

**THE BROOKINGS INSTITUTION**  
**CENTER FOR NORTHEAST ASIAN POLICY STUDIES**

**AN EMERGING EAST ASIA**  
**AND THE NEXT AMERICAN ADMINISTRATION**

SESSION FOUR: THE 2008 U.S. PRESIDENTIAL ELECTION

A KEYNOTE ADDRESS BY THOMAS MANN

A joint conference with the Center for International and Strategic Studies,  
School of International Studies, Peking University

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**Panel 1: Emerging structures of international relations in East Asia**

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**Zhu Feng**, chairman

Deputy Director, Center for International and Strategic Studies, Peking University

*China increasingly active, America increasingly distracted*

**Ding Xinghao**

President, Shanghai Institute of American Studies; CNAPS Advisory Council

*Forms of East Asian regionalism*

**Qin Yaqing**

Executive Vice President, China Foreign Affairs University

*Non-traditional security issues*

**Wonhyuk Lim**

Fellow, Korea Development Institute; CNAPS Fellow 2005-2006

*Security dilemmas in Asia*

**Richard Bush**

Senior Fellow, Foreign Policy

Director, Center for Northeast Asian Policy Studies, The Brookings Institution

**Panel 2: East Asia's economic dynamism**

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**John L. Thornton**, chairman

Chair, Board of Trustees, The Brookings Institution

*Is China's growth sustainable?*

**Chang Ka Mun**

Manager Director, Li & Fung Development (China), Ltd.; CNAPS Advisory Council

*What are the prospects for Japan's economy?*

**Seiji Takagi**

Managing Director, Japan External Trade Organization, Hong Kong Office

Visiting Fellow, School of International Studies, Peking University

*Will the U.S. continue to embrace globalization?*

**Barry Bosworth**

Senior Fellow, Economic Studies Program, The Brookings Institution

*Implications for greater East Asia*

**Long Guoqiang**

Senior Fellow and Deputy Director-General

Development Research Center, State Council of the People's Republic of China

CNAPS Visiting Fellow 1998-1999

## **Lunch Keynote Address**

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*China's Peaceful Development and the Harmonious World*

**Li Zhaoxing**

Former Minister of Foreign Affairs, China  
Professor, Peking University

## **Afternoon Keynote Address**

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*The 2008 U.S. presidential election*

**Tom Mann**

Senior Fellow, Governance Studies Program, The Brookings Institution

## **Panel 3: U.S. foreign policy under the next administration**

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**Wang Jisi**, chairman

Director, Center for International and Strategic Studies, Peking University

*Directions of U.S. foreign policy after the Bush administration*

**Ivo Daalder** (remarks read by Richard Bush)

Senior Fellow, Foreign Policy, The Brookings Institution

*Defense and security challenges for the new administration*

**Michael Nacht**

Aaron Wildavsky Dean and Professor of Public Policy  
Goldman School of Public Policy, University of California - Berkeley

*Focus on China and Asia*

**Frank Jannuzi**

Senior Asia Advisor to the Majority Staff, U.S. Senate Committee on Foreign Relations

*A Chinese view*

**Yuan Peng**

Director and Senior Researcher, Institute of American Studies  
China Institutes for Contemporary International Relations  
CNAPS Fellow 2003-2004

*Commentary*

**Anne-Marie Slaughter**

Dean, Woodrow Wilson School of Public and International Affairs, Princeton University

WANG JISI: [In progress]...Dr. Tom Mann. I think we all have the description of his career, so I don't need to read it. What I've heard from many of my American friends is how much they are impressed with the accuracy of his predictions. So, we will know after the election how accurate his predictions are today. So please, Mr. Mann.

(Applause)

THOMAS MANN: The accuracy depends upon me predicting the outcome of elections that have already passed. Just for the record.

Let me say how pleased I am to be here with you. This is my first trip to Beijing and to this great university since 1985. I've been looking around for something I can recognize, and I haven't found it yet, but I still have several more days to go. It's also a pleasure to see once again a number of the CNAPS fellows that I had occasion to speak with at Brookings in Washington. It's a real pleasure to see how you have enjoyed your time at Brookings in Washington, and how you have come back to Asia and developed such interesting and constructive careers here.

