonstrates that Democrats can compete and win in conservative districts, including ones like Pennsylvania's 12th, which was won by John McCain in 2008. It's also a major blow to Republicans who all but guaranteed a win in this race and actually declared that the Pennsylvania 12th won yesterday by Mark Critz, was exactly the type of seat that Republicans needed to win in order to be successful this fall.

Previewing the Republican message for 2010 in that race, the Republican candidate ran against the Pennsylvania in the Pennsylvania 12th, as much as his opponent, and pledged to repeal health insurance reform. But the Republican candidate in the district that went for John McCain nevertheless loss by a significant margin. The party's failure to take a seat also shows that while the conventional wisdom holds that this cycle will be tough for Democrats, the final chapter on the year's election is yet to be written.

Equally stunning was the result of the GOP primary in Kentucky. In that race, Mitch McConnell, the Senate Republican leader and the most powerful politician in that state, saw his hand-picked candidate, Trey Grayson, defeated soundly by the Tea Party-backed candidate, Rand Paul, which was a crushing blow to national Republicans and Senator McConnell, and also additional evidence that there is a corrosive and divisive civil war occurring on the Republican side.

Democrats in Kentucky, meanwhile, nominated Attorney General Jack Conway offering Kentuckians a clear choice, this while between a candidate who's in the mainstream and a Republican nominee who represents the most extreme elements of the Republican Party, a candidate for example, who's vowed to abolish the Department of Education and the Federal Reserve. And who vows to basically oppose, oppose, oppose at a time when we need constructive challenges to the problems we face.

Simply put, the Republican Party has a problem. For the last year and a half, they've been riding a tiger. And now, they're feeling the Tea Party's bite. In Utah, Tea Party candidates defeated a very conservative, long-serving U.S. Senator, Bob Bennett. In Florida, the Tea Party has split the Republican electorate in two, dividing voters between the now-independent Governor Charlie Crist and Marco Rubio.

In Maine, the Tea Party hijacked the Republican Party convention and approved a far right platform full of conservative myths and conspiracy theories. And in Arizona, Senator John McCain, a man the Republicans chose as their presidential nominee less than two years ago, has had to reverse course on lifelong political positions to fend off a primary challenger from the Tea Party wing of the party. Ideological litmus tests have become a norm in Republican primaries, and in order to satisfy Tea Party activists, Republicans are running to the right. As a result, the party is becoming narrower and less welcoming to moderate candidates. And if these moderates are eliminated, the Republican Party will become less and less appealing to independent and other swing voters.

So as we move from the primary season to the general election, I expect some things will continue to change. First, the economy will continue to improve. I expect employers will continue to add jobs, and we'll see those job reports rolling in month after month. And I expect that Americans will view the Democratic Party, the party that took action to jumpstart recovery, more positively as a result. In fact, we've already seen some significant poll movement suggesting a desire for a Democratic Congress that's working to solve problems, rather than a Republican Congress committed solely to opposing the President at every opportunity.

Voters will have a choice. They can choose a President, they can choose President Obama, and Democrats who are taking bold action to turn the economy around, lay a foundation for prosperity and empower Americans with choices, or they can choose Republicans whose failed economic policies drove the American economy into a ditch, whose obstructionist tactics have made it more difficult for us to pull ourselves out of the ditch. And who have the nerve to now ask for the keys back after the Democrats and the President have gotten the car up and running again.

So we're going to do everything we can to make this choice very, very clear, and we developed a strong plan to do so. I'm sure that most of you have already heard at least a few things about the Vote 2010 plan of the DNC. The DNC will commit an unprecedented level of resources to campaigns, specifically an historic \$50 million investment in House, Senate, gubernatorial and even local elections. But we do know at the end of the day this; it's not about money, it's never about money. It's about what you do with it. So over the past several months, we have been developing the most sophisticated midterm election plan in the DNC's history.

Now, we know the election's going to be tough. We are running against a significant headwind in terms of our history. If you look at the past 17 midterm elections, the President's party loses an average of 28 House seats, 4 Senate seats and governors races as well. And the difficult economic times facing Americans make that political headwind even stiffer. But we're used to running into headwinds. Our number one priority is getting first time 2008 voters to vote again in this election in 2010. Because if we can enhance the turnout of the 15 million American first time voters from 2008, we can make a significant difference in close races all over this country.

Many of those voters, the first-timers, were inspired by the President. Some were attracted to his focus on change, others to particular issues he advocated for. And they were all fed up with nearly a decade of Republican rule that saw a decline in middle class success, while special interests were first in line. So our goal is to harness the forces that motivated them in 2008, to motivate them in 2010 for the local Democratic candidates. We need to make the connections between the President's success and the success of his allies across the country whose help he needs to enact the change agenda he campaigned on.

