## Transcript:

This Sunday: The economy pulls out of a deep dive, but can the recession really be over when so many Americans are out of work? Can the economy grow on its own without the government propping it up? We'll ask our exclusive guest, Treasury Secretary Timothy Geithner.

Then, Afghanistan. A week of deadly violence in the region and a grim milestone for U.S. troops: October is the deadliest month yet since the war started. The president faces the human toll up close, greeting the bodies of the fallen at Dover Air Force Base. What will he do now to win the war? With us: NBC News chief foreign affairs correspondent Andrea Mitchell, just back from Pakistan; Jim Miklaszewski, NBC News Pentagon correspondent just back from Afghanistan; and Jon Krakauer, author of The New York Times best-seller "Where Men Win Glory" about the death of Pat Tillman in Afghanistan.

Plus, an exclusive interview with the architect of the Obama campaign. An inside look at how he reached the White House and whether nearly one year after an historic election he has fulfilled his promises. With us, author of "The Audacity to Win," campaign manager David Plouffe.

But first, the Treasury Secretary Timothy Geithner.

Welcome back to MEET THE PRESS.

Good to be here.

So good economic news, the economy grew a little bit in the third quarter; has a lot of people thinking things are getting better. And yet the market on Friday dropped pretty sharply. Does Wall Street think the recession is over?

I think it is a good number. It was -- the growth was broad based. It was investment, exports, consumption, housing for the first time. And it shows that, you know, just five months after the president came into office we got growths restarted. But it's just the beginning and we've got a ways to go. Unemployment's high and still rising. This is a very tough economy still for huge numbers of American's businesses, so we've got a ways to go, David.

Do you think the recession is over?

That's the judgment the economists will make, and they won't know until years from now. But the real test of recovery will be when we have unemployment coming down, people back to work, businesses confident to invest again.

What do people have to be braced for, despite this news?

Well, again, I think it's, it's good news and it shows that when you act with force you can stabilize a crisis like this and, you know, start to repair the damage and bring things back. But this is going to be a different recovery than the past, because Americans are going to have to save more. A lot of damage was caused by this crisis. It's going to take some time for us to grow out of this. It could be a little choppy, it could be uneven, and it's going to take a while. But I think, again, this is encouraging signs.

Difficult days still ahead?

Well, again, I think for large numbers of Americans and businesses, small businesses in particular, it's a tough economy.

So more difficulty before it gets better.

Well, it's getting better. It's going to be better gradually, and we're going to make sure we keep at it until we have an economy that's growing again led by the private sector, of course, ultimately.

Right.

You know, what the government did was to step in and make sure we're providing the tax cuts and investments necessary to arrest the crisis, get credit markets starting to open up again. And we did that, that plan worked. But we've got a ways to go before...

But that's a big question, whether or not -- yes, you have growth for the first time in four quarters. But is any of this growth sustainable without government intervention?

It will be, it will be. But what the government has to do in a crisis is to provide a bridge until the economy can repair itself and businesses are confident enough to start to invest again. And again, you're starting to see it again. Businesses now, I think they'll say -- you talk to people across the country, they'll say that they feel that things are more stable now and for the first time they see orders starting to pick up. And what'll happen is they'll start to invest again, they'll start to bring people back onto their payroll and this will get more momentum.

But that happened hasn't yet -- hasn't happened yet. We'll get into that a little bit more in just a minute.

The question about consumer spending that really drove the market down on Friday, it's off, biggest level that it's been off in nine months. Again, people are not consuming.

There's nothing new in those numbers on Friday. They were in the GDP report. No incremental news in those numbers. So again, the overall picture for the economy is that consumers are a little more confident now, confident enough to start to spend again, investments starting to spend again. You know, there was another number on Friday that showed business confidence, in the Chicago survey, showing a little more optimism about the future, too. And -- but, you know, again, this is a tough economy still, it's going to take some time. But we're committed to making sure we're reinforcing this progress we've seen.

A hundred and fifteen banks have failed so far this year. Is the banking system safe?

The banking system is dramatically more stable than it was three months ago, six months ago, nine months ago, a year ago. Just remember, again, a year ago today, last year, you had for the first time in almost 75 years Americans start to wonder whether they should

be taking their money out of banks. You had markets around the world come to a stop. Economic activity just stopped, came to a standstill, like flipping a switch. And right now you've had a dramatic improvement in confidence, you've had private capital come back into

the system. And for large businesses, they can now borrow again and they can raise capital again, and that's very important. But small businesses, much more dependent on banks, they still face a really tough environment on the financing side, and we need to keep working to try to open up credit to them.

Do we need another cash for clunkers program to stimulate the economy?

I don't think at the moment -- well, let me start this way, David. About half of the money in the Recovery Act, tax cuts and investments, are still ahead of us. So there's a lot of force still moving its way through the system now, and you're going to see that continue to provide support for the economy going forward.

Could you have had more impact if more of that money were paid out? You still have about \$500 billion of the stimulus that has not been paid out yet. How long will it take to get paid out?

Actually, I -- again, it was designed to pay out over two years, because we knew it was going to take a long time to repair the damage we started with earlier this year. So it was designed to pay out over this period of time. And I think it's actually delivering better results sooner than we would expect. I think we're seeing better outcomes in the financial sector, in the economy than many of us would've thought when we sat there with the president in Chicago at the end of last year.

Right. Well, but that's not exactly true, because the president's team said you'd keep unemployment to 8 percent if you didn't have the stimulus, so.