Now given the assignment from Dean Wang, I was tempted to switch it immediately. Why talk about the future U.S. elections when we can talk about the recently concluded Australian elections? I have to tell you I've become a genuine student of Australian politics and elections, having made five trips there in recent years and having met Kevin Rudd first in 2000, and then subsequently at least a couple of times a year since.

It's a fascinating election, a huge swing in Australian terms. Six percent of the national vote, it looks as if the seat swing will be 28, when only 16 were needed to claim the government at a time of economic prosperity, something that is virtually unprecedented. Not just in Australian politics, but in politics more generally, there is something about people wearying of governments in place for extended periods of time. There also is a sense of change. One of the curious things that we saw in Australia was the overwhelming support among the younger cohorts for Labor in this election.

We're seeing something similar in the U.S. where, say, if we go back to the Reagan era, Republicans were doing very well with young voters, but now over the last half dozen years, and picking up in intensity, the young voters are swinging rather dramatically to the Democratic Party, which adds a whole new set of issues. Many that have been discussed at this conference this morning are coming to the fore.

But alas, I will forgo the opportunity to analyze Australian elections, and instead talk a bit about what's happening back home in the United States. In the time I have I'd like to speak briefly about the broad political environment in the States at this time, then something about the structure of the presidential nominating system. I'll then turn to the contest for the Republican and Democratic presidential nominations, and conclude with some observations about the general election in November, hopefully

setting the stage for the panel this afternoon to talk about some of the policy consequences of a possible change in political regimes in Washington.

Now I give you advance warning. I, especially after that introduction, have less confidence in forecasting the outcome of the nomination battles than I do in forecasting the general election outcome. Now you may say, well how can you do the latter without having decided the former and knowing who the candidates are? It's because I've decided that since the generic Democratic candidate runs so strongly in the polls against the generic Republican candidate—with a double digit lead—that whoever is nominated will wear a cloak over his or her head and run as the generic Democrat, therefore we won't have to know anything about the qualities of the individual candidate.

Laugh, I'm kidding. Don't take that seriously.

Okay, first a bit about the broad political environment. It's a bit of a downer. There's a toxic public mood in America at this time. We are setting records for the percentage of the public that believes the country's off on the wrong track, definitely not moving in the right direction.

We have our current president, George W. Bush, who has had an extended period of job approval ratings under 40 percent. He will within a matter of weeks best the low point of Richard Nixon in that regard and if he stays anywhere near where he is, before leaving office he will break the all time record of Harry Truman in the period from 1950 to 1952 during the Korean War. Not to worry, it's not just the president. It's the Congress that, in spite of the dramatic changes that we saw in the last mid-term election in 2006, is really suffering from low approval ratings.

The Congress's job approval ratings have moved below 20 percent, hitting historic lows. I think this means that neither the president nor the Congress will be invited to speak at Columbia University. It's gotten that bad. They may be able to handle Mr. Ahmadinejad, but not the two main branches of our government.

The country is mired in an exceedingly unpopular war. The recent surge and decline in violence is reflected in some upturn in the assessments of Americans about the level of violence and how things are going, but not an inch of movement on their belief that we ought to remove our troops as soon as possible based on the very low assessment of the job the President is doing on the prospects for achieving victory.

Economic insecurity, in spite of a healthy macroeconomic performance as Barry Bosworth discussed this morning, is high. The consumer confidence measures are plunging, the sub-prime mortgage problem, the high energy prices, the continuing healthcare cost escalation, the lack of real wage gains, and now growing concerns of macroeconomic distress. Namely, recession and unemployment has created a real sense of pessimism among Americans. At the same time they are disheartened by the scandals that have riveted through American politics in recent years and are genuinely discouraged by signs of incompetence on the part of government from Iraq to the Gulf Coast and

Hurricane Katrina.

All of this occurs in the context of a deep ideological polarization between the political parties that has developed over a period of years, but it has taken on a sort special character and definition in the last several years. Something the public has contributed to, but deplors at the same time.

So that's the public mood in this context. I do not see anything akin to what Ronald Reagan did in his last two years in office or what Bill Clinton did following the Democratic Party defeat in the 1994 elections; that is, an effort to acknowledge the outcome of the election and move toward some level of accommodation with the other party that controls the Congress.