And with our nationwide Organizing for America movement composed of staff and volunteers all over this country, we can make that connection in a person-to-person

way. We believe we can make a difference in 2 to 4 percent in the total votes cast in races all over this nation, which is of significant margin in a close race. In fact, it could be the difference between a Democratic victory and a Republican victory in many of the races that are marquis races these days.

At the same time, we are going to work harder than ever to engage and empower core constituencies, regular, reliable voters who come out every year. These voters were critical to President Obama's success in 2008 and they'll be critical to our victories this November.

In addition to turnout efforts, we're going to run one of the DNC's biggest ever midterm voter registration campaigns. We registered voters at an historic clip in 2008, but we know we haven't registered all of them. And we'll institute our most sweeping voter protection effort for a non-presidential year to insure that every American who wants to cast a ballot knows how to do it and is protected in that right. So these efforts are critical. Our nation is climbing out of a ditch now, and we can't afford to stop climbing.

So what's next? We know we've got our work cut out for us. But we're going to work hard community by community to define the 2010 electoral choice for the American people. In 2008, voters turned out to cast their ballots for President Obama because they understood what was at stake, and they believed their vote mattered. We'll make sure that Americans again understand mistakes. We'll make sure Americans know this election will determine whether we continue to move forward or whether Republicans will have the power to roll back the gains that we've made. And we'll make sure that Americans know that their vote is as vital now as it was two years ago. Thanks very much. (Applause)

MR. BJERGA: And thank you very much for your time, Governor Kaine. There's no shortage of questions being asked, and please keep them coming in. The first question, just sort of generally speaking, what did you learn from last night's results and how will those lessons affect your strategy for November?

MR. KAINE: We're big data freaks at the DNC, so we're still digging through it and we're going to be learning now for some time from the results last night. It is still the case that Americans want change. The same change mandate that was a critical part of President Obama's election continues to be felt. People are seeing, and they're seeing improvement in the economy, but they want to continue to see change made. And so they're going to elect people who they think will be change makers when they come to Washington. Or, reward candidates who have been in elected office who haven't been afraid to do the heavy lifting to get our economy going again. I think that will be a critical one.

The second piece was one that I mentioned, that Tea Party challenge on the Republican side that is creating a corrosive civil war is one that certainly we have to watch out for, but the Republican candidates have to be every bit as wary about it as we are. I think those are the two most prominent lessons from last night.

MR. BJERGA: Following up on the Tea Party, how do you feel about the statement you often hear at Tea Party rallies that there's a need to take the country back?

MR. KAINE: It's confusing. Look, I guess I'll start off by saying in a time of economic anxiety, there's going to be electoral volatility. People are going to be mad, people are going to be angry, people are going to be confused. And so the right strategy is to try to get action and do the heavy lifts that get the nation growing again. There are things that happen in some of the Tea Party rallies and signs and things like that that are unfortunate. But rather than besmirch anybody's motives, let's just attribute it to a challenging economic time. But the solution is good policy, good results. The charts that you have on your table that show significant job loss now turning to job increases, a stock market in the six and seven thousand. Though still volatile, now up around 11,000. GDP shrinking to GDP growing. As we continue to demonstrate that and further that trend, I think Americans will feel like they are getting the kind of country back, that they want a country of long-term prosperity.

MR. BJERGA: You made reference earlier to Democrats success in special elections going back to New York 23. Why do Democrats seem able to win special elections, while Democratic governors and senators always seem to lose?

MR. KAINE: Well, I wouldn't say always. We had an interesting '09, so we won six special elections in a row to Congress, including some extremely Republican districts. We won that New York 23rd seat that we hadn't held since the 1870s. But, we had a three month bad stretch where we lost two governors races, one that I was kind of personally interested in, I got to admit, and that Senate race in Massachusetts.

There's a lot of lessons to learn from those. I think, like I answered to the previous question, it's a volatile time. When people are hurting, the electorate is volatile and that means people are going to want to see change. And the same passion for change that animated people for President Obama, they continue to look for as they're going to the booth. We think we frankly just got a much better message about being able to deliver change because we've been out there doing the heavy lifting to deliver it while the other guys have been standing on the sidelines and throwing rocks. We'll make that plain. If you want to continue to see change, you got to put people in who are willing to actually do some heavy lifting to bring change about.

MR. BJERGA: Let's take a look at the most recent special election from last night. Now in Pennsylvania 12, the Democratic winner opposed healthcare reform, is pro life and pro gun. What kind of a mandate does the election of that sort of candidate give the Democrats, given the change message that you're trying to communicate?