No. No, you're right, the unemployment is worse than almost everybody expected. But growth is back a little more quickly, a little stronger than people thought, and growth is a necessary condition. With growth jobs will come, but growth has to come first. But just look at the financial sector. You know, you've had banks repaying money with interest. Taxpayers are getting substantial earnings on this big investment in the financial system, and that's delivering good, good returns for the American taxpayer.

Let's talk about claims of success about jobs. The White House says 640,000 jobs have been created or saved by the \$800 billion stimulus. There are Republicans who say the number is bogus, that it's just PR. John Boehner, leader of the Republicans in the House, as you well know, circulated a quote from an economist at Carnegie, Carnegie Mellon University, and I'll put it up on the screen and you can look at it: "One can search economic textbooks forever without finding a concept called `jobs saved.' It doesn't exist for good reason: how can anyone know that his or her job has been saved?" You've got a lot of experience in the economy. Is this PR or fact?

This is fact. Again, at -- when the president took office, this economy was falling at the rate of 6.5 percent at an annual rate per year, fastest rate in decades. We were losing three-quarters of a million jobs a month. Now, the pace of job loss has slowed

dramatically, the economy's now growing again. It's growing not just because the effects of the Recovery Act. Many people opposed the Recovery Act, said it wasn't going to work. It's working, it's delivering what it should result -- what it should, it should produce. Value of Americans' savings are up almost 35 percent since the beginning of the year. Interest rates

down. These are substantially powerful returns on the Recovery Act, and they are delivering what they were designed to deliver.

OK. What is a saved job? How do you measure that?

A. a saved -- well...

It's not something an economist recognizes as an actual fact.

Think of it this way. When a, when a school does not have to fire a teacher, when a city doesn't have to fire a fireman, when it can keep teachers in the classroom, cops on the streets, firemen in the firehouse, that's a job saved.

All right, but...

When businesses cut fewer jobs, that's a job saved. When businesses add jobs, that's a job created. I think, David, what everybody would say, and nobody would contest this, is without the actions the Congress and the president took you would've seen millions more jobs lost over the life of this crisis and you would see growth cause much, much more damage to American businesses, many more businesses failing.

Mm-hmm.

Much more -- much deeper cuts in basic services at the state and local level. So the, the basic plan the president put in place is delivering what it was expected to do. Now, it's just the beginning. It's just an early stage recovery.

Right. But my, but my point is that this should not be overstated, the impact of the stimulus should not be overstated. Here's the facts about how many jobs have been lost since the stimulus: 2.7 million. And you've got 14 states who have double-digit unemployment. You can look at the top five, with Michigan at the top with 15.3 percent unemployment. So you say it could've been a lot of worse.

David...

A, it's still very bad, and B, the stimulus has had only a minimal effect.

Actually -- no, no, I wouldn't say that. I said actually, even those numbers understate it, because there's lots of people who are underemployed, working less they would like. So again, this is a very tough economy. It's only been three initial months of positive growth. It's going to take some time for unemployment to come down and for jobs to get created again. And that's why it's important to -- for people to recognize that we have a responsibility to keep working at this so we're reinforcing the recovery.

How high will unemployment go, do you think?

Don't know for sure, but it's likely still rising and it, it probably going to rise further before it starts to come down again.

Double digits?

Most economists think we'll probably get there, and -- but again, the economists think -- and, you know, there's a lot of uncertainty in this. Economists don't know that, don't know that much about the future, David. But they say that they think we'll start to see net jobs created at the beginning of the year, sometime around the beginning of the year, in the first quarter sometime.

What should the administration be going specifically to reduce unemployment at this point?

The most important thing is to get growth growing again at a strong pace.

Right. But what can the government...

That's the most...

...what should the government be doing?

The government's doing exactly what it should be doing. It's, it's making sure that there are tax cuts to business and families, investments in improving infrastructure, creating incentives for businesses to spend again, relief for state and local governments and getting this financial system back on its feet.

But do you need more stimulus?

I don't think we need to make that judgment yet, David. Again, there's -- about half of the money committed by the Congress is still working its way through the system by design. It was designed to work over two years. So we're not in a position yet where we need to make a choice about whether it's going to take more than that...

Right.

...to bring growth back. And again, that's only a bridge. You're not going to get real recovery until it's led by the private sector, by businesses.

So I want to be clear, additional stimulus you don't think is needed right now.

Not, not yet. Now, Congress is looking at extending unemployment insurance, some other targeted programs that would expire without additional action. You've heard Congress today - you heard -- saw Congress this week start to talk about extending the first- time homebuyer tax credit, some other measures. We think those will be helpful things for the economy as a whole, and they'll also provide some added support.

Let me talk about the deficit and the debt. These are alarming numbers, you said they are. Let's look at the deficit since Inauguration Day: \$1.2 trillion, now \$1.4 trillion; it's up 17 percent. The overall debt, Inauguration Day: \$10.6 trillion, now \$11.9 trillion. What's it going to be a year from now?

Well, it's going to have to come down. Now it's too high, and I think everybody understands this. You know, we've got these two central imperatives: restore growth, create jobs. But make sure people understand we're going to have to bring those fiscal deficits down as growth

recovers. First growth, though. Without growth, you can't fix those long-term fiscal problems. But you're not going to have a recovery that's going to be strong enough unless people are confident we're going to have the will to go back to live within our means.

How do you bring it down, though? Do taxes have to go up?

