

## **Starting Over: The Center-Right After Trump A Niskanen Center Conference on December 11, 2018**

### *PANEL 3: POLITICAL PROSPECTS FOR A NEW CENTER-RIGHT*

**Moderator: Geoff Kabaservice**

**Panelists: Whit Ayres, Juleanna Glover, Mike Murphy**

**Geoff Kabaservice:** As some of you know, I was in Germany over the weekend, trying to do what I could to help plan this conference remotely. I couldn't even begin to tell you what time my body thinks it is right now. Every time I go to Germany, it seems that I pick up a new word that has some relevance to my life or what's about to follow. Last time I was there, I learned the term *kummerspeck*, which is literally "bacon grief." It's the food you eat and the weight you put on in the wake of some traumatic event, like a disappointing romantic episode. This time the term I learned was *suppenkoma* — "soup coma" — which is the stuporous state you find yourself falling into when you are at the first session after lunch of a conference. But fortunately we have the perfect antidote here to the soup coma, which is three of the best Republican political consultants, operatives, gurus that there are anywhere on the face of the Earth.

**Juleanna Glover:** But I don't consider myself a Republican anymore. [laughter]

**Geoff Kabaservice:** Former, present, and possibly future Republican gurus, then. So this is Juleanna Glover to my left, Whit Ayres to my right, and Mike Murphy on the far right. Okay, so the subject of this panel is "Political Prospects for a New Center-Right." This is where we descend from the somewhat empyrean realms of theory and philosophy into the more practical, Lenin-like question: What is to be done?

**Geoff Kabaservice:** Those of us on the center-right have not had a pleasant time of it for the last several years — decades, perhaps. I'm not sure how to put it exactly, but it seems that this is a moment of more significant crisis even than many in the past, and this does lead a lot of people to be asking some rather fundamental questions. If you do identify yourself as being on the center-right, is now the time when it's maybe the moment to think about leaving the Republican Party? Perhaps the Democratic Party is more open to people who are of moderate disposition. Or maybe it's time to actually realize that the party is changing, the world is changing, and maybe you should change along with it and go for the populism that Donald Trump has been offering. Or maybe it's time to seek a different alternative in the form of an independent third party. And these are all options that we're going to be going through today, I suspect, in some form or other.

**Geoff Kabaservice:** But let me throw this one out quickly to the panelists: What do you think is the most significant electoral outcome, the thing for which the 2018 midterm elections will be remembered? Juleanna, do you want to just start us off with that?

**Juleanna Glover:** It strikes me that it's going to be remembered as something of a model. You had, of course, House Democrats picking up 40 seats and then the Republicans in the Senate increasing their majority. I feel like both sides came away feeling as though they'd been

validated in some way, shape, or form. So I'm not entirely sure that there were a lot of lessons out of this election. But I'd be curious to see what Whit and Mike think.

**Whit Ayres:** The main takeaway I have from the 2018 election is that the results reinforced and accelerated the patterns we saw in 2016. You saw rural and small-town areas becoming even more strongly Republican. At the same time, you saw the suburban areas which shocked us in 2016 becoming even more Democrat. Back when Mike Murphy and I first met in 1992, during a general election runoff in Georgia for Paul Coverdell — which we won by the way — you built Georgia's statewide victories on large Republican leads in the two huge suburban counties outside of Atlanta, Cobb and Gwinnett, to the northwest and northeast of Atlanta. Imagine my surprise when I was going over the 2016 election results and realized that Hillary Clinton had won the two largest and formerly most Republican counties in Georgia.

**Whit Ayres:** And that's exactly what's happened. My client was Karen Handel, who managed to win a special election in June of 2017 by four percentage points in that northern district of Atlanta, Georgia 6, a district that Tom Price had won by 23 points only six months before. And in 2018, she lost that district by one point. So what's happened from a Republican perspective is that we have traded large, fast-growing, vibrant, and more diverse suburban counties for smaller, slow-growing, more homogeneous rural counties. None of that is to denigrate the very real problems facing rural America, and they are real and need to be addressed. But from an analyst's perspective, from a consultant's perspective, it does not bode well for the long-term future if you're trading these large, fast-growing counties for smaller, slow-growing counties.

**Mike Murphy:** I totally agree. Matter of fact, I bring you greetings from the Republican bastion, now the Democratic bastion, of Orange County, California, where Democrats swept the congressional races in 2018. Elections are a battle between perception and reality. And I think that coming out of this election, the initial perception was that the president did OK because he won the TV show of election night, which we now treat like the Super Bowl. The media, because they're very obsessed with identity politics, followed a couple of big statewide contests: Georgia, Florida, and of course Beto/Jesus down in Texas. [chuckle] And they all lost.

**Mike Murphy:** And that looked like a win for Trump. So the psychology of the Republican Party did not respond appropriately to what really happened, which was a crushing defeat. It was not as bad as Obama's midterm defeat, but that doesn't mean it was good; it was the worst since the '74 Watergate wipeout. We lost, I think, nearly 400 state legislative seats. We lost control of the redistricting process in a bunch of places. We lost every level, essentially, in the Great Lakes states that elected the president. Those were the states where we had the special sauce to narrowly win the Electoral College. And most importantly, we lost a tremendous amount of political power right here in Washington, D.C. Losing the House is not trivial.

**Mike Murphy:** Whit is totally right about the realignment as well. It is a big deal when your party's base is the quickest shrinking demographic in the country, because basic compounding math gives you a very bad forward projection. So I feel, looking at these elections, a little bit like Keith Richards' doctor looking at an X-ray. If you look at the party, you're kind of amazed it was able to walk in the door today. It's still got some life yet, but I'm not going to lend a lot of money here unless we change it — which I guess is the purpose of this conference, to discuss those sort

of things.

**Geoff Kabaservice:** You know, Ron Brownstein, among others, has said that this was a realigning election, and that in fact what you're now seeing is really a stark bifurcation of not just geographic areas and cultural loyalties but also personal identities in some broader sense. What do you suppose accounted for the real loss among the suburbs that once used to vote Republican by steady margins?

**Whit Ayres:** That's fairly easy, Geoff. It used to be that there was a strong linkage between economic well-being and presidential popularity. We went into this election with one of the strongest economies of our lifetimes, with a major tax cut which helped to generate the strong economy, with significant deregulation which helped to generate the strong economy, and with (at that time) a record stock market. And it wasn't just economics. We had defeated ISIS, we had relative peace in the world. So a booming economy, peace and prosperity — and what did we run on? The dire threat of that caravan of desperate people 800 miles from our borders. Donald Trump is a nontraditional president, and Donald Trump has broken the traditional linkage between economic well-being and presidential job approval. People are evaluating this president based on his conduct and behavior in office, which the college-educated women, who tend to dominate the suburbs, found abhorrent. And I don't think it's any more complicated than that.