MR. KAINE: One of the signature issues in the race was the issue of health reform. And it is the case that Mark Critz had said he might not have voted for the bill originally, but there was a sharp difference between the two candidates on the question of will you move to repeal healthcare reform? The Republican candidate said, "Absolutely,"

and ran on that as his platform. Mark Critz said, “No. It has been done. We need to make sure it’s implemented well and we need to move onto other issues.” So the Republicans really made that race, from the NRCC standpoint, kind of a referendum on the President. But also on whether repeal of healthcare reform would be a signature issue that could really drive these elections forward.

And in a district that was very favorable to them, that John McCain had won, that message didn't carry the day. And I think that is a very helpful lesson to learn coming into this November.

MR. BJERGA: You made reference earlier to the Democrats being stats geeks. Apparently, members of our audience are as well. We have several questions coming up about poll numbers. Here's one that's coming up right now. When respected national polls reportedly show an enthusiasm intensity gap of 20 points between Democrats and Republicans in terms of voting in November, what do you do about that perceived or potentially real lack of enthusiasm among Democratic voters this time around?

MR. KAINE: Well, let me offer some counter evidence to those polls, because I've seen some of those polls. But here's some counter evidence. In Pennsylvania last night, everybody thought that was going to be a dead heat, and actually Republicans were pretty sure that their guy was going to win. We didn't win by a point, we didn't win by five points, we won by nine points. In the Kentucky primaries yesterday, so very interesting, Rand Paul, the winner of the Republican primary, got fewer votes than the loser of the Democratic primary, Lieutenant Governor Mongiardo. It was the Democrats who were energized in Kentucky.

After in Virginia we lost the governor’s race in November, the Democrats have won a number of special elections to the legislature in a row. So, we've got to wrestle with the energy question, which is always a challenge in midterm elections when the president’s not on the ballot. The turnout will be lower for both parties, and in all communities, than a presidential election. But I think the results of last night in Kentucky and Pennsylvania and some of the trends we've seen in other states suggested, especially after the passage of healthcare reform, and realizing, “Wow, we stood behind this President. He’s done something historic and really important,” that energy’s coming back strong on the Democratic side.

MR. BJERGA: Given Joe Sestak’s enthusiasm among the Democratic base, and given the perceptions of anti-incumbent bias that you see among the electorate, does his victory last night in Pennsylvania, you think, actually improve the chances of Democrats winning that seat this fall?

MR. KAINE: I haven't looked at polling about the relative merits of Sestak-Specter against Toomey, the Republican nominee for some time. So I'm not exactly sure what polls would say. But the fact was this: Democratic Pennsylvania voters who voted in that primary yesterday were voting for two candidates who had supported the President on the key issues of economic recovery, healthcare reform and financial reform. They

certainly had differences, but in terms of support for the change agenda that we need to get this nation moving, those candidates were in the same spot. And I think they will be energized behind Congressman Sestak when it comes November, and we're going to do all we can to be helpful.

MR. BJERGA: Gallop Polls are showing a generic 5 percent Democratic Congressional advantage over the Republicans. Given that 5 percent generic advantage, could 2010 put conventional wisdom on its ear and actually show Democrats gaining seats in 2010?

MR. KAINE: Well. (Laughter) And that Gallop Poll, and there's been an AP poll, it may even be the same one, that's recently showing a switch. There has been a trend month to month showing that there had been a favorability, maybe a five or six point edge for people wanting a Republican controlled Congress and that has switched now. And the stories that those polls tell is, you know what? We would rather have people who are fighting to get the nation back than people who are just saying no to everything. You know Americans are can-do people. We can be angry, we can be mad, but we're not fundamentally people who stay angry or mad. We want solutions, we want to find the path forward. And a policy of just no to everything and obstruction doesn't work too well with American voters.

So I think as voters see the economy continue to improve, they're going to reward the Democrats who have been willing to do tough lifts, even lifts at the time that might have seemed a little bit politically unpopular. Now, I'm not going to predict the number of seats we will gain or lose. My goal as party chair is to make sure that we continue with strong margins for the President. Beyond that, I shall say no more. (Laughter)

MR. BJERGA: You've been in politics for a while. You say people don't stay mad?

MR. KAINE: Yeah. I really don't think they do. My experience in Virginia, where I was in politics for about 16 ½ years, in the place you make people the maddest, I was a city councilman and mayor. I've never broken into a sweat once since I've stopped being mayor of Richmond. Because you make people so mad in local office. But what I find is there's very, very few one-issue type voters. You make them mad, but you tell them, "here's why I did it," and then the next day, we got another issue to work on.

The history of populism movements in the United States is an instructive one. Populism movements in the United States that had been driven by anger and really focused on the anger, they tended to peter out because while economic challenges can make us anxious and even mad for a time, we're not fundamentally angry people. We're can-do, optimistic people. And that's what folks want to see in their elected officials. They want to see the positive spirit that can through force of will start to bend events the right direction rather than gloom and doom and anger bend in the wrong direction. So yeah, I'm still a glass half full guy after 17 years in this line of work.