Well, we're going to have to do -- we're going to have to make some hard choices. The -- but we're not really at the point yet, David, we're going to know what's going to be the best path forward. The president's very committed to bring down these deficits, and he's very committed to doing so in a way that's not going to add to the burden on people, people making less than \$250,000 a year.

But wait a minute, though, what are hard -- I mean, I think a lot of people, it's fair to say, what are hard choices? I mean, what hard choices have been made so far? Are you going to raise taxes?

We're going to have to bring our resources and our expenditures more into balance.

So it's possible.

Well, again, the president's committed to make sure we get this economy back on track. We're bringing down this deficit over time. And to do so...

Mr. Secretary, you talked about hard choices, so why can't you give a straight answer to whether taxes have to come up...

Because...

...when you have a deficit this big?

Because, David, right now we're focused on getting growth back on track, OK, and we're not at the point yet we have to decide exactly what it's going to take. And I just want to say this very clearly. He was committed in the campaign to make -- he said in the campaign and he is committed to make sure we do this in a way that is not going to add to the burden on people making less than \$250,000 a year. Now, it's going to be hard to do that, but he's committed to doing that and we can do that.

You can do it, but it's still a chance that you'd have to raise taxes and go back on that if you've got a debt this big.

We're going to have to do it in a way that's going to help to meet that test, meet that commitment, the commitment he made, to do it in a way that's fair to Americans and make sure we do it in a way that's going to allow -- provide for growth and recovery going forward. But we can do this. You know, this is not beyond our capacity as a country to do.

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But first things first.

Right.

And unless we have a recovery, our long-term debts are going to be worse. Now, you didn't raise health care yet, but what's happening on health care now is very encouraging. Because if you look at what independent analysts say now, if you look at these bills moving their way through the Congress, they will make a substantial difference in reducing the rate of growth in healthcare costs over the long term and they will help bring down those long-term deficits.

But there is going to be a heavy burden on the middle-class through, through health care by taxes going up, by premiums going up. It will affect the middle-class.

You know, I, I, I don't think that's the way to look at it. The -- our tax -- our healthcare system today imposes enormous burdens not just on businesses, but on families. There are very high hidden costs to our current system. And the best way to add to our long-term deficits, and the best way to add to those burdens is not reform health care today.

But it doesn't answer the question about premiums going up with an individual mandate and taxes going up on so-called Cadillac plans and other parts of this bill as they're moving their way through the process that would increase taxes.

Right. Again, I don't think that's the right way to think about it. I think you have to look at the entire system today and the cost that presents. And if you look at those...

Well, why isn't that the right way to look at it if that's the reality of what the legislation would do?

No.

How else should it be looked at?

Well...

Yes, there are, there are ballooning costs with the existing system, but the remedy still includes tax cuts -- tax hikes, does it not?

No. What the, what the bills moving through Congress do, and these are very important, they expand coverage, they will make care more affordable and they will reduce the rate of growth in healthcare costs. And in that sense they're going to provide a more fair system, so families are not going to live with the fear that if they lose their job they're going to lose health care, they're going to be denied healthcare coverage and they're going to be able to afford a basic package of care that's going to make sure they can provide for their families.

Just a couple of minutes left, I want to talk about the ways of Wall Street. And first I want to ask you about executive compensation. By capping the pay that executives get at those largest firms that got bailout money, how does that further the goal of paying the taxpayer back?

Seven firms, very important that when we give, give these firms exceptional assistance to save them, allowed them to survive, that we're protecting the taxpayers' investments and that the resources that we gave them are not going to pay excessive compensation to their executives. That's a basic thing of fair -- it's fair and just and it's necessary. And Ken Feinberg has done a very good job balancing that imperative, or the basic imperative we all have is to

get our money back as quickly as possible.

But what if the people who are capable of stabilizing these companies and becoming profitable again leave, undermining the effort for these firms to pay the government back?

We'll...

If that happens, would these curbs be a mistake?

We were very, we were very concerned about that from the beginning, and he had to balance some very difficult kind of choices. I think he's found a very good balance among them.

But you have no way of knowing that.

Well, you can't be sure.

Right.

But, but look how..

And...

Think about it this way, David. Look at how the market has reacted to the news about the reforms he put in place. And I don't see any concern in how the market...

You don't see an exodus at these seven firms?

No, I think...

You don't think people will leave?

I, I worry about this a lot, but I think he's got the balance right.

Do you think a company like AIG, would you like to see it prosper, make a lot of money again and be successful?

What I would like to see AIG do, and this is what AIG is doing, is to bring down the risk that brought that company to the edge of collapse and to restructure its business so the taxpayer can get out.

Would you like it to be successful?

I'd like it to be successful enough the taxpayer can get out.

And then after that you don't care what happens?

No.

The issue of whether AIG should pay bonuses, because they're going to pay another \$200 million in bonuses next March, should they pay that?

He's got a bunch of choices ahead for a number of firms about 2010, but I -- those choices are his to make. And as I said, I think...

Right. Well, you spoke out against AIG when they made their last round of bonuses. So should they pay these?

But, you know, he'll, he'll work through those things, but I leave that to him. And he's, he's showing exceptionally good judgment. He's a remarkably effective guy and he's done a very good job in a very difficult set of choices.

You talk about avoiding risks. My question is how can you justify a company like Goldman Sachs making so much money, as it's now doing, by taking some of the trading risks that it's taking right now after it was saved by taxpayers and while it enjoys a guarantee from the government because it's too big to fail?