**Juleanna Glover:** It entirely has to do with Trump, and we are utterly indivisible from that phenomenon.

**Mike Murphy:** From a standard political calculation, the president was trying to lose. Because normally you have the biggest microphone in the free world as president of the United States, and you try to move the agenda to play to your strengths — in this case, the perception of the economy. Even in polling among people who don't like Trump, they gave him some credit for improving the economy. But instead of pushing the election to that, which is the sane, normal, last-50-years-of-politics rulebook, the president through his narcissism has to make it about him and whatever reality show feud we're in, fueled by the daily Twitter news cycle. And so we did it, and we have a lot of former congressmen now. The question is, will we learn anything? Most presidents who have bad midterms adjust, but I believe Donald Trump is the atomic clock of being Donald Trump and there's no change there, which will compound our problems. But it's an open question I guess. I'm just not optimistic.

**Geoff Kabaservice:** If the Republican National Committee had a mad scientist division that after election day 2016 had swapped Mitt Romney's brain with Donald Trump's, would a finally-pivoting-toward-presidential-behavior Donald Trump, as head of the Republican Party, have overseen congressional losses in 2018? Or would there have been Republican gains if Trump had been a more conventional Republican president?

**Juleanna Glover:** You know, I feel as though this... Going back and rehashing what happened with the election and our ongoing obsession with Trump, I feel nauseous. I don't know about the rest of you all, but it's becoming super painful. As I'm sitting right here I can feel my phone pulsating and freaking out. I just posted a piece on *Politico* which is very, very forward looking. It argues that Joe Biden should learn from John McCain's regret over not picking Lieberman. He

should pick a Republican running-mate and run as a third-party candidate.

**Geoff Kabaservice:** *Politico*, which never gives authors their choice of their headlines, seems to have initially titled your piece “Biden-Romney 2020.”

**Juleanna Glover:** They changed it.

**Geoff Kabaservice:** That’s good.

**Juleanna Glover:** Basically, the title is, “Romney Should Run on a Unity Ticket and It Could Work.” I go through exactly why it could work. But my coming to this position is because of utter frustration and being sick of getting screamed at by my teenage children who look at me and ask me what the hell I’m doing about the current political situation. Being in the car with them is exhausting because they turn on NPR and they just start these primal screams of outrage. I feel like that’s a lot what Niskanen’s about, too — it’s trying to figure out what’s in the future and understanding how we got here. Talking about the election is perfectly appropriate, but it’s so hard and heartless and hopeless.

**Whit Ayres:** A fundamental challenge is adapting to a changing America. We clearly have a rapidly changing demographic situation, and we have a rapidly changing culture. I happen to believe that the country is still basically center-right in its outlook. I believe that the values that I grew up believing in as a Republican — of individual liberty, free enterprise, strong national defense, American exceptionalism, and strong families — know no ethnic boundaries. But it means you’ve got to adapt those values and that philosophy to a very different-looking America. We had an opportunity in 2016. I did Marco Rubio’s presidential campaign and I took a picture of a panel down in Charleston with Marco Rubio (a Hispanic-American conservative), Nikki Haley (an Indian-American conservative), Tim Scott (an African-American conservative), and Trey Gowdy (a traditional Southern white guy conservative). They were all really conservative, but they presented a totally different picture of a Republican Party that is a much better fit for the America of today. But we didn’t go that way. We went almost exactly the opposite way and ran against that new America. But our challenge remains what it was in 2016, which is to adapt a basic philosophy and outlook and set of values to a very different America.

**Mike Murphy:** I totally agree with Whit on this. We had a fork in the road in 2016, and the primary voters had to decide whether they were going to go with a modernized party and talk about things like income equality and update our appeal to the demography of the future, or whether we were going to do the death rattle and do grievance politics for old white guys. I’m an old white guy, but I can do math and there aren’t enough of us anymore. And I’m not really mad about a lot of stuff. But anyway, grievance won. By the way, things come in twos; there’s symmetry. Grievance had a lot of power in the Democratic Party. Bernie Sanders was a grievance candidate just like Trump, just of a very different flavor. But they’re connected against the zeitgeist because real wages have been stagnant for so long. The American Dream is now a joke to most people.

**Mike Murphy:** And so when the party had a chance to try to lean forward, our primary voters decided instead to shrink the tribe and defend nostalgia and run a grievance campaign. Now the

problems were going to be people tunneling from Mexico to go on crime sprees and take your job, or canny Chinese trade negotiators outwitting the nitwits who work for us. I have a friend who was the U.S. trade negotiator, sub-Cabinet rank, for a long time. I won't play poker with the guy anymore; he's got three of my watches and an old car. It's all a fantasy. Nobody was more surprised by that argument than the Chinese. But, again, perception is reality and Trump was able to do that. So the hard work is to somehow move the party back to a modernized conservatism that will actually have some market appeal. And the saddest thing for me, as somebody who's been pounding on that drum for more than a decade, is the perception of this last election. Not to replay it too much, but it's important that it did not change the internal tribal vibe of the Party, at least far enough.

**Mike Murphy:** Now, maybe Pelosi slamming the gavel for a while and the president compounding his own problems will do that. But we really need a snap-out-of-it moment or we're going to conduct the experiment again and pay another huge political price. And believe me, in the age of Trump, we can see on a policy basis the danger of the populist right, not to mention tearing down institutions and frankly putting racism back in the middle of American politics. But there's bad stuff coming on the left, too. We could go from a lost decade of the right to a lost decade of the left if we're not careful. So this work is important. I hate to be such a downer, but we're in the middle of a slow-motion experiment here on how the party recognizes political failure, and it may take more than a little while to snap out.

**Geoff Kabaservice:** In 2013, the Republican Party leadership was reeling from having lost the presidential election the year before, and from having lost the majority of the popular vote in five out of six presidential elections. And so the chairman of the RNC, who ironically enough was Reince Priebus, commissioned the Republican Growth and Opportunity Project, which became more familiarly known as the autopsy report. And the autopsy report said that the Republican Party needed to change course. It needed to stop following such a hard ideological line that was alienating people. It needed to be more welcoming and accepting of minorities, of women, of gays and lesbians. And it just needed to be more of a big-tent party generally. Donald Trump took that autopsy report playbook and burned it, stomped on the ashes, and he won. But do the 2018 election results in any way represent a vindication of the autopsy report's conclusions?

**Whit Ayres:** I think the autopsy report was dead on the money. I wrote a policy book following it...

**Geoff Kabaservice:** *2016 and Beyond: How Republicans Can Elect a President in the New America.*

**Whit Ayres:** I made a policy argument around the basic structure of the autopsy report. No one has repealed the demographic trends going on in this country. You're going to, at some point, have to adapt. Now, we have an institutional defense in the wonderful system that was set up in our Constitution, where you have those smaller rural states that have as much representation as the larger urban states. That's something of a defense. But eventually those trends are going to come to the fore. A lot of what happened in 2016 was an establishment/anti-establishment thing, which we talked about in earlier panels. We did a survey of Republican primary voters nationally for the Rubio campaign in September of 2015 and asked, "What kind of Republican nominee

would you like: a proven executive with a record of conservative results, a fiscal and social conservative who shares your values, or an outsider willing to fundamentally shake up Washington?” The proven executive with a record of conservative results got 14 percent. [chuckle] I’m sorry, Mike...