MR. BJERGA: One person who has made people made is House Speaker Nancy Pelosi. How do you plan to deploy Speaker Pelosi on the campaign trail given the Republican strategy of running against her. Are there any specific districts or areas of the country that you would plan to avoid?

MR. KAINE: Let me say this about the Speaker. You would have to look at quite a long time at Speakers of the U.S. House of Representatives to find somebody who's been as effective in working with her majority to do as much heavy lifting on tough issues than Speaker Pelosi. When you think about what the House did with respect to climate, with respect to economic recovery, and especially with respect to healthcare, that was legislative leadership in a very remarkable and memorable way.

You know, I have my own theories about why the Republicans often like to make the speaker a bogeywoman, and you might divine my theories from the way I phrased that. But what I do know is this; she's done a very effective job, especially in a Democratic caucus that is extremely broad.

Remember, we're not the litmus test party. We're the broad party. We're not narrowing ideologically, narrowing demographically, narrowing geographically, we're expanding. And being a Speaker of a very broad caucus in its diversity and its ideological opinions is a very tough job and she's done a good one. And I should have given her praise for that special win last night because, boy I'll tell you, the House Democrats have quite a track record going in terms of winning these special elections, and she gets a lot of credit for it.

MR. BJERGA: What role should President Obama play in the Congressional elections this fall?

MR. KAINE: Well, we would obviously love as much of his time as he can devote. He has a few issues that he needs to deal with. No, we're absolutely thrilled that the President has been willing to go out and go to bat for candidates. He and I have done events together for the DNC, he's done events together with the candidates. Once the primary season finishes, there's still a pretty good chunk of primaries in June and then even some as late as September, but you'll see the President, I think, be significant involved on behalf of candidates. But I will say this about the President. Rule number one in his belief, and this is the way he talks about the Democratic candidates everywhere, the best politics is a good policy. If in a time of national urgency, because of a tough economy and a tough international situation, if you do the right thing to do the heavy lifts to get the nation growing again, that's the best kind of politics there is. And voters will reward people who will do it, and I think they'll punish those who've decided to stand on the sidelines and just be against everything.

MR. BJERGA: One of the issues that came up in the Arkansas primary race was organized labor's dissatisfaction with some of Blanche Lincoln's positions. Given that dynamic in that race and as it applies potentially to races nationwide, what can the DNC do to improve its relationship with organized labor?

MR. KAINE: I feel good about the relationship we have with organized labor that I had in my earlier life, in politics as an elected official, at the DNC. And I could say the same thing about organized labor, as any group that is passionate about the Democratic Party and have been good supporters. Because of our ideological breadth, because we don't throw people over the side for their views on taxes or choice, we have a breadth there. And that will always mean that there might be candidates that some of our constituents agree with at a higher percentage of times than others.

But we Democrats, we like that. We want to be a broad party. We want to be an inclusive party. We think it's the genius of our country, and we think it's the genius of our party to have the big tent. And so yeah, there whether it's labor or whether it's environmental activists or others, there will be candidates that they might like better than others. But I think all of us in the Democratic family are very content with the notion of we're a big tent party. If the other guys want to keep getting narrower, we'll let them, but we understand that politics is about addition, not subtraction.

MR. BJERGA: One of the frequent criticisms you hear about Tea Party activists and mainstream Republicans have been to take aspects of the Obama Administration's legislative agenda as socialism. How does, or should, the White House and Congressional Democrats respond to such characterizations?

MR. KAINE: I think people like to throw labels around, and I think for most thinking Americans, frankly throwing that kind of label around actually really doesn't hurt us. Because it suggests an extremism and an ideological rigidity which isn't where most Americans are. We're problem solvers. We want to solve problems, especially in a tough time. And so a party that just relies on throwing labels around and refuses to cooperate, they might get a headline, but they ain't going to get support of people.

Now, in each of the policies, the way we need to do it is just really lay out where we are. The policies that the President has been proposing on the stimulus, for example. Economists left, right and center, Mark Zandi, who's one of the chief economists for Senator McCain has praised the need for the stimulus and has said one of the reasons we're growing again in the economy is because of the stimulus. So, you can look at folks who work on these issues and they'll point out that the policies that have been taken are really kind of right in the mainstream of smart and innovative policy solutions on the healthcare side.

The healthcare bill owes an awful lot to a Republican-promoted healthcare bill from the early 1990s that Senator Dole was one of the key architects of and to a Massachusetts healthcare reform plan that was signed by a Republican governor who now apparently has forgotten, or is disclaiming his involvement in it. So we're going to promote smart solutions to these problems. If the other guys want to rely on labels rather than roll up their sleeves and actually help us govern a nation at a time when governance is needed, it's an abdication of responsibility. But they're not going to help their case by doing it.