Yeah, we're not going to let the system go back to the way it was. And this was a very good few weeks for financial reform...

Is it not back the way it was?

No, it's not. And it's not going to go back to the way it was. Barney Frank and Chris Dodd are moving comprehensive financial reform through both houses of Congress now. Chairman Dodd is drafting a comprehensive bill; Chairman Frank, working with the House Financial Services Committee, has passed through the committee very important reforms to give consumers better protection and to prevent kind of risk building up in the system that brought the

system to the edge of collapse, that left taxpayer exposed. And I think we're making a lot of progress. I'm very encouraged by how much progress they've made.

But Goldman Sachs is taking huge risks now in some of the trades it makes.

The critical...

True or not true?

Well, let me just say what we're trying to achieve through reform, David, and this is why it's so important.

But why can't -- but that's a straight-ahead question, whether they are doing things now that are risky after having been saved by the government and by having a guarantee that the government'll save them again.

Right now what's happening the financial system is for the first time in almost 18 months the credit markets are opening up, companies are, are able to raise capital again. And the big risk we face now is not that banks are taking too much risk, the big risk we're face right now is banks are going to take too little risk after having gotten it wrong in run-up to the crisis. And that's why you see across small businesses, other parts of the country today, the kind of financial headwinds, the classic credit crunch risk that could slow recovery. The big risk we

face now is that banks are going to overcorrect and not take enough risk. We need them to take a chance again on the American economy. That's going to be important to recovery.

Final question. Away from the policy, let's make it a little bit more personal to the family out there that's struggling to save, wants to send their kids to college but doesn't frankly know what to do with what money they may have left. What should they be doing with their money? What is your advice?

You, you're seeing them do the rational thing now, David. You're seeing Americans start to save again after a long period where people were not putting enough aside again the risk of a recession or a job loss. You're seeing people start to save again, and that's a healthy, necessary adjustment. It's going to make sure that -- it'll help make sure that growth is more stable and more sustainable in the future.

Secretary Geithner, thank you.

Nice to see you.

Up next, the man who led President Obama to the White House. Campaign manager David Plouffe, here for his very first interview about his new book, "The Audacity to Win." Then, Afghanistan. Our roundtable weighs in on where we stand and where we're headed, only here on MEET THE PRESS.

Former Obama campaign manager David Plouffe takes a look back at the 2008 campaign a year later after this brief commercial break.

And we're back, joined by the architect of the Obama '08 campaign; campaign manager David Plouffe here for the first interview for his new book, "The Audacity to Win."

Welcome to MEET THE PRESS. Good to have you here.

Good to be with you, David.

Obviously, the focus of the book here is the man at the top of the ticket. But what's made some news already is your conversation in the book, your descriptions of what was going on for that choice for number two, specifically Hillary Clinton. And you write about that in the book, I'll put it up on the screen: "Barack continued to be intrigued by Hillary." You quote him as saying, "'I still think Hillary has a lot of what I am looking for in a VP,' he said to us. 'Smarts, discipline, steadfastness. I think Bill may be too big a complication. If I picked her, my concern is that there would be more than two of us in the relationship.' ... He narrowed his list down to three names: Senator Joe Biden of Delaware, Bayh of Indiana, Kaine of Virginia. Hillary did not make the last cut. At the end of the day, Obama decided that there were just too many complications outweighing the potential strengths." Not the least of which, could Team Obama and Team Clinton really get along after such a tough fight?

Well, I think one of the reasons I wanted to focus on that in the book is there was, I think, a

mythology during the campaign that President Obama did not take Hillary Clinton very seriously as VP. And the truth is he did. And I think the fact that he chose her as secretary of state reflects on how strongly he believes in her leadership qualities and her skill. So I think -- it's an interesting insight, though, into the president. I think the way he handled the VP selection very thorough, very methodical, focused on who -- first of all, who would be his best partner in government. The campaign was secondary.

## Right.

Chose Joe Biden, who was a huge asset to us in the campaign, I think today is his most important counselor in the presidency. And I think compared to our opponent in the campaign, people liked his approach to the selection.

Well, let's talk about Hillary Clinton a little bit. Of course, secretary of state now, and we've seen that relationship unfold. How do they work together? Were any of those complications that the, the then Senator Obama thought about? Have they played out?

No. I think it was an inspired choice and I think, you know, when you're competing against someone you have a unique insight into them. And I think he already had, before the campaign, I think great appreciation for her skill and her intellect. And I think in the campaign we saw how tough she was, how disciplined she was.

But you were against her being on the ticket.

Well, I -- first of all, this was his choice. We were very careful. This is the most personal choice he made in the campaign. So this was not a conference call or a meeting where we all got to vote. He made his decision. I will say this; when Secretary of State Clinton travels around the world, I'm less interested, quite frankly, in the media here than the footprint she creates around the world. And I think what she's doing in terms of improving our image is remarkable, and it was a terrific choice.

Do -- is it striking to you that her approval rating appears to be higher right now than the president's? Do you think some of her supporters read something into that?

No, not at all. She's doing a great job, as is the president, and they're a terrific team.

You talk about Biden -- obviously, now the vice president -- and this is what you write in the book: "On the cloudy side, Biden ... was ... known to test even the Senate's standard for windiness, taking an hour to say something that required 10 minutes. He also was prone to making gaffes. ... It was clear that if we picked him, we would suffer a few self-inflicted wounds." And as we've seen, the relationship between this selection, even in the campaign and the, the candidate there, there were gaffes during the campaign, and we've seen them now in the administration as well.