**Mike Murphy:** Yes, I was there.

**Whit Ayres:** Jeb Bush and \$100 million was not going to overcome 14 percent.

**Juleanna Glover:** For a brief period of time, Jeb was Jesus...

**Whit Ayres:** Well, among the establishment, but not among the Republican primary electorate. And we knew at that time that there was not a market for what he was selling, even though what he was selling was very attractive to a lot of us. Going on with those survey results, the fiscal and social conservative polled 33 percent, and we thought Marco would have a good share of that. But the outsider willing to fundamentally shake up Washington got 46 percent. That pretty well predicted Trump’s peak in most of the primaries, but it was enough in a split field to get the nomination.

**Mike Murphy:** The autopsy report was an excellent work product, and I highly recommend Whit’s book because it’s dead-on right. The problem with the autopsy report was that the purpose for it was somewhat cynical. There was a donor revolt post-Obama: “He has the Internet! He has the kids! We’ve gotta fix that.” So they ordered up an autopsy report which was completely right, and then they locked it in a cabinet. The problem is, the RNC can’t lead; it follows. It’s a service organization through either the grassroots of the party (which tends to dominate the committee, the voting members of the RNC), or a Republican White House, or in an open seat whoever the nominee is.

**Mike Murphy:** Now, we have this war of ideas that’s been going on for a while in the Republican Party that I call a battle between mathematicians and priests. You’ve got mathematicians like Whit and I who are looking at the compounding demography and seeing that we’re shrinking and shrinking and shrinking. You want to know about a party, look at the media channel it dominates. We’re the kings of AM radio with Rush. AM radio won’t be here in a decade. The kids over on the Democratic side have this fancy new thing, the Internet, which might just catch on. So we mathematicians look at this and scream, “We’ve gotta change it up! The demography is going to compound and kill us!” Mitt Romney, his dominant voter group when he ran for president — and it was the same with Trump — was people over 65. So when the Republican Party’s on the march, you can see us coming. If they ever outlaw orange or yellow tennis balls, we’re screwed. [laughter]

**Mike Murphy:** The priests say, “No, no, no, have faith. Super turnout, magic.” And we mathematicians say, “You priests, you’re predicting that lightning’s going to hit that tree tomorrow if we all just hold our breath and believe it.” And sure enough, in 2016 lightning did hit the tree, and the priests’ candidate won. And we’re all standing around in our academic robes being laughed at, even though we know numbers are still numbers. Whit says you can’t repeal demography. But if you’re a priest, you’re saying to your flock, “Hey, they all laughed, but I

predicted lightning, and it struck! Now on to the next miracle.” And that’s part of what Trump has been able to do to the Democrats in the media. They think he’s Rasputin, that he can’t be killed. And he won again on election night in 2018. So we’re a bunch of frustrated mathematicians because we know math is real. But the autopsy, which was a product of all that, has been a little bit discredited by the fact that the thing we said would never work lost by 3 million votes, yet won in the College of Electricians, as they say back in my home town of Detroit. And here we are. So it’s going to take a while to revert to mean here, and I think it’s going to be painful.

**Geoff Kabaservice:** Do you have any other thoughts about the autopsy?

**Juleanna Glover:** Well, for the mathematicians, you have 42 percent of the voting populace who believe that they’re independent-minded. 60-some percent of voters would like to see a new party. 82 percent of millennials would like to see a new party. I’ve worked for some of the most remarkable people in the Republican Party, but this is Trump’s toy now. I don’t know the path to reclaiming it. I don’t see a path to reclaiming it. And when you do reclaim it, it’s going to be such a shrunken, shriveled portion of the voting populace that I don’t know what it’s going to be worth. When Trump is done exercising his will over the party, I have no hope that it will be something that I or anyone that I know with a college degree will want to have anything to do with.

**Juleanna Glover:** So all of my brain power right now — aside from my work, of course; this is what I do to stay sane — is focused on what a third-party run could look like. And this idea of two major elected officials that have big name ID and strong favorabilities... We’ll go out and poll the Biden-Romney ticket next week and see what we get. We’ll poll it in the big, electoral-rich states. My guess is that in a Trump-Pence, Bernie-Kamala election, a bipartisan unity ticket of Biden-Romney could pull a plurality. And if you pull a plurality, you get all the electoral votes in those states. The path to 270 might not be that hard if you start with a Democratic-leaning, top-of-the-ticket state and run to win in California, New York, and the Northeast — essentially Hillary Clinton’s path.

**Geoff Kabaservice:** Let me ask you all, then... Do you feel that the Republican Party is still salvageable and the best vehicle for achieving the good, decent conservative ends that you have believed in throughout your careers?

**Mike Murphy:** Well, I say that in 1947, Volkswagen was not in good shape, yet they’re the largest world-wide car company now. Rebuilding does have an upside. But it’s going to be a long-term thing. There has to be a center-right vehicle because there’s a center-right attitude and, I would argue, a center-right majority of opinion. The problem is that the Republican brand, to harness that opinion, has a lot of trouble right now. It’s limited. Trump has backed us up into a cul-de-sac demographically, which isn’t enough to be a successful political party. So a Trump-defined Republican Party is that Keith Richards X-ray: not a good long-term prognosis. But politics tends to be very dynamic and does tend to reinvent itself, so I have some optimism in the longer term that it can be reconstructed. But it won’t be quick and it won’t be easy.

**Whit Ayres:** Individuals are really important. And we saw that with Donald Trump. We’d have a

different world if Marco Rubio had been the presidential nominee of the Republican Party. I honestly don't know how to answer that question without knowing two things: What's in the Mueller report and how does the Trump era end? If it ends with his re-election and a reasonably successful second term (at least economically), it's a very different picture than if he gets impeached and removed from office. And so I really... I can't get a good bead on it until we know those two things.

**Geoff Kabaservice:** On the subject of a third party, there has not been a successful third party in America since the Republican Party itself. From a historical perspective, I think it was Richard Hofstadter who said that third parties are like bees: they sting and then they die. That is to say, they seize upon some issue which has been ignored or repressed by the two established parties, they bring it to public prominence, they make a big splash, and eventually one of the two parties (usually the governing party) adopts that cause as its own and the third party goes away. Political scientists believe in something called Duverger's Law, which says that first-past-the-post, single-member districts structurally favor a two-party system, in addition to all of the various discriminations that are set up against third parties by our election laws. Nonetheless, the idea of a third party is pretty appealing, is it not, to a lot of people?

**Mike Murphy:** Oh, it's tremendously appealing. It's emotionally powerful: "Boy, I can vote against all these jerks and have a utopian choice!" Look, if I thought it was workable, I might be for it. But one of the problems is you get people from the left who want a third party and people from the right who want a third party — because everybody agrees a third party means "not what I don't like." And then you put 'em all in a room together and a riot breaks out. The real problem... How many of you have had Dasani bottled water? Oh, come on, more than that... We all can kind of agree: Dasani bottled water is pretty crappy bottled water, with apologies to whoever's listening from Dasani. Did anybody ever walk a mile for a Dasani? No! Well, why do you drink it if it's not very good? Distribution — it's everywhere. It's in your hotel mini fridge, it's at the McDonald's drive-in window, it's at the 7-11. You know why it's everywhere? It's the bottled water of the Coca-Cola Company; 50,000 trucks delivering a lot of beverages every day. That is the problem with the third party. Our distribution system in American politics is basically set up for Coke and Pepsi. So if we decide, "Hey, we've got new, improved third-party soda here," step one, we've got to be on every ballot — and the two parties' incumbents elect the people who control the ballot process. So our system is incredibly hostile to a third-party candidacy.