Instead, we have a lame duck president governing in a very partisan fashion. We are engaged in a set of symbolic appropriations battles. It's called patrolling at the margins, in which we fight over miniscule numbers relative to re-estimates of the cost of the wars in Iraq and Afghanistan, and certainly nothing compared to the additional debt burden the country has each year as a consequence of adding roughly \$4 trillion to the national debt over the last six and half years.

As a consequence we don't get serious engagement on real problems because there is such a lack of trust. The trust issue came up in our discussions this morning. Now it is between a Republican president and Democratic Congress, and there is none. The Democratic majority in Congress is frustrated by its inability to change the course of the war in Iraq, and by the fact that the President will win his symbolic appropriations battles ultimately due to the Democrats' inability to move in a fashion they would like on intelligence oversight and with some of their priorities, and finally they are certainly frustrated by the low job approval ratings they are getting. So it's not the environment that leads the public to begin to think better about the performance of their government.

One other change in the political environment that is very important, something we have talked about for a number of years back in the U.S., is the "50/50 nation." The parity between the parties that has developed at every level of government—federal, state, and local—is evident in elections to the White House, to the Congress, showing narrow majorities and occasionally disputed elections.

We have, with little notice, moved off the position of partisan parity to one of Democratic advantage. What was roughly a country divided equally between Democrats and Republicans now shows an advantage of 10 to 15 percentage points for the Democratic Party.

If you ask people which party is best able to handle serious problems confronting the country, Democrats have double digit leads on most matters. Even in the area of foreign policy and national security, where Republicans' strong advantage has paid substantial political dividends in recent elections, Democrats have now equaled or

moved to a position of slight advantage. It's only on terrorism where republicans retained an advantage, but it's moved from 20, 25, 30 percentage points to less than five.

All of the polling information shows that generic votes for the president and Congress produce double digit Democratic leads. If you look at the nature of a party coalition, you will see young voters, Hispanics, the well-educated married women are moving into the Democratic ranks, and that some of the longtime stalwarts within the Republican coalition including religious conservatives are beginning to discover agendas beyond the hot-button social issues, and are very much concerned about AIDS and climate change, as well as a host of other non-traditional issues.

Finally, if you look at states, you will see Democratic gains in Virginia, Colorado, New Mexico, Ohio, New Hampshire, and Iowa that have not been matched by losses in other states where there are Republican gains. That is the structure of the party system, and it has tilted over the last six years in a Democratic direction.

Yet these changes are still modest—not overwhelming, and nothing like the New Deal Coalition. We don't know how permanent these changes will be. Clearly, it was driven in part by the unpopular war and the performance of the Bush administration, nonetheless it becomes sort of distinctive—a commentary on a first analysis of the Republican Party quest to build an enduring majority. That effort has failed. It is over. The Republicans, in my view, will decline more before they will be able to rise up again to compete for that position.

Now let me say a few words about the presidential nominating system. You have heard many times that this is a historic election, the first since 1928 in which there is no incumbent president or vice president competing for one of the party nominations, making contests in both parties remarkably open. I want to qualify that and will in a few minutes when I talk about the Democratic race, because I think Senator Hillary Clinton is as close to an incumbent vice president seeking the nomination as you can get without being an incumbent vice president, but that's another story.

We have an uncertain and front loaded schedule; only last week did New Hampshire set its primary date. It will be January 8th, five days after the Iowa caucuses on January 3rd. In the old days we used to have three weeks between Iowa and New Hampshire, and then some time before the other events.

Instead, after these two events we will have a rapid succession of events in Michigan which is breaking both party rules, the Republicans' South Carolina primary then Florida, where both parties are breaking the rules. We also have the Nevada caucuses built in for the Democrats, which is part of the system, and then what we call "Tsunami Tuesday," the February 5<sup>th</sup> event, during which at least 20 states will be holding their primary or caucuses to pick a nominee.

An incredibly early start to the process this time with the exception of Fred Thompson who meandered into the race a little late, but the others understood the

necessity of getting up and running, raising money and being in a position to concentrate fully on the early events once the formal process began in earnest.