MR. BJERGA: How will the Democratic Party persuade doubters, including those who voted for President Obama in 2008, that he is not, at heart, addicted to big government?

MR. KAINE: A couple of ways. First, the President in February, just a month after he was inaugurated, the President rolled out his first series of program cuts and eliminations to try to deal with the issue that he said he would do in his convention speech in Denver. I'm going to go through the federal budget line by line and we're going to wrestle with ways to deal with the federal base budget. That was in February. The President, working together with Secretary Gates, has waged a successful battle thus far in Congress to cancel a number of obsolete weapons systems that had some political appeal, but nevertheless needed to be cancel to try to deal with the deficit.

And the President went to Congress in his State of the Union speech and said, "Let's join together on an idea that, frankly, was as Republican idea," a nonpartisan deficit commission to get a hold of the deficit and really wrestle with bringing it in control. Republican sponsors of the bill bailed on the bill, voted against it and defeated it, but they did not defeat the President's will to deal with the issue. He's appointed a nonpartisan deficit commission under the chairmanship of former Republican deficit hawk, Senator Alan Simpson, former Democratic presidential Chief of Staff, Erskine Bowles, and the White House and that commission is working hard on doing deficit reduction. And you will see them begin to implement proposals from that commission going forward.

Remember in recent times, it's only been Democrats, it's only been Democrats, who have ever effectively dealt with deficits. And it's going to be Democrats who are going to deal with deficit concerns of the American public today.

MR. BJERGA: That acknowledged, a deficit cutting as a policy goal, cuts being made in practice, even with those cuts you're still dealing with deficit levels right now that by any historic standards would obliterate previous records in previous administrations. Given the calls for austerity and the potential enactment of austerity measures, how do Democrats then hold their coalition together when the fights over the policy priorities are over an ever-potentially smaller pie?

MR. KAINE: That's a very challenging question: how do you accomplish what you want to accomplish in a time where you're having to do belt tightening for deficits. But the President has advisors who've worked on this in state governments. Every governor-- I had to do this as governor-- I had to, as a Democratic governor, take \$9 billion out of an \$80 billion budget over the course of a couple of years. And I had constituencies who cared deeply about the future of the state. But I'll tell you this, Democratic constituencies do not mind a message of, "We got to make things balance. We have to make things work." They understand that. And the administration is filled with folks like Governor Sebelius and Governor Napolitano and Governor Vilsack who had to do the same kinds of things when they were in those positions.

So I know this about Democratic constituencies; they have issues that are important to them. But they also understand that overall fiscal health of the nation, when it's strong, can lead to sustained prosperity. And so those decisions will be tough, but they're not impossible. We can make hard decisions, and I think this President has shown he's willing to make hard decisions.

MR. BJERGA: Given these constraints, did President Obama over-promise when he said he could change the way business in Washington is done? And has the perception that business as usual in Washington nearly two years in, disillusioned Obama voters?

MR. KAINE: The President did promise that. He said not only would he do good things, but that he would do things differently. And I think the President is converting on that promise, although he would be the first to acknowledge that there's much, much more to be done.

So for example, the President in his campaign ran a campaign and took kind of a very unusual position, which was we will not accept dollars from PACs or from federal lobbyists in the campaign. Very unusual for a campaign. We've continued that at the DNC. That was 10 to 15 percent of the DNC's budget before I walked in the door, and yet we've continued to break with that business as usual to demonstrate the regular individuals that the seats aren't all at the table before they get there. And so whether it's focusing on issues like that, whether it's focusing on being very transparent about visitors to the White House immediately posting who's visiting the White House, whether it's focusing on reforms that are going to be before the Senate soon with respect to campaign finance reform, and a whole series of other kinds of reforms, more transparency in financial transactions is part of Wall Street reform, this President is promoting transparency, is promoting more citizen participation in government. There's so much more to do on that, you can't do everything you want in the first 15 months. But the President is true to his word and he's pursuing that aspect of the campaign.

MR. BJERGA: Given the united, or near-united opposition of Republicans to most of President Obama's legislative program, what purpose would further efforts at bipartisan outreach serve? Should Democrats put a greater focus on passing legislation they support on their own without compromising with Republicans in hopes of attracting their votes?

MR. KAINE: The reason that the President will continue and all Democrats should continue to hold out a hand to Republicans is because we're in a time of national emergency. And that's what voters expect. They want to see us work together. It's like Churchill when he was the national unity government during World War II. It was a tough time, so the sides had to come together to solve problems. I've been in politics a while and I'm not naïve, but I'm still stunned at the degree to which the Republican Party in the midst of the worst recession since the 1930s has decided to just stand on the sidelines and say no to everything.