**Mike Murphy:** Now, in the future blockchain, you're going to be able to vote on this. And when you vote like that, the distribution starts to be broken down tremendously. If you were to vote on this now, Putin would be elected president; in five years it would be Xi. But eventually, we're going to have blockchain voting, which will allow us to break down some of the distribution. At that point the third-party thing may start to work. Now, I've worked all over the world, and I've worked for some places that have a multi-party system; be careful what you wish for. I've seen elections where the beer brand comes in third. But still there is a demand in the marketplace for more choices, and right now the distribution monopoly — or the moat, I guess, as Warren Buffett would say — makes it very hard to solve the Trump problem. So I'm pessimistic about it as a short-term, workable idea. It could just be a spoiler situation where you split the anti-Trump vote. I can argue that if I were a Trump partisan, I'd say "Bring on a third party! We'll get all the

suburban Volvo-driving moms to vote for somebody — that 12 percent I'll never get — and we'll get all the base Democrats all to vote for somebody, and I'll glide right in there with 43 percent of the vote.”

**Juleanna Glover:** Mike, what you just said is an admirable, intellectually thought-through argument. But the same exact thing could have been said three years ago about Trump.

**Mike Murphy:** Oh no, I didn't make a distribution argument about Trump.

**Juleanna Glover:** It's just as preposterous to think about a third party now as it was for us in December of 2015 to be thinking about Donald Trump as president. What I'm suggesting is that the system as we know it is broken. It doesn't seem to be working the way it was intended. I think we should break it further. I think we should destroy the two-party system. Yes, absolutely, the narrow dichotomy of the two parties has all the power, all the money, all of the systems, all of the history, all of the professionals. But if there was a way to aggregate the brains and the billions behind someone with big-name ID and high favorabilities, there is no structural reason why that person couldn't get to 270. And not getting to 270 would not be such a bad thing, because right now everybody in this room who believes that Trump should not receive a second term is entirely reliant on the Democrats to get it right in their primary process. I don't want to take that bet. That is not something that I want to bet my children's future or my own future on.

**Juleanna Glover:** However, if, let's say, you run a third-party candidate and they end up throwing the election to the House — that's a secret-ballot process. What's more risky, relying on the Democrats to get it right or relying on a House that is either Republican- or Democrat-controlled to vote via secret ballot on who should be the next president?

**Mike Murphy:** Well, remember, when they vote in the House you're asking both parties to vote to put themselves out of business at the presidential level. I've been in politics 30 years, and that's a big ask.

**Juleanna Glover:** Yeah, but you've got Trump in the process.

**Mike Murphy:** The other thing is, how do you get ballot access?

**Juleanna Glover:** Which one of these guys would win on a secret ballot? It's equally murky on either side, relying on the Democrats or relying on the House at this point in time.

**Mike Murphy:** But to get ballot access you're going to have to have some states where it's easy, along with a lot of states where it's hard. And you're going to go to that state, be it labor Democrats or Trump Republicans who dominate the process, and say, “Hey, can you let somebody who's running against your franchise on the ballot help out?” There aren't a lot of statehouses where I think that'll resonate. Look, I wish it could happen, but I'm a practical politician.

**Geoff Kabaservice:** Donald Trump has never been a Republican; I think we can agree on that. He is in effect a representative of a populist party. He chose to take over the Republican Party

since he thought that was a better route to power. Had he run as a third-party candidate he likely would have tipped the balance to Hillary Clinton in a big way.

**Whit Ayres:** I've spent my entire career arguing against the possibility of a third party for all the reasons Mike just articulated. After 2016, I'm a little less sure of a lot of things in American politics. And if Bernie Sanders had won the Democratic nomination and the choice had been Bernie versus Trump, there would have been a huge market for something else.

**Juleanna Glover:** In the middle.

**Whit Ayres:** Now, the institutional barriers that Mike talks about are very real, but if the Democrats come up with some far left-wing whackjob in 2020, if it's Elizabeth Warren versus Donald Trump, there's sure going to be a market for something else.

**Juleanna Glover:** But we won't know the Democratic nominee until May or June, and by then it will be too late for a third-party candidate to get on most ballots.

**Whit Ayres:** Bloomberg looked at that. That was his third-party plan, it was very much predicated on the possibility of a Sanders vs. Trump race in 2016. But his people took a very good look at the machinery, and they concluded that it was just too tough. Now, in the fullness of time, the market will get what the market's looking for. But in the short-term... Go ahead, I didn't mean to interrupt, Juleanna.

**Juleanna Glover:** I was just going to say that we won't know until May or June of 2020 who the Democrats are going to nominate, and at that point in time it'll be too late to really stand up an effective third-party candidate. And there's just too much at stake not to go ahead and build a redundancy in the system now.

**Geoff Kabaservice:** Jacob Lupfer, who's here with us and is a consultant to a lot of independent candidates, made the interesting observation that we actually did see the first operations in this last election of a real innovation that could advantage independent or third-party candidates. That was the Maine 2nd District election where, for the first time, you had the possibility of ranked-choice voting. And that meant that, in this case, people who were voting for the independent candidate were not just spoilers, in effect throwing the race to the candidate they liked the least. They could cast their vote for whoever they wanted, but then they also listed their second choice.

**Juleanna Glover:** They have the ranked choices...

**Geoff Kabaservice:** And there's something to be said for that. But a lot of people have pointed to the example of California, where now the Republican Party is actually the third party behind "do not state." But I've always been a little suspicious of independents. There seems to be a large number of independents out there, but a lot of people are independent because they think that the existing parties are too wimpy and they would prefer something much wilder and more extreme. So convince me, if you can, that there actually is a kind of center-right, center-left coalition in the making that could unite behind an independent candidate.

**Juleanna Glover:** The numbers are transparent. Yes, there is the argument that the 40-plus percent of people who identify as independents do so because they don't want to be clearly categorized left or right, or they do clearly sympathize one way or the other, and they're not "true independents." But the American people have been asked repeatedly in polls for many years now whether they'd like a third party, and in the 50 and 60 percentiles they say they do. The most recent poll among Democrats and Republicans... I think it was a smaller number of Republicans who wanted a third party, while more Democrats than Republicans wanted to see a third party arise. The demand exists. We're just not meeting market demand for some inexplicable reason. We just don't have the will, or we think it's too hard and it has never been done before. But again, Trump — the whole concept of this man as president had never been done before.

**Geoff Kabaservice:** Let me go back to the autopsy report for a minute. You had said, Whit, that the ideas and the principles of the autopsy report were correct, but you've criticized it in your book, saying it didn't actually recommend any concrete policies. What would you recommend to a Republican Party that actually wanted to reach out beyond its fervent but shrinking and demographically and economically downwardly mobile constituencies?