The fundraising has been unprecedented. The amount of money the candidates have been able to raise, of course, is made easier by the fact that virtually all of the serious candidates have opted out of the nominating matching public financing grants and therefore have no spending limits to live with. As a consequence we've seen Hillary Clinton and Barack Obama on track to each raise \$100 million in the calendar year before the formal events. Had they stuck with public financing their limit would have been just over \$50 million for the entire process.

One important sign in the fundraising is that Democrats are substantially out-raising Republicans, another indicator in that this is shaping up to be a Democratic year. There is lots of talk and focus on the issues, but it's very important to recognize this reality.

Virtually all of the serious Republican candidates, setting aside Ron Paul, agree on the agenda, and on the issue positions, and almost all of them embrace the positions taken by President Bush during his term. That is to say that the electorate will not have issue differences with which to choose a Republican nominee. This is similar on the Democratic side. There is relatively little difference between all of the six serious Democratic candidates for the presidency. Yes, we get some arguments, but much of it is rhetorical. Even the populist rhetoric of John Edwards goes well beyond the substance of most of the proposals that he's absolutely pushing.

So there's little difference among Republicans on the right, and little difference among Democrats on the left, but the gulf between all of the Republicans and all of the Democrats is striking. It is as if there's a different world, a different agenda on what issues are important and what actions ought to be taken to deal with the problems that confront the country.

My final point here is that an early resolution of both nominations is possible. I can spin you a scenario starting at Iowa that leads as it often has in the past to an early front runner who uses the momentum and the opportunity to wrap up the nomination by the time the first group of delegate rich states weigh in, but this is not inevitable.

I can also spin you a scenario in which the majority of the Republican side is still present by February 5<sup>th</sup>. I can also create a storyline for the Democratic race in which two major candidates manage to stay in the race and have the resources to make February 5<sup>th</sup> an interesting day of balloting in America.

Now let's look at the Republican contest first. I'm going to try to be as analytic as I can and use indicators of what Republicans and the public think. This is a relatively weak field of nominees that has generated relatively little enthusiasm among Republican voters. The contrast between the Democrats' happiness with their choices



versus Republicans has been present all year, and continues as I speak. None of the candidates has been able to unite party factions; each of them has at least one and often times several problems within their own party and problems looking ahead to the general election.

Rudy Giuliani has maintained a stable but modest lead in the national polls for sometime, but is an accident or a bomb waiting to explode? This man has so many vulnerabilities. In fact, I like to say Rudy just got some good polling news from his staff. They told him he was up to 50 percent support, unfortunately that was only in his family. One wife with him, two kids against. Rudy has a very complicated personal and professional life, and his entire reputation rests on success in reducing crime in New York and being present in the hours and days after 9/11. But we are going to begin to see the other candidates, in the press, pull out his very strong statements in support of choice on abortion, of same-sex civil unions, on gun control; that's part of the problem. But the other problem really goes to his leadership style. To his friends and enemies, as the line goes, "either you love Rudy or he hates you."

It's an interesting perspective on the candidates, but there really is a problem of loyalty, of cronyism. He was a very polarizing mayor, especially in his second term, and as Joe Biden said, all of his campaign speeches begin with a noun, a verb, and 9/11. That even made it into his piece in *Foreign Affairs*, on his foreign policy. So there's a man who is in the lead, but has the potential at any point to absolutely self-destruct.

Mitt Romney, who looks like he's straight out of central casting to be president, is an impressive individual. He's bright, articulate, he built an amazingly successful career in business, he bailed out the Salt Lake City Winter Olympics, he managed to get elected governor of the Commonwealth of Massachusetts and pass a major health reform bill. He's rich, he's using some of his resources. He's well organized, he's very disciplined.

The two problems are: one, he's a Mormon. It turns out that prejudice in America is declining toward women, toward racial minorities, African Americans. There are only two that remain. One is against Mormons; somewhere around 30 percent could never imagine electing a Mormon into the White House. The other is against seculars. Only five percent could imagine a secular person in America being elected president.

Romney has a scenario that all depends on his early investment and work in Iowa, New Hampshire, and South Carolina, which would then catapult him into the lead for February 5<sup>th</sup>.

I remember chatting with Fred Thompson some months before he entered, and I said there sure is a vacuum in the field. I can imagine why you are thinking seriously about it. Thus far he has underwhelmed those who have watched his campaign, and while something is always possible, it hasn't happened yet.