Sure. Everyone makes gaffes. I think he's -- I will tell you in the campaign, each and every day Vice President Biden went out, battleground state, battleground market after battleground market, delivering a compelling economic message, a compelling foreign policy message. He ended up being an inspired choice in the campaign. But I think today he's a trusted counselor, someone who has got great, I think, blue-collar and middle-class sensibilities. Obviously, he's someone who's a great asset as they're debating issues like Afghanistan. So we couldn't have

been happier with the choice. And listen, I think you, you have to understand in a, in a pick like that there's going to be moments, obviously, where your vice presidential candidate creates some news. But every day -- and I would compare it to Palin, who kind of became a phenomenon, you know. A lot of the cable stations covered her speeches live day to day. But what Joe Biden was doing in market after market, rallying our volunteers, delivering a great, compelling message, winning the vice presidential debate, it ended up being a terrific choice for us.

You talk about Palin. Let's put up what you wrote about her. "It was early morning, Denver time ... when my cell phone erupted with calls." This is when she was selected. "Palin -- it took me a moment to place the name. ... Palin was a bolt of lightning," you wrote, "a true surprise. She was such a long shot, I didn't even have her research file on my computer. ... I started Googling her, refreshing my memory while I waited for our research to be sent. ... I thought it was downright bizarre, ill-considered, deeply puzzling. ... [McCain] had been shouting from the rooftops that Obama lacked the experience to be president. ... With the Palin pick, he had completely undermined his core argument against us. ... `I just don't understand how this ends up working out for McCain. In the long term, I mean ... when voters step back and analyze how he made this decision, I think he's going to be in big trouble. You just can't swing -- wing something like that -- it's too important." That was then Senator Obama speaking. What about Palin now? Is she a force to be reckoned with in 2012?

Well, I think we should thank John McCain for picking her, in terms of how it helped us win in 2008, but I think we should doubly thank him now. What's going on in the special election in New York 23 I think is a remarkable phenomenon and could affect our politics for years to come.

She endorsed the, the independent, more conservative candidate.

Yes.

And now we've got the Republican candidate who's stepped aside.

So a centrist Republican has been ridden out of that race. And I think what you're going to see in the coming months, if not years, is Sarah Palin -- you know, by the way, she kind of playing the role as pied piper in the Republican Party, which is something I'm quite comfortable with. So Sarah Palin, the other Republican candidates who are likely to run, the Limbaughs and Becks of the world are basically hanging a "moderates need not apply" sign outside the Republican National Committee headquarters. And for a party that has historic lows right now, because centrists and moderates are leaving them in droves, they have catastrophic problems with younger voters, Hispanic voters and African-Americans, it's a various curious strategy to kind of repair this damage. So I think they're becoming more a very motivated corps, but a small corps of about 23 percent of the country.

When you take on the right like that and some people would say, you know, you're doing this and the -- even the White House, creating straw men on the right and, and elevating these figures as real spokesmen for the party. Let's talk about the White House's decision to try to isolate Fox News, declare a kind of war on Fox News. During the campaign you all did business with Fox News, didn't have any problem with that. Why has that changed?

Well, we did business. Obviously, it turned into a 24-hour propaganda channel for the

McCain campaign really in the last 60 days. So listen, let's -- Fox News, on their -- in the prime time, average viewers about two and a half million. A hundred and forty million people voted in the election, so it was less than 2 percent of the electorate. So I think sometimes we overstate, particularly in Washington, the impact of this cable news culture. But the fact of that, they're out there reporting that health care is going to cost a \$1.5 trillion, you know, the president's at war with the CIA, the president must not be serious about terrorism. They're just out there -- and it's not just in the evening, it's their morning show. The "Today" show certainly doesn't make these kind of statements. And I think the danger is if what Fox is propagating out there becomes embraced by media, then there is a bigger megaphone.

So why not engage them? Why not engage -- I mean, isn't -- I thought that this was a candidate who campaigned about staying above the fray.

Well, we've -- listen, we went on Fox a lot during the campaign.

Right. But so why...

So the administration...

So do you disagree with what they're doing now?

No. I think you've seen the administration have presence on Fox, I'm sure you will again. But the point is I think you have to put a spotlight on some of the irresponsibility coming out of that network. Even though the audience itself is fairly modest, if it, if it creeps outside of that it becomes an issue.

Let's talk about the president, the president you know so well, and how he makes decisions. He's got a huge decision to make about Afghanistan. What will the decision and what does this process of reviewing Afghanistan say about him as a leader?

Well, I'm obviously not involved in the discussions, but I can speak to -- I think last fall in the campaign people chose steady leadership, which is what he offered the American people, and I think that's what they're seeing today. This is an extraordinarily weighty decision. I have a great deal of confidence he's going to ask all the probing questions, really think through how this will unfold over a period of years in a way that's going to serve the mission of defeating al-Qaeda and protecting America and also protecting our military members. So I think that the notion, some have criticized the speed of this, I think it's completely unfounded. I think that this is one of the most weightiest decisions he'll make in his presidency and I think he's...

He's been accused of dithering on this.

Well, I notice our former opponent accused him of that. And again, I would refer you back to last fall where I think people chose steady leadership over a more reckless approach. And I think what's going on right now in Afghanistan proves that the country got it right last fall.