**Whit Ayres:** Well, there are some things that need to be changed and there are other things that do not. Reagan, in his farewell address, talked about a shining city on a hill. And he said that if the city had to have walls, then the walls would have doors that would be open to anyone with the will and the heart to get here. I think a very different attitude about immigration is going to be pretty important for a growing, big-tent Republican Party. I think that changing attitudes about gay rights and gay marriage is critical to get any kind of millennial support. On the other hand, on abortion, the entire country basically is where it was in 1973 when *Roe v. Wade* was passed. There's some small group that believes abortion ought to occur in every possible circumstance a woman would want, and another small group that believes abortion should never be allowed under any circumstances. But the vast majority of the country believes it ought to be allowed in some circumstances but not others, and we fight about those circumstances.

**Whit Ayres:** The idea that Republicans would have to be pro-choice in order to be competitive — I just don't buy that, because the country hasn't changed on abortion. But the idea that Republicans can be against gays and against gay marriage is fanciful. If you do a long-term track on attitudes toward gay marriage, it looks an awful lot like the long-term track on attitudes toward interracial marriage. In 1958, 4 percent of the people believed interracial marriage was fine. Today you ask the question and it's like, "What? Are you seriously suggesting that if a black and a white person want to get married, it ought to be illegal?" The lines crossed back in the '60s on interracial marriage, and the lines crossed on gay marriage during George W. Bush's first term, and you're not going to go back on those. So a lot of it depends upon the particular issue you're talking about.

**Mike Murphy:** Whit made a point in his book that I want to sing harmony on, and which he just repeated. Doing an autopsy is fairly hard because you've got to get a lot of smart people in the party to be honest even when it doesn't reinforce dogma. But the really hard thing — which is the really effective thing — is changing policy. And that's where no attempt was made after the autopsy report. Policy changes would have ten times the effect of, "Hey, have a mariachi band at the next rally!" — which was the level of Hispanic engagement the party committed to. It would

make all the difference in the world. But the problem is that you have the long-term goal of playing general election, future demographic politics against pols who are aligned to their short-term interests. It's the same reason that in the Democratic caucus, you don't see a lot of people saying, "Hey, what are we going to do about these teachers unions in public schools?" They don't have that discussion either because their short-term interest is surviving the next primary.

**Mike Murphy:** Now, one thing about California, which is a small penlight of hope... We've had a reform... It's not like Maine, but in California basically everybody's on the same ballot. So the primary election is allied to the general election population, and the top two then have a runoff. Sometimes that means that the Republican tribe will nominate an unelectable candidate, like we just did in the governor's race, and the Democratic candidate can sleepwalk to a victory. But in a lot of legislative races — and in some congressional races, though not in this terrible wave year — what's happening is that it boils down to two candidates: the left-wing Democrat and the pro-business Democrat. In some cases the left-wing Democrat is opposed by a moderate Republican, and in some other cases the opponent is a "decline to state" independent hybrid candidate. And that can be a competitive thing. We've had some success at that. So these reforms to loosen up the primary grip are pretty important to ever get to the kind of math where the Republican Party can align with the face of the future America. America under 18 is only 56 percent Caucasian. Young voters in time become all voters, and right now we're only competitive with that 56 percent.

**Geoff Kabaservice:** Let me get back to what seems a fundamental point here. The Republican Party of the past was a much more heterogeneous party than the one we've had for the last several decades since the triumph of the conservative movement. The Republican Party used to say, "Look, we understand that you Republicans who are running in districts in different parts of the country will necessarily need to respond to the different demands of your constituents. Therefore, we will not lay down a litmus test on certain social issues." And what probably would have happened, absent the Supreme Court's decision on *Roe v. Wade*, is that you would have seen a number of pro-choice Republicans in states where abortion was legal and a number of pro-life Republicans and Democrats in the states that chose not to go that route. But instead, the Supreme Court said abortion must be legal in all states.

**Geoff Kabaservice:** And then, on the other hand, you have ideological Republicans saying, "We cannot permit moderates to remain in this party, an impure and heretical element in our midst." Do you think it would be a good idea to go back to a more heterogeneous Republican Party which did not have a kind of ideological template of conservatism?

**Juleanna Glover:** You know my answer on that. [laughter]

**Mike Murphy:** Look, we're heading toward being the Congressional party of the gated suburban community in the minority of no political power. Let's see how we like that. It used to be that there were roughly a hundred members of Congress between the most liberal Republican and the most conservative Democrat. Now it's like 12. And one thing we've done is to invent this great new business of cable TV news where everybody can have a network telling them what they already think is true with a lot of exclamation points, and that is a way to enforce tribal loyalty. We've given most of them safe seats, so all they worry about is their primary. The only

voters they deal with are super tribal voters. This is very true on the Dem side, too. So that is a disincentive for anybody to move away from the tribal corner, and that clogs things up.

**Whit Ayres:** We lost many of the most reasonable Republican House members in 2018. We're going to see how we like that, because they lost to generally very liberal Democrats, which means the House is likely to be even more dysfunctional in the future than it has been in the past.

**Geoff Kabaservice:** If you were one of those surviving Tuesday Group, comparatively moderate Republicans in the House, what would your advice be to them? What ought they to be doing in the next Congress and beyond?

**Juleanna Glover:** Change parties. Support a third party.

**Mike Murphy:** Raise hell.

**Whit Ayres:** Yeah, raise hell, but they don't have the power to affect much.

**Geoff Kabaservice:** So essentially they're just an impotent minority?

**Mike Murphy:** Well, they should do the right thing, I believe, and try to make incremental progress. One, all Republicans are the minority now, so they're all moving to small offices and they're all in for a whole new life. But I do believe that there's a moral dimension to politics. They ought to speak up. The majority of them have been slow to do so considering the sins of the party. I wish more people would say something. They all think it privately, by the way. I've worked for a ton of 'em, and so has Whit. I wish I had a dime for every one of them who calls me up and says, "You know, I think Trump's unfit to be in office." I go, "I say it every day and catch hell for it every day inside the party. Why don't you say it?" And they reply, "Well, look. If I were to hold a press conference tomorrow and sound like you, or a Trump critic, I'd feel great. I'd tell the truth! And an hour later, Trump wouldn't change and I'd have a primary. And then some guy in an aluminum-foil astronaut suit would beat me and lose to a labor Democrat." [laughter] So I say, "Well, if 20 of you would do it, it would change the world." And they say, "Great, call me when you get the first five."

**Whit Ayres:** I am much more sympathetic toward those Republicans who watch what they say than I suspect many of you in this room are. Bob Corker's a client of ours. Bob Corker said a couple of minor things about the president, and his "favorable" rating among Republicans was cut in half in two weeks. You don't solve a lot of problems if you're not at the table. Rep. Tom Cole, one of the brightest Republicans...

**Juleanna Glover:** A good man.

**Whit Ayres:** He told me a story one time that has really stuck in my head. He said, "You know, Whit, I got 73 percent in my district in the last election. Donald Trump got 69 percent. I think if I get in a fight with Donald Trump, he'll keep his 69 percent and I'll keep my 4 percent." [laughter] But there it is. There it is.