John McCain began as a frontrunner and was immediately uncomfortable. He spent too much money. He spent too much time defending positions of the administration, and lost all of the appeal that he had when he ran as a maverick in 2000. His campaign appeared to collapse over the summer, but he's recharged it and his hopes hinge on the other candidates collapsing before New Hampshire, allowing him to move into the lead there, and then going on from there. It's a long shot, but it's not impossible.

Finally, good old neighborly Mike Huckabee, who I think is the most attractive, interesting, and engaging of the Republican politicians running. But he has raised no money, had no organization or campaign staff, but now, partly as a consequence of unhappiness with others, has emerged as a real factor in the nomination.

Given that array of candidates, what sane analyst would confidently predict the outcome? Who could really imagine how this is going to come out? I can't. I can paint a scenario for Mitt Romney, so if I had to pick someone I would pick him, but the probabilities would be well below 50 percent. Romney still has the most likely prospects beneath Giuliani, in spite of all the frailties I talked about. Just as on the basis of the kind of bluster and toughness on terrorism and crime, Giuliani could overcome the obstacles and work to a plurality lead. I also think John McCain could resurrect and become a force.

So the contest remains wide open: hold your fire. Why do we have to predict these things in advance? We live through a whole year of campaigning, let's enjoy the act of voting or participating in caucuses by real Americans and see what they have to say.

On the Democratic side, as I said it's a relatively strong field satisfying the rank-and-file Democrats. All of the major candidates are broadly acceptable within the party. If you're going on experience and résumés, it's the second tier that ought to be the first tier. It ought to be Biden and Dodd and Richardson leading not following, but none of the three has been able to break out at all—even though we have awarded the debate points to Joe Biden more than any other candidate during this contest, and he's been so effective in giving one word answers thereby upsetting the expectations of the viewing press.

It seems to me that this race has throughout the year been exceedingly stable. Hillary Clinton has dominated from the beginning, as I said she's closest as you can get for being an incumbent vice president. She's very well known, not just among Democrats, but in the country as a whole. Her negatives are unlikely to get higher, because everyone who doesn't like her knows her and is happy to speak on it. She is smart, savvy, tough, and disciplined. She really has run quite an effective campaign, which is evident in her large lead in the National polls.

Even so, she faces a candidate, Barack Obama, who is very unusual—and it's not just his youth. We've had younger candidates who've moved into the White House—Teddy Roosevelt and John Kennedy—but he looks 20 years younger than he is.

It's kind of hard to demonstrate the gravitas on foreign policy and pass that threshold test by looking so young. And yet, he's clearly a very intelligent, articulate, inspiring candidate, who on the basis of his fundraising became a sort of instantly serious first tier candidate, but then plateaued in the national polls for a long time at roughly 25 percent.

John Edwards became known, of course, from his candidacy in 2004 and his being the running mate of John Kerry in that general election. He's been running for president ever since. He has a standing in the polls, but it's 10 percent. He's raised less money, and it appears that he will forgo the opportunity to raise unlimited sums because he can't take public financing that puts him in a distinctly disadvantageous position.

We don't have a national primary. The national standing in the polls matters only so long as it gives candidates the lead in the early events or the strength to rebound from an early, early defeat, and that's what makes the Iowa and New Hampshire events exceedingly important.

Obama is the best organized in Iowa. I think, as Anne-Marie said in our conversation, he's taking advantage of his organizing experiences in Chicago. It's formidable, he's invested the time. His strength as a candidate is that he connects with the zeitgeist of the times which is, God it's ugly the way the partisan teams are fighting one another, can't someone bring us together?

As I said Richardson, Biden, and Dodd are going to fold their candidacies soon. I don't know whether they'll stick on until February 5<sup>th</sup> or not. Richardson has raised more money and spent more money on Iowa and New Hampshire, and he shows up, but the chances of approaching the others is really slim. The strengths of the candidates I think are known. I've mentioned both. But there are weaknesses too.

Hillary is seen as somehow too calculating and too polarizing. Barack Obama is too inexperienced and too gentle. I say too gentle, because while we don't like the ugly atmosphere in Washington, Democrats are mad and they want to get even. They are prepared to talk about bipartisanship and accommodation only after they deliver an electoral shellacking of the Republicans, and they want to be sure that Barack Obama is up to the task.