I mean, I would think there would be a patriotic call to let's work together to get the economy growing again. The President should continue to do it, so should Democrats. And the strategy to take the back half of your question, I think the questioner phrased it well. We shouldn't be chasing after Republican votes and diluting what is the best thing to do in the hopes that we may get them and have them pull the football out from under us like Lucy does to Charlie Brown. We shouldn't be doing that.

But, we should be listening to Republicans, we should be listening to citizens of all stripes, and we should be including the good ideas in whatever we do. Whoever comes up with it, if it's a good idea, should go in financial reform, or it should go in as we wrestle with immigration reform or an energy future. Ideas are good or bad. The province of who thinks of them doesn't matter that much. So listen to good ideas and include them but we don't need to chase around people who are ultimately going to vote against us anyway.

MR. BJERGA: There's a narrative that you'll hear expressed about the 1994 elections in which, of course, the Democrats lost control of both houses of Congress after 40 years. That started that President Clinton actually became a more effective president after the Democrats lost control. That he struggled, actually, with larger Democratic majorities. And that afterwards, he was able to triangulate, move toward a more centrist position and actually become a more effective leader. Given the problems that President Obama has had in moving his agenda through an overwhelmingly Democratic Congress, would there be benefits to reduced Democratic majorities or even Republican control of the House in 2011?

MR. KAINE: No, there would not. (Laughter) I'm sure that's an incredibly newsworthy statement that I made. And the reason not, but then I'll pick up another aspect of the question, the reason not is we need to do heavy lifting. We're in a tough, tough time. So who's going to do the heavy lifting among governors and among members of Congress? Is it folks who have been doing it, who have turned the economy from free fall into climbing again? Or is it going to be the folks who put it in free fall and have been against all the policies that have gotten it going again?

So the notion of there will be benefit to stopping climbing and going back in the ditch, is not going to be the way that takes the nation forward. Now, I do think that any time there's a loss, whether it's '94 or look, whether it was the loss in Massachusetts earlier this year, any time there's a loss you darn sure should try to learn something about of it. And if you're not getting better after a loss, then you're doing something wrong. We all face losses. It doesn't always go our way in any area of life. And you ought to be learning from those and trying to get better.

After the loss of the Massachusetts Senate race, there was a real critical time on healthcare where people who were dear supporters of the President, wanting him to succeed more than anything else, lined up in two camps; you need to shrink the ambition,

you need to make it smaller. No, you need to go and really do those things you campaigned for. And both were groups of people who want this President to succeed.

The President kind of wrestled with what the message was and he said, “You know what? I think I should do what I told people I would do.” So you always learn from situations where it doesn’t go your way, and we try to do that, too. But I think the complete different positions that the two parties have been in, especially in Washington, one party willing to do the heavy lifting, even the unpopular things to get the economy out of the ditch, and one party that’s been saying on, demonstrates that the stakes are pretty high and we’ve got to be successful this November.

MR. BJERGA: Along with the many political questions, obviously you would expect at a luncheon like this, there are several policy questions. So drawing on your own experiences as governor of Virginia, we’d like to ask a few of those. First of all, nothing both the anti-incumbent mood for this year’s elections in the country and your experience as a governor who was limited to one term, what is your feeling about Congressional term limits, and candidates who pledge to serve only a set number of terms?

MR. KAINE: I am not a Congressional term limit proponent. I think the experience that I’ve seen, not that I’m a scholar in this area, but the experience I’ve seen in state legislatures that have tight term limits is an absence of long-term vision and expertise, will often lead states to be run from a governance standpoint much more poorly than when you allow expertise and long-term vision, ratified by the electorate, in two or four year cycles. So I think the results from states where their term limits suggest it would be a bad idea for Congress.

With respect to people who pledge to serve a certain number of terms, I think that’s a factor that voters should consider. If they pledge it up front and then they violate their pledge, that would be one thing that I think voters should wrestle with as they determine whether the individual’s even an effective member of Congress or not. I don’t think it necessarily is the dispositive factor, but it is one that folks should wrestle with. But as for term limits generally, I’m not in favor.

MR. BJERGA: What do you see as the major issues that will be deciding elections this November?

MR. KAINE: Look, kind of the way I phrased it. We’re climbing a ladder. When you think about a decade where there was essentially no job growth in this country, I mean we’ve just not seen that decade that I know of since 1607, maybe? I mean, we have not seen a decade of stagnant job-- I guess I’ve got to amend it probably for 1932 to 1940. But, it has been a very unusual decade. When you look at the news today, the widening gaps between rich and poor, widening gaps between majority and minority families and household wealth. That was what the decade was.