Let's talk about one year later, almost, since the election. The great promise of this campaign was change you can believe in, yes you can, transformational change and a great deal of belief in Barack Obama as a leader, someone who could bridge the partisan divide. Yet let's look at some of our polling here a year later, NBC News/Wall Street Journal, on the question of uniting the country. Back in January, high marks for that, 60 percent thought he could do that;

now just 38 percent. On the question of whether he's doing a good job changing business as usual in Washington, in April at 47 percent; now at 39 percent. And the Newsweek cover recently, "Yes He Can, But He Sure Hasn't Yet: A Liberal's Survival Guide." This is what Anna Quindlen wrote in her essay: "A year in [to Obama's presidency], and we know that we deceived ourselves. He is methodical, thoughtful, cerebral, a believer in consensus and process. In an incremental system, Barack Obama is an incremental man. It is one reason he is taking his time ending the two wars in which he remain mired -- we remain mired. The president is a person of nuance. But on both ends of the political number line, nuance is seen as wishy-washy. There's no nuance in partisan attacks, sound bites, slogans, which is why Barack Obama didn't run with the lines `Some change you might like if you're wiling to settle' or `Yes, we can, but it will take a while." Has he failed to live up to the promise in the first year?

Absolutely not. We're obviously living in a very difficult times, with enormous historical challenges. But here's three areas where I think he made commitments to the American people. First, try and rebuild and strengthen our relationships with the rest of the world so we

can solve common problems. I think we've made huge strides in that. Secondly, to try and change the way Washington works. Obviously, the national Republican Party has made a political decision not based on principle, but based on politics, to oppose him. But if you look at--listen, there's deep cynicism out there in America that their voices aren't heard, that they don't matter, it's the lobbyists that carry the day. President Obama's closed the revolving door. No one who leaves the administration can go back and lobby. For the first time ever, everyone who goes to the White House is going to be released. Transparency and openness, rebuilding trust. And third was that he was going to wake up every day fighting for the middle class, and that's what he's done: the Recovery Act, creating or saving a million jobs, a tax cut to 95 percent of working families, keeping 100,000 -- hundreds of thousands of people in their home, expanding health care for children. Remarkable focus.

But there are -- but you look at that polling. How much danger is the president and his party as we approach 2010 in a pretty bad anti-incumbent mood right now?

Well, I would say right now, as you're trying to strengthen the economy, create jobs, finally pass healthcare reform, do what we need to do on energy to be a strong country in the decades to come, you've got to just leave the polls aside. We have to do what's right here, OK? These are not small issues. It is not written in stone that the United States of America will be as strong as we've been for the decades and centuries to come. You only have to be a casual student of history to understand that strong countries, used to be strong empires, have to renew themselves at moments of challenge. We're spending twice as much on health care as our competitors. We led in the Industrial Revolution, we led in the information revolution. We've got to lead in the green revolution, and China and India and other countries are out there aggressively in that space. So this is -- what he's asking people to do isn't necessarily things that the short-term benefit will be clear in the next election or the one after that or the one after that. Washington has failed the country in too many respects because they've refused to do these tough things that we all know we have to do. If we don't make the right progress on health care and energy, our economy is going to struggle for decades to come.

All laudable goals. But you're also in the politics business, and can he take that message without suffering losses next year?

Well, listen, everyone in Washington wants to predict what's going to happen next fall. This thing's got about 20 lifetimes. I think the long-term political picture is this. You've got a Republican Party with historically low favorable ratings, moderates and centrists leaving the party, young voters, Hispanic voters, African-American voters, catastrophic problems and offering no solutions to these problems. I think for our part, if we can say we did the tough things to help rebuild this economy, tough things -- you know, auto companies, banks, not politically popular, things he had to do, not that he wanted to do. The president on health care and energy, finally delivering on those. I think the politics of this long-term for our party are wonderful. I think they're secondary to doing what's best for the country.

Let me end on, on this. I want to read you what you wrote in the -- oh, actually the opening of, of your book, and we have some video that goes along with this from the upcoming documentary "By the People: The Election of Barack Obama." It'll be on HBO on November 3rd at 9 PM. This is what you write: "Axelrod and I left the Obama campaign headquarters election bunker" -- this is election night in Chicago -- "at 10:30 p.m. Central. Here we are walking down

the hallway of this high-rise that had housed our campaign for almost two years on our way to greet the president-elect. And as we departed the elevator and stepped into the lobby, the security guards, who are actually assembled there, they break into raucous applause and raucous cheers and tearful thank-yous." Here it is. "Their joy hit me with a jolt of reality," you wrote, "that blaring televisions and hours of encouraging results somehow failed to convey. The elation of these security guards, all African-American, struck me powerfully." You sense the history at that moment.

Yeah, and we didn't focus on history much. But it really did grab me, the human emotion. And what a lot of us saw after the election, we'd watch YouTubes of some of the celebrations around the country and the world, and there was just -- it wasn't just people were glad we won, or relief, there was an outpouring of real emotion. And I think -- you know, it's one of the obligations I felt towards the end of the election was we had gotten all these young people involved in politics for the first time, in many cases, African-Americans, youth really involved in politics. And one of the reasons I thought it was important for us to win is to keep them involved not just in politics, but in our civic life. So it was a very, very powerful moment and really struck me.

All right, we'll leave it there. David Plouffe, thank you very much.

We'll continue our discussion and ask David some questions that our viewers have submitted via e-mail and Twitter. It's in our MEET THE PRESS Take Two Web extra. Plus, read an excerpt from the book "The Audacity to Win" from Time magazine on our Web site at mtp.msnbc.com.