**Mike Murphy:** Tom's a good friend of mine as well, and he's a very shrewd political observer. But it used to be they were compromising to avoid the guillotine of a primary against Trump. Some retired, by the way, rather than face that threat of a primary, and that's one of the reasons we lost the House. But now they're looking at two guillotines: the Trump guillotine in the primary and the general election guillotine as they watch their friends leave. Don't think the senators aren't thinking about this now. Because the plan for this year was to run up our Senate majority in order to take heavy weather in 2020. We got a few gains, but not nearly what we should have gotten based on the math. That Trump headwind cost us the opportunity for more seats. So now they're looking at double guillotines in 2020. There's no percentage in being public about this, but underneath the surface the political calculus is changing.

**Geoff Kabaservice:** I feel like there's a lot of interest in questions from the audience. I actually want to call on somebody here first. Jonathan Chait wrote an article back in 2012 about the decimation of Republican moderates, and he basically said that you Republican moderates who think that things are going to get better are like Charlie Brown eternally having the football pulled away from him by Lucy. You're naive at best, and it's never going to get better. And at this point he sees no reason, I think, to revise his thesis. But Jonathan, why don't you give your opinion now?

**Jonathan Chait:** Right. I've been following a lot of the work of the Niskanen Center, which I think is actually addressing the most important problem in American politics, which is the lack of a rational, pragmatic, center-right party in the United States. And I have a different solution, I think — that's why you called on me — than you have on the panel. My solution is that your party needs to die in a fire. [laughter]

**Juleanna Glover:** That's happening now, right?

**Jonathan Chait:** Well, I'll explain why it needs to die in a fire. It's because every other major center-right country in the world has some pragmatic relationship with government. Every other major center-right party believes that taxes have to have some relation to government spending. They don't believe in supply-side economics anywhere in the world except for the United States. All of them believe climate science is real and not a scientific plot, and they believe they need to do something to reduce greenhouse gas emissions. All of them believe that the government has to cover everyone for health insurance because the market simply can't do it. And no one in the Republican Party believes any of those things. Even the most moderate people, like Susan Collins and Olympia Snowe, who were the most moderate Republican members of the Senate. But when the Obama administration was doing health care reform, they went to Collins and Snowe and asked, "At the end, what can you agree to? Give us anything." And the answer was, "Nothing. We can't give you anything. Not Mitt Romney's health care plan, nothing. No deal on health care."

**Jonathan Chait:** And the same thing on taxes. When the Trump tax cut came down, they were all for it. Even Susan Collins said, "This \$2 trillion tax cut is really going to raise money for the government. It's not going to cost us anything." Even she endorsed this fanciful supply-side economics notion. So I think your project is extremely important at the Niskanen Center, but in relation to the Republican Party, and in relation to other conservative parties in the world, you're

nowhere, you've got nothing, nothing to build on. So the only way you're ever going to get there is if everyone associated with this party is gone — if everyone loses, everyone completely forgets their institutional memory of how the Republican Party of the last generation was synonymous with the conservative movement, and the conservative movement was synonymous with the idea that we can never raise taxes, government is always the problem, and that the government bureaucrats have to be ignored in any context.

**Jonathan Chait:** So I think if you actually follow what this center has been suggesting as the policy remedies — not saying “We need to get to big government or socialism,” in fact having a lot of disagreements with the left wing of the Democratic Party, but getting to some pragmatic outcomes — I just see nothing in the current Republican Party that can ever get you there. I think you need biblical Sodom and Gomorrah destruction. Burn down everything that's left. You can't have just one defeat or even two, but a string of epic defeats. Then you can get to the point where you can, as you say, start over. And that's very different from the kind of remedies you're suggesting. So I'm asking that for you to push back on.

**Mike Murphy:** Well, yeah, let me take one point which is that we have a secret Republican survival plan.

**Juleanna Glover:** Which is?

**Mike Murphy:** We do.

**Juleanna Glover:** No one told me this, Mike.

**Mike Murphy:** I'll explain how it works. We screw everything up, we implode politically, the left is elected into power, and we have a lost decade. And then all we have to do is breathe and we're re-elected as a consequence of that. That's a very expensive way to run a superpower, though. I think I'm more sympathetic to the creative destruction theory on the federal Republicans than are most Republicans. I'm not leaving the party, at least yet, because I'm a conservative. But at the state and local level, we're actually having some success. Not necessarily political success, because there was the blue wave. But look at two of the bluest states in America that just re-elected Republican governors because they have their own identity a million miles from the federal show. So there is strength out where we are connected to governing in the states.

**Mike Murphy:** Now, the federal thing is a mess. I couldn't agree more. Because we've decided to become the Vichy Republicans for Trump, and I believe it's a moral stain. In addition, I'm a deficit-hating, free-trade Republican, so obviously I have a lot to be unhappy about. But I think you have to look at this in bigger cycles. Remember, there is no room where they meet and say, “All right, here's the Republican plan. We're going to do this tomorrow and rebuild everything.” There's a bunch of politicians trying to survive their federal micromarket of primary voters. And there's this guy at the top who has done a populist takeover of the party and has a stranglehold on about half the primary vote, maybe even 65 percent of it, depending on the state. So until that equation is broken by big factors, which it probably will be by the president's own behavior in time, the federal folks are captive in some ways. The state ones, not so much. So that's where I

think the energy for a rebuild could come from. Because the party can never disappear. There will always be something, because there's always a market for "Not the Others."

**Juleanna Glover:** I'm cool with them going the way of the Whigs. [laughter]

**Geoff Kabaservice:** Andrew, can you address the young woman right here in the center?

**Robin Tiner:** So just along the lines of the third-party or mixed-ticket proposals that you had... I'm all for independents. I understand that all the parties would fight it, but there's a desire for that. But there was also something brought up earlier that then kind of has just gone away, and that is that in the 2016 elections it was so much establishment versus anti-establishment, and the most popular candidates out there were Bernie Sanders and Trump, which everybody laughed about and everybody joked about. So if you come up with a ticket that's the Jeb-Hillary ticket, those are the people nobody wanted. So how do you design a ticket that doesn't forget the lesson of so many anti-establishment voters? Or how do you learn from the people who say, "I'm not taking money from big donors" — the people who are the ones winning elections now?

**Juleanna Glover:** It's an excellent question. I'd love to hear Whit talk about this. But my non-mathematician take on this would be... You pointed out that 46 percent of Republicans believe that...

**Whit Ayres:** They wanted an outsider willing to fundamentally shake up Washington.

**Juleanna Glover:** So I view those people as the flip-the-table voters. They want chaos over anything else. They view what they have before them as not working for them. They just want to fundamentally change the environment. Maybe no matter how it ends up there's a likelihood that it could end up better for them, and they want to run that risk. I think that there are Democrats on the other side who feel the same way. But 46 percent... That's a significant part of the Republican Party, but it's not all of the Republican Party. And I'm super keen to test the proposition of whether a big-name, high favorability, third-party bipartisan unity ticket can actually gain support. But the numbers suggest that it could very much happen.

**Geoff Kabaservice:** Whit, do you want to respond?

**Whit Ayres:** I think I've addressed the third party thing. A lot of it depends upon who it is, what their appeal is, if they can reach across and get some of the anti-establishment people while still speaking to that broad middle that is fundamentally unrepresented. But I don't know who that is.