And so what’s at stake this November is let’s put that behind us. It’s in the rear view mirror. We’re now not where we want to be yet, but we’re moving forward. And the

issue is do we want to move forward, or do people want to move back? The question you asked earlier, we want to take our country back. I mean, do you really want to go back? I guess if there are people-- there may be a segment out there that wants to go back. I just can't imagine that segment is that big after what we've just been through.

So I think that's going to determine it; a sense of momentum and promise and a willingness to do heavy lifts. And there are heavy lifts still to do. But there's a willingness to do them now, and I think that is going to be kind of the key issue that we'll wrestle with this November.

MR. BJERGA: What do you expect a Democratic Congress to accomplish between now and the election?

MR. KAINE: First, certainly the Wall Street reform is going to be acted on by the Senate soon, and I believe it will then go to the House and I suspect you'll see significant Wall Street reform done. And I think this bill is actually one that is improving as it goes. Other ideas are coming in. Unclear what Republicans might do on cloture votes or ultimate votes, but there are ideas being contributed that are improving the bill, you'll see that.

I think you'll see the Congress take up campaign finance reform in the aftermath of the Citizen United decision by the U.S. Supreme Court and try to really curb the potential egregious impact of corporate money into elections.

And then the White House and Congress are wrestling with two very important policy issues, both of which have a real torque to them, and immediacy right now, which is the need to find a sustainable climate and energy policy going forward. And the need to reform the nation's immigration laws. Those are the two significant domestic issues that are on the table. A climate bill has passed the House and is in the Senate. That bill would expire when the new Congress comes in. So they're wrestling with that. The immigration reform issues are huge as well.

Could either of those be done and in what order would they be? Those are decisions that I'm not making. Those are decisions that members of Congress and the White House are making. But they are both huge issues that are occupying significant amounts of the President's time.

And then you will continue to see Congress wrestle with very important issues on the foreign policy front, continuing to work in both Iraq and Afghanistan, continuing to support the President's effort in antiterrorism that has led to some really significant success in wiping out key layers of the Taliban leadership.

MR. BJERGA: We have not received a single submitted question today dealing with foreign policy. Are foreign policy issues not salient in this fall's Congressional election?

MR. KAINE: Not even Greek debt has come up. I hadn't thought about that until you asked it. But I do think in that time of significant economic anxiety, that's what's going to be front and center for people, is the economy growing again? I do think Americans have reason to be proud of the accomplishments of this administration on the foreign policy front. Everything from the START treaty with Russia to the great work that Secretary Clinton and others announced yesterday at the U.N. to get the other permanent Security Council members to come together on a sanctions policy that will hopefully put Iranian nuclear ambitions in check, to the work that I had talked about earlier with respect to the Pakistani government has been willing to make key arrests of Taliban leadership in Pakistan that they would not make under previous administrations because we weren't doing diplomacy right.

I mean, what a novel concept, good diplomacy can make your nation safer. But that is what the President and Secretary Clinton and others on the national security team have done. I think the reason, so there's probably two reasons that that may not be a huge issue this November; first, because people are so focused on the economy. And second, I don't think the Republicans really have a valid critique on anything with respect to foreign policy or national security at this point.

MR. BJERGA: You made reference a couple of questions ago to the Supreme Court's campaign finance reform decision. How is that decision affecting your plans for this fall's election?

MR. KAINE: There are sort of two things that we're doing to try to counter the decision, which we think was, as was mentioned by the President in the State of the Union and the minority was a significant rewriting of many decades of Supreme Court First Amendment Precedent. First, Congress is working on a way to reform consistent with the Supreme Court's opinion, to reform laws with respect to campaign finance contributions. And the two most commonly mentioned potential reforms would be to have corporations, CEOs or other officials, have to appear in ads and say that they had funded the ads. Or, to require shareholder votes for certain kinds of corporate contributions to ads. Shareholder votes are required for other corporate actions, they could be required of these.

From our side, from the DNC side, what we're doing to deal with Citizen United, and also to deal with the fact that we're not taking PAC and lobbyist money, is we are trying to dramatically increase the number of individuals who contribute individually to the DNC. I'm not going to give you my web page and the phone number here for the call, but I will tell you this: that we have been able to dramatically increase our fundraising at the DNC in some significant ways. Last year, we raised post McCain-Feingold except for in a presidential year by far than we had, and we're on a very strong path this year, and it's all off individual money. Because we are convincing individuals that hey, it's not tax and lobbyists that fund the DNC, it's you. And the way we do this work with our OFA movement convinces people that they want to be contributors. Hundreds of thousands of new contributors last year, small donors. But they have enabled us to be successful.

So we hope that Congressional reform plus a dramatic increase in the number of individual donors to the DNC that those will help us counter what we think could be significant consequences of the ruling.

MR. BJERGA: Quick question related to your previous employment and your experience in that role. Given the oil spill in the Gulf of Mexico, why aren't Democrats opposing Governor McDonald's efforts to open Virginia's waters to drilling for oil and gas?