Up next, a week of violence, a grim record for troop deaths. How do we now move forward in Afghanistan? Our roundtable weighs in, from NBC News Andrea Mitchell and Jim Miklaszewski, along with best-selling author Jon Krakauer after this brief station break.

We are back and joined now by author Jon Krakauer, and Andrea Mitchell and Jim Miklaszewski of NBC News.

Welcome to all of you. Been a very difficult week in Afghanistan, been a very difficult month and in fact it is a grim milestone for Afghanistan. October, 55 deaths compared to August, 51 deaths. These have been the worst since the war started back in 2001. John Kerry, who is the chairman of Foreign Relations Committee, of course, and has done a lot with the administration on Afghanistan, recently gave a speech in which he said, "Look, we haven't been fighting this war for eight years, we've been doing it one year at a time and just keep repeating it, so we don't really have a great strategy."

Jim Miklaszewski, where are we on what the president will decide and when he will decide about what to do to end the war?

Well, everybody I've talked to said that the president is keeping his own counsel on this, that they really don't have a clue what his decision will be. But all the signs are there. Just this past week he met again with his Joint Chiefs of Staff, and his message to them was, "Give me more options." So even the military recognizes that President Obama is not

ready or willing at this point, given the situation on the ground in Afghanistan, to give Stan McChrystal, General Stan McChrystal the up to 40,000 additional forces he says he wants.

Could it be more than that? Are there, are there choices, are there menu options of how many troops, and does it go above 40,000?

Well, it does. It goes up to 85,000. But even Stan McChrystal recognized that that was untenable, given the stress on the force. He settled on what he thought was a middle ground, about 40,000-plus, that would be deployed into Afghanistan over the next year. Now, if the president decide -- and, and the military's fully prepared to accept fewer troops. But they say if that happens, what's going to have to happen is that President Obama will probably have to either change the mission in Afghanistan...

## Mm-hmm.

...or accept a much higher risk to the troops.

Andrea Mitchell, you're both just back from the region. Andrea, you were just in Pakistan with the secretary of state. The big diplomatic development, the big political development is that there's going to be a runoff November 7, but only Hamid Karzai's going to be in it. Abdullah Abdullah has pulled out. What is the significance of that in the context of this administration imperative to have a credible partner before they make a decision to surge up forces?

Well, what they were working frantically this weekend, minute by minute, actually, in calls from Richard Holbrooke to Karl Eikenberry, the ambassador there, was to persuade Abdullah Abdullah not to leave with a complete denunciation of the process. And as Secretary Clinton said during a stop in Jerusalem, that it still is a legitimate election. And what they're hoping and praying is that his initial comments were sort of middle range comments, that he continues to not blast this process and try to say that it's not legitimate. As long as he says that the election and Karzai are the leader, that they may not even have to have the election and put all of those people at risk to go to polls. Because at this stage Abdullah Abdullah was not going to win, he knew that. And what they've been telling him, interestingly, is do what Al

Gore. They've actually used that example. You know, step back the way Al Gore did from a constitutional crisis. Show your leadership and then, you know, you can live for another day.

Jon Krakauer, I want to talk in a few minutes about your important new book, "Where Men Win Glory," about Pat Tillman. But first I want to ask you a more basic question about the enemy. You spent five months, at least, in Afghanistan on this book. This is what Marcus Luttrell, who is the author of "Lone Survivor," a former naval -- Navy SEAL whose unit was decimated in Afghanistan. He writes this: "In the end, your enemy must ultimately fear you, understand your supremacy. That's what we were taught, out there in the absolute front of U.S. military might." Is that how our enemy feels about the United States?

I think -- I don't know universally. They, they do recognize the strength of the United States. They've altered their tactics correspondingly. They've shifted now in much more IEDs, roadside bombs. So yeah, they, they appreciate our strengths and our weaknesses, and they know how to go to the weaknesses and they've very good at that.

And yet, Jim, as you well know, I mean, this is an enemy that has been fighting for decades. They take the long view here and they have no confidence that the United States is in this for the long haul, just as they thought the Soviets wouldn't be in it for the long haul.

And the Afghan people have no confidence that the American people, or the American military, the American people are in this for the long haul, and that is a huge problem for the U.S. military there. Because if you -- a major part of a counterinsurgency is you have to win the confidence of the people on the ground. You have to provide them enough security. And at this point they don't believe the Americans can do anything for them so they're turning to the Taliban, who are setting up shadow governments, they're collecting taxes, their own, their own judicial system is in place in these outlying areas. And without -- quite frankly, without the support of the Afghan people, this counterinsurgency of General McChrystal's could be lost before it even begins.

What is the -- this is a leadership point, Andrea. Does the president have an unshakable commitment to this war? How do we gauge that?

It's not clear, and that question is being raised. People are asking, "What is the mission?" He said, "I won't make the resource decision until I know what the mission is." What exactly is the mission? They will not go for a complete withdrawal. And in fact, one of the issues that was raised repeatedly by the leaders -- the generals and the intelligence leaders in Pakistan is -- to Hillary Clinton this past week, "Are you withdrawing, and what does that mean for us? And are you pulling back from border posts on the Afghan side that are going to let more of the bad guys come over the border and create a bigger problem for Pakistan and its government?" So that is a big related issue. But he has not explained the mission. And he knows, they know he has to give a major speech. And frankly, I think that it's pretty clear now that this decision is not coming before he goes to Asia. It will be another week or two, because they need five days to roll this out. They have to meet with, you know, the hosts of Sunday shows and do Sunday talk shows, he's got to give a major speech, they have to have editorial board meetings. There's a process. They have to advise the allies, who are not going to be happy in some instances. They have to talk to the Hill. And that, of course, is going to be the source of all leaks. So they don't have time right now before he takes this Asia trip.