**Mike Murphy:** Politics is not static. It evolves and changes. Opinions change. So there's this great anti-establishment energy because people think the Washington political class and the Wall Street class, among a lot of other things, have failed them, and they're looking at their real buying power diminish. But if wages do start to creep up, and we do have good economic growth now, that's not necessarily an always vote. I'm a believer that people often vote for what they perceive they did not get the last time. And if you look at our presidential cycle... You can really over-simplify it. But you had the incredibly great — and God bless him, we've been pining for him for a week — President George H. W. Bush. A world leader, sophisticated, impeccable

ethics, war hero. But then people perceived that he had trouble at the supermarket checkout scanner, so we concluded, “He doesn’t understand us.” So we went to the trailer park and found Bill Clinton, who really understood us. But then Bill Clinton might have understood us a little too well, so we went back to the Bush family for Clinton’s opposite, George W. Bush, who was going to bring honor and dignity back to the White House. And he did really well, he was very popular, very connected to people. No more scandals inside the Oval Office.

**Mike Murphy:** And then, wait a minute, W’s speeches seemed to stumble. He wasn’t very eloquent. Who is this guy? Is he smart? It’s perception, not reality. Then what did we do? We went to the law professor, the brilliant speaker — the opposite again. But then people thought, “Maybe he’s weak. He’s drawing red lines that people are dancing on. There’s no strength there.” So then we wound up with the tough guy from TV who fired Gilbert Gottfried. Trump was the guy who would fire you if you didn’t sell enough frozen yogurt on a game show in a cardboard set designed to look like a boardroom with celebrities who were paid to pretend to work for him. The question is, do we do that again? Or do we go for another opposite: competence, no drama? That, I think, is the big turning-point question of politics. It will be how mad the middle class and the working poor are. Will they want to vote again to blow things up? Or will they vote for something different in tone and style and capability that could very well be the opposite of what we have now?

**Whit Ayres:** Yep, good point, Mike.

**Geoff Kabaservice:** Let’s take that question in the corner back there. And I’m actually reminded of the *Opinion* headline back around the time of George W’s inauguration: “My fellow Americans, our long national nightmare of peace and prosperity is finally over.” Go ahead.

**R. J. Lyman:** I want to touch on one thing you haven’t gotten at directly. Juleanna knows I ran the third-party vice presidential campaign last cycle [for the Libertarian vice-presidential candidate, former Massachusetts Gov. Bill Weld] when we were at 13 percent of the polls. My guy was number two to the dope-smoking guy who didn’t know about Aleppo. We got tens of millions of dollars dumped on us in August, which led us to drop to 4 percent and not make the debates. That strikes me as structurally inherent. So I hear about providing something that the market wants, but your analogy to Coke and Pepsi, I think, is exactly right. The Republican Party... I happen to accept your premises on the far side of the room about what I would think of as the Book of Revelations future for it. But I have a different conclusion, which is that instead everyone deserting the Republican Party, people should join it. If you can change your gender, you can definitely change your party registration. [laughter]

**R. J. Lyman:** There is a near perfect correlation between sitting presidents who have faced primary challengers in their own party and have lost. Five faced challenges, and four of them lost. Seven didn’t, and they all won. One faced a challenge and won, and that was Dick Nixon in ‘72, but he cheated. I have the same premise you have, Juleanna, but I favor the vehicle of a Republican Party primary challenge, because that overcomes the barriers to entry that a third-party candidate would have to face. So what is the profile of someone who would cause people to come into the Republican primary? This is not a general election strategy, it’s a primary strategy; 58 percent of Republican delegates are selected in primaries that are either open or

allow same-day registration.

**Geoff Kabaservice:** Let's start with Juleanna.

**Juleanna Glover:** I don't know the answer to that. I think anybody who runs against Trump is going to run into a buzzsaw. We don't know how Mueller is going to turn out. But if things continue apace, based on what we know now, Trump will beat a primary challenger and he could very well win the White House again. So that's the limit of my knowledge there. I don't know of any Republicans at all who can challenge and beat him.

**Whit Ayres:** Are you talking about a primary challenger who could defeat Trump in the primaries, or just one that could weaken him like Pat Buchanan weakened George H. W. Bush?

**R. J. Lyman:** Like Pat Buchanan, Eugene McCarthy, Ted Kennedy... Every single one of them lost the nomination, but the incumbent (except in the case of Pete McCloskey and Nixon) then lost the general election. I'm a little less interested in what the outcome is. I think it's much more interesting to think who is likely to do that.

**Mike Murphy:** I wrote a thing in *Politico* magazine about eight months ago about this: How do you primary a president? First, I'd say Mike Bloomberg is trying to do that to some extent in the Democratic Party, and God bless him. I think it would be great for America if they nominate him, because it'd be a grown-up. As far as the Republican primary, here's the problem — and I think John Kasich is probably thinking this. You go to New Hampshire, where Kasich did pretty well. Let's say he beats Trump there. Would Trump then be so overwhelmed with shame, like LBJ, that he drops out? Well, the shame weapon doesn't work on Donald Trump. We've acid-tested that idea. [laughter]

**Mike Murphy:** You've got to get somebody who's in there and slugs away. And your analysis is completely right. The incumbent president holds the nomination even if challenged, but they're weakened. I think we are only halfway through the story of who Donald Trump will be a year from now entering the primaries. And if he's weak enough, he'll get several primary opponents. If he's not weak enough, he may have one symbolic one where it'll be the same result: the primary will not make him stronger, it'll make him weaker. And it's almost irrelevant who it is as long as it's a credible candidate.

**Geoff Kabaservice:** Okay, Andrew, can you bring the microphone all the way up here? Shikha Dalmia...

**Shikha Dalmia:** I work for *Reason* magazine, so I can't completely agree with Jonathan and the outcome he wants for the Republican Party. But I do agree with him that the Republican Party will have to burn in a fire before it can be reborn. And let me present a scenario to you where this could happen. You mentioned the autopsy report after the 2012 election, but Sean Trende at that time also did another analysis where he pointed out that in that election there were 6 million missing white voters who did not come out. And he suggested that there were two routes for the Republicans to win. One was the route that the autopsy report presented, and the other one was to get these missing white voters out. And his analysis was that the latter would allow the

Republicans to win elections for the next several cycles, after which they would hit the demographic wall that the autopsy report pointed out.

**Shikha Dalmia:** He said in the interim, however, something along the lines of what Trump later would do would work: a soft restrictionism and an emphasis on the entitlement state, boosting Social Security and Medicare. Then Trump came and used a script that was what Trende suggested on steroids. Now, at this stage, it's very difficult for the Republican Party to pivot from what Trump has opened up. There will be political entrepreneurs in the Republican Party that will run with what Trump has shown them. And so the only way to prevent that from happening is if there is hell and hellfire on the Republican Party and it burns down. So then the question becomes: How does one make it happen so that when the demographic shift happens there is a Republican Party that can actually be standing and take advantage of that? What are your thoughts on that?