MR. Kaine: Here was the policy of the Commonwealth when I was governor, and I haven't followed it so closely since. But the policy was we were open to exploratory drilling, not production drilling, for natural gas 50 miles off the shelf. And here was our thought. The federal moratorium is a cost benefit analysis, and there was a conclusion that the cost exceeded the benefits. We felt like that was done some time ago. You got to always look at a cost benefit analysis and make a new calculation every once in a while. But there's no real way to calculate benefits without having some sense of what's out there.

And so we in a kind of limited way expressed a state policy for exploratory drilling to determine what the natural gas reserves were. We felt like with that information, we could then make the broader decision, taking environmental impacts into effect, and also taking some significant concerns expressed by the Navy and NASA because of offshore activities off the Virginia coast.

So I'm fine with exploratory. And I suspect that many Democrats in Virginia are the same way. You explore to find out what's there. When you know what's there, then you do the hard weighing of the costs and benefits to decide what the right policy is.

MR. BJERGA: Audience members want to know, where is the 2012 Democratic convention going to be held?

MR. Kaine: As soon as I announce that, no one will be courting me or nice to me from the variety of cities. So I'm trying to hold off on that as long as I can. The Democratic process on this is we're in very preliminary discussions with a number of cities. And I do not believe that we will have an announced convention location until late this year or early 2011. But we are deeply involved in discussions with a number of cities and so keep those cards and letters coming.

MR. BJERGA: We are almost out of time. But before asking the last question, we have a couple of important matters to take care of. First of all, let me remind our members and guests of future speakers. On Friday, May 21st, we have Ted Leonsis, the owner of the Washington Capitals, who will be speaking on a luncheon on sports and technology and whatever Ted Leonsis wants to talk about.

On May 26th, we're going to have Barbara Bush, the younger, the President of Global Health Corp., and the daughter of George W. Bush, who will be speaking about

the extreme disparity in healthcare between the world's rich and poor. And on June 7th, we'll have Brent Scowcroft, national security advisor to Presidents Gerald R. Ford and George H. W. Bush, who will be presenting the Ford Journalism awards. That's our first item.

Our second item is the traditional presentation to our guest of the National Press Club mug. (Applause)

MR. KAINE: Thank you. You got one more question for me?

MR. BJERGA: And now our final question. Yesterday certainly was an interesting day, a landmark day in what is the campaign of 2010, which is your lead professional interest right now. You mentioned being a stats geek and political science seems to be becoming more and more of a science with each passing election cycle. Given all of your data and what you see, and who you're in touch with, what still surprises you about what campaigns how they play out? What surprised you about yesterday? And how much sleep did you get?

MR. KAINE: You know, actually I sleep pretty well knowing that unless I'm a voter in the state where the votes are being cast, there's not that much I can do about it. So, I slept fine.

So what surprised me? I didn't know this until my wife told me earlier today, that the Kentucky primary drew more votes for the Democratic loser than for the Republican winner. That would not have been my prediction about that primary, given how much it was hyped on the Republican side. And that tells me something about Democratic energy that is a little bit different than maybe what some are saying.

You know, maybe to take that another way, too. Here's what I find surprising and heartening about politics these days. And it was one of the things I found particularly heartening about being national co-chair of the Obama campaign. We're a nation of 305 million people right now. A lot of people feel like in a nation of that size, one person can't really have an effect. We tried to organize the campaign and now we're trying to organize our efforts at the DNC so that we really take the 50 state model that Howard Dean put in place and really go community to community.

What I used to say about the campaign is that you didn't have to be a campaign staffer for your effort to matter. You didn't have to be a Ph.D. for your idea to matter. And you didn't have to be a max out donor for your dollar to matter. And we made that work with respect to elections. But, I think even in a nation of 305 million with TV ads and everything being really expensive, I think we can make the same thing work in the context of making policy. I think we demonstrated that in the area of healthcare reform by engaging about three million Americans in the hand to hand and the personal.

So I would say for as big as we are and with all the technologies, it's still about the person to person connection. And if we ever lose that, then I'll find another line of

work to be in, because it's the person to person connection that really makes this by, of and for the people thing work. So I am continually surprised at how we can use new technologies to create the person to person connection and engage people who never thought, never thought, that they would have had the power to be meaningfully engaged in important policy decisions.

MR. BJERGA: Thank you for your time.

MR. KAINED: Thanks very much. (Applause)

MR. BJERGA: Along with thanking our speaker, we'd also like to thank the National Press Club staff including its library and broadcast operations center for organizing today's event. For more information about joining the National Press Club, and on how to acquire a copy of today's program, please go to our website at www.press.org. Thank you again for coming and viewing today. This meeting is adjourned. (Sounds gavel.)

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