And, Jon, the fear that you hear among critics of the president, or even if they're not critics,

they're just skeptical of the policy, is that he'll ultimately choose a half measure, which they believe would be deadly in the circumstance.

I don't, I don't agree with that. I mean, there's a, there's a huge range of options between pulling out and bringing in 40,000 or 85,000 troops. I mean, 40,000 isn't going to be enough to make much of a difference. Most -- I think most people would agree to that. There's a whole, there's a whole range, and, and so I think you have to be careful of that black or white, either/or, all or nothing thing.

Let's talk about some ground truth. Jim, you were in Afghanistan earlier this month, and here was an exchange that you had with Brian Williams on, on "Nightly News," talking about where we are eight years later. We'll show that.

All of this brings us back to our Pentagon correspondent Jim Miklaszewski, who is in Kabul tonight.

And, Jim, I know it's hard to assess after eight long years, but let's start with one way of measurement, the, the amount of ground the Taliban covers today as opposed to back then.

You know, Brian, this is one of the most startling issues about all this. The Taliban may actually exert some control over more territory in Afghanistan than they did before the war. Reliable estimates show that Taliban has a permanent presence in 80 percent of the country. That means they're able to set up shadow governments and invoke their own brutal brand of justice. And in fact, the most compelling number is they're able to conduct terror attacks at will over 80 percent of the country.

Eight years later, that's shocking.

And, and here's -- you know, I think we have to clear up what Stan McChrystal sees as the mission there. It's not destroy the Taliban; the most urgent mission now is to stop the momentum of the Taliban, which continues to grow as violence grows, and turn the war around. And he says he needs 40,000 troops to do that.

What about the president, Andrea, going to Dover this week? We have the images of the president greeting fallen soldiers who returned to Dover Air Force Base, one of the families giving permission for these photographs to be taken. He's there overnight. In the middle of this debate, does it send a message?

Absolutely. It sends a mission -- message of care and compassion after much criticism of the refusal of prior administrations to even let the media take pictures with the approval now of the families. But a president of the United States going in the middle of the night and connecting to these families, they felt that it was a very important moment. And I think that it transforms part of that debate.

Jon Krakauer, I want to get to a key element of your book, "Where Men Win Glory," about Pat Tillman and how it relates to this current conversation about Afghanistan. Because it does

involve General Stanley McChrystal, who was obviously critical on the stage now and was critical in the Tillman story of well. As a reminder, if you look at pictures of Pat Tillman, the NFL star with the Arizona Cardinals, decides to enlist in the Army, serves in the Rangers after 9/11. This was certainly a big story when he enlisted. And at the time, General McChrystal was actually head of Special Operations command. So Pat Tillman was killed in a friendly fire incident and ultimately won the Silver Star, and that's what you focus on in the book and in a subsequent piece that you wrote for The Daily Beast. And here's what you wrote: "An October 5 Newsweek article [said, about General McChrystal] that `he has great political skills; he couldn't have risen to his current position without them. But he definitely does not see himself as the sort of military man who would compromise his principles to do the politically convenient thing.' In the week after Tillman was killed, however, this is precisely what

McChrystal appears to have done when he administered a fraudulent medical" -- excuse me -- "a fraudulent medal recommendation" -- we're talking about the Silver Star -- "and submitted it to the secretary of the Army, thereby concealing the cause of Tillman's death." Briefly explain what happened.

The -- after Tillman died, the most important thing to know is that within -- instantly, within 24 hours certainly, everybody on the ground, everyone intimately involved knew it was friendly fire. There's never any doubt it was friendly fire. McChrystal was told within 24 hours it was friendly fire. Also, immediately they started this paperwork to give Tillman a Silver Star. And the Silver Star ended up being at the center of the cover-up. So McChrystal -- Tillman faced this devastating fire from his own guys, and he tried to protect a young private by exposing himself to this, this fire. That's why he was killed and the private wasn't. Without friendly fire there's no valor, there's no Silver Star. There was no enemy fire, yet McChrystal authored, he closely supervised over a number of days this fraudulent medal recommendation that talked about devastating enemy fire.

And that's the important piece of it. And, and he actually testified earlier this year before the Senate, and this is what he said about it.

Now, what happens, in retrospect, is -- and I would do this differently if I had the chance again -- in retrospect they look contradictory, because we sent a Silver Star that was not well-written. And although I went through the process, I will tell you now I didn't review the citation well enough to capture -- or I didn't catch that if you read it you could imply that it was not friendly fire.

Even those who were critical of him and the Army say they don't think he willfully deceived anyone.

That's correct. He, he just said now he didn't read this hugely important document about the most famous soldier in the military. He didn't read it carefully enough to notice that it talked about enemy fire instead of friendly fire? That's preposterous. That, that's not believable.

All right, part of this debate. Thank you all very much.

We'll continue our discussion with Jon Krakauer in our MEET THE PRESS Take Two Web Extra. Plus, read an excerpt from his book, "Where Men Win Glory." It's all on our Web site at mtp.msnbc.com. And we'll be right back.