**Whit Ayres:** What precisely is the question?

**Shikha Dalmia:** The question is, can the Republican Party pivot without first burning down?

**Whit Ayres:** I'm one of those optimists who think the answer to that is yes, with good leadership and the right people at the head of it. As I've said before, I think we'd have a different world today if Marco Rubio had gotten the nomination rather than Donald Trump. Sean's analysis, I think, said that there were 3 million white voters who didn't turn out, and Mitt Romney lost by 5 million, so that wasn't the way you did it; the way you could do it was by changing which white voters turned out and voted for him, which is exactly what happened in the Great Lakes states. But let's keep in mind, Trump got 46 percent of the vote; he didn't come close to winning a majority of the popular vote.

**Whit Ayres:** In the election we just had, Republican candidates nationally for the House won 45.4 percent of the vote. That is not a coincidence that we're stuck right there in the mid-40s. Now, you develop a strategy for winning the Electoral College again while losing the popular vote by millions of votes... good luck with that. Trump managed to pull it off. I like Mike's analogy, lightning striking the tree, and it struck that tree. But I don't know any strategist in their right mind who would plan to lose the popular vote by millions of votes and yet still win the presidency.

**Mike Murphy:** Yeah, we give Trump a lot of credit for winning, but it was like a calculus win; it's in a range. If four butterflies had landed differently in Michigan it might have popped the other way. We've only had five of these elections in the modern era where the popular vote doesn't align to the Electoral College vote; it never happened in the 20th century. It has happened twice in the 21<sup>st</sup> century, in 2000 and now with Trump, and it happened three times in the 19th century. By the way, do you know who invented the Electoral College? Alexander Hamilton. That's one song that didn't make the musical. [laughter]

**Mike Murphy:** It is very hard to draw to an inside straight like that again. And you can actually do a computer simulation now where you take the exit poll results... And there's a margin of error, so don't bet your life. But you take what happened on election day where he did win, and

you apply it to life insurance actuarial tables of who's not with us anymore — our base — and who was 17 or 18 or 19 and is now old enough to vote. And Trump loses, just based on demography. Now obviously we don't know who his 2020 opponent will be. God bless the Democrats, they are our survival policy. [chuckle] So there are many factors we can't count in. But I'm not at all sure, particularly looking at the Great Lakes in this election. Michigan, my home state, where Trump did really well in 2016, did not so well for Republicans in 2018. So we will see. But Whit's right, nobody who does politics for living and has done so successfully looks at that card trick and says, "Easy to repeat."

**Geoff Kabaservice:** Last question here, over there on the edge.

**Neil Munro:** My name is Neil Munro and I work for *Breitbart*. So I want to ask you the emergency national disaster question: When all else fails, what would you give the voters in terms of immigration, labor, wages, to vote for a candidate you guys prefer? That's it. What are you going to give the voters? Are you going to make any trade with Trump's voters to get them on your side?

**Mike Murphy:** I'd give them wages instead of racism.

**Neil Munro:** And how would you do wages?

**Mike Murphy:** Oh, no, look, I'm not there yet, but I'm coming around to some of this Nick Hannaman stuff about what happened in Seattle when they voted for the minimum wage there. All my free enterprise instincts didn't like it, but it kind of worked. It's kind of a Model-T argument: You pay people a little more, they can buy the product they make.

**Neil Munro:** Okay, so if you do the...

**Mike Murphy:** So I think... Let me finish. I think... And this will be the first time I've ever been quoted by *Breitbart*... [chuckle] I've read a couple of interesting articles about me there, but I've never been called by *Breitbart*.

**Neil Munro:** Perhaps we are still waiting for your return call.

**Mike Murphy:** I think the Republican Party... And again, will it happen in the short term? I doubt it. But we definitely need to be in the higher real wages business, no doubt about it. Because Trump takes that energy... Yeah, but what does Trump do? Does he raise wages? No. He starts a trade war that's throwing people I care about in Michigan out of work in manufacturing plants.

**Neil Munro:** So with that wage point...

**Mike Murphy:** Yeah, the point is that as policy, not as cheap rhetoric, we've got to offer a middle-class economic agenda and make people think the American Dream is back, and that anybody can get ahead in America, and that's the side we're on. Also fixing public institutions, so if you go to a public school in America you've got a shot no matter where you live. But we

tried that agenda with a guy named Jeb Bush and a guy named Marco Rubio, and the primary voters didn't want it. But we're going to try again and again and again, because we're right.

**Neil Munro:** Higher wages, fair enough.

**Mike Murphy:** Yep.

**Neil Munro:** On the higher wages, our readers, many Americans, do not believe you can raise higher wages by bringing in an unlimited number of migrants to pursue jobs because, hey, we trust in the one thing that's always true, supply and demand. So how are you going to raise wages unless you give in on cheap labor migration?

**Mike Murphy:** Well, look, we can get into an economic debate, but we don't have a lot of time. I'm due at the White House for my job interview in five minutes... [laughter]

**Neil Munro:** This will be very useful.

**Mike Murphy:** It's not a simple supply-and-demand thing, because the labor market is stratified by skills. And a flood of unskilled labor is not the biggest wage problem. The biggest wage problem we have for semi-skilled labor is productivity increases: robotics, computers, all the things we've done that have been good, but we have not figured out how to retrain people to keep having an economic value later in life.

**Neil Munro:** A coherent answer, but perhaps other people would disagree. Mr. Ayres, would you go so far as to say raising wages in the marketplace?

**Whit Ayres:** I think I agree with Mike that the major threat to people who do not have college degrees comes from automation and robotics and a global economy, rather than the lower-wage workers working in the fields and working in the chicken plants. I just don't believe that. I agree completely with Mike, we've got to solve this middle class wage problem, and that is a very, very challenging problem in a global economy.

**Geoff Kabaservice:** I have sworn up and down to Mike that I would actually get a hard stop at close to this time...

**Neil Munro:** But no, now you're being sexist, because Juleanna was about to...

**Juleanna Glover:** I have to answer this.

**Mike Murphy:** Yeah, no, come on, *Breitbart* wants to get the details right.

**Juleanna Glover:** So I have the supposition that if there is a third-party, unity bipartisan president, that that president would govern based on what Congress they were given. Right now we live in an environment of entrenched, illogical partisanship where we only pass legislation when a majority of a majority of either party supports it. What if we had an environment where you could actually pass legislation on pure majorities or 60 percent of the Senate? And what if

we had a president that would move forward with that type of agenda, and have an opportunity to really address some of the deep structural inadequacies that we all know need to be fixed sooner than later? They might be fixed in a way that might not be perfect, but at least the deficit, Social Security, the environment, trade issues, and wages would actually be addressed rather than just talked about. Because right now, Mike and Whit, those are great answers, but in a partisan environment where a Democratic Congress is never going to work with a Republican president, it's all words.

**Mike Murphy:** I want to say one thing just because it's been in my craw for a year. Andrew Breitbart was a friend of mine and he'd be ashamed of a lot of what you guys print. There, that felt good. Thank you. [applause]

**Geoff Kabaservice:** Well, Mike, good luck with your White House job interview. I would like to thank our panelists for being here today and for such a stimulating session. Appreciate it.