We have a fascinating campaign of surrogates going on now. Some of you may have seen it on CNN. Oprah Winfrey is in Iowa campaigning for Barack Obama, Bill Clinton in the same state campaigning for Hillary Clinton. As you know Bill Clinton is sometimes called America's first African American president, and now here he is campaigning against the first real African American campaign.

What I would say is that the odds still favor Hillary Clinton. She has the strength, her national standing, and the resources to absorb an initial loss to Obama in Iowa. If she were to win that decisively, it would be very hard for him to break through in subsequent states. But the way it's shaping up, my guess is it's going to be at least a mixed outcome continuing the race to New Hampshire and Nevada and South Carolina,

and then February 5<sup>th</sup>.

Meaning: relax. This is going to be a more interesting contest, not a coronation within either party, but between the parties. The Democratic contest has more shape, stability, and a bit more predictability than the Republicans.

I conclude with a few observations on the general election. There are those who believe that Iraq will recede as an issue given the fact that the president and General Petraeus have already committed to reducing troop levels. In fact, in July of next year we will be back to where we were in January, before the surge actually began. And if my instincts are correct, when Petraeus comes to the Congress to report in March he will say that the surge is working. We will deliver on the promise to remove those additional brigades, and we're going to be able to make some additional reductions after that.

By the time the next president is coming into office we may be down from what is 160,000 troops now, to possibly 100,000 troops. Now that becomes a little more difficult if in fact the level of violence increases immediately upon the withdrawal of U.S. troops. Since it's resulted from many factors other than just the additional troops, it may be possible that it could diminish the war in Iraq as a major issue, but it's already factored in. It accounts for people's pessimism about the country, for the low ratings given to the president and the Republican Party, and therefore will be an obstacle even if it isn't dramatically discussed.

What replaces it are broad concerns about the economy. Based on macroeconomic performance, we now anticipate a serious slow-down in the fourth quarter of this year, and a possible recession next year. Gas prices are unlikely to go down and could go up. In addition, there are all of the insecurities about being able to change jobs and having access to affordable healthcare. To have some confidence in one's pension. To cope with no real wage gains over the last six years will very much come to the fore and be the mega issue. I would argue that healthcare within that cluster will be exceedingly important.

Republicans certainly hope that immigration will emerge as an issue. My own belief is that those Democrats in districts where it's problematic will talk tough about borders and border security. Presidential candidates are likely to be a little wary and give a little more rhetoric to sealing the borders, but they will at the same time respond to questions that support the broader comprehensive approach to dealing with immigration. Basically, they're not going to talk about it unless forced to. They will keep the focus on Iraq, on the economy, and on the problems of incompetence.

I end with this series of questions. There are signs that a conservative movement—built around the three pillars of tax cuts, moral traditionalism, and an aggressive nationalism in world affairs—is coming to an end. That the linkage to the problems that we confront and the sentiments and orientations of ordinary voters no longer connect with those issues, and if anything, Democrats have the agenda advantage.

So the question becomes, will the Republican nominee be able to break with President Bush enough to be competitive in the general election without demoralizing the Republican base?

They are walking a very tight line. If you read the *Foreign Affairs* pieces you will not see the words “George W. Bush” mentioned by any of them. It’s as if he doesn’t exist. Still, they don’t depart from any of the positions he’s taken, except McCain criticizing the way in which he’s managed some aspects of the war in Iraq. So it becomes very tricky. Can they make that movement? If this election is a referendum on George W. Bush, it would be a landslide if even I were the nominee. I mean, that’s how distinctive it would be.

What could derail a likely Democratic victory in the presidential election? A military strike in Iran, a successful terrorism incident in the United States? My guess is everyone looks for “October surprises” that never develop. It’s the nature of surprises. You can’t predict them, and when you try to they almost never are realized. What I suggest is that the issue agenda is so favorable to the Democratic Party that the only chance the Republicans will have is to undermine the credibility of the Democratic nominee. That will be the focus of their campaign for the most part, because the country is looking for change and difference, and only if the general public is scared into believing the Democratic nominee is not a safe choice would the election produce anything other than a Democratic victory.

Given that, I expect fully that Democrats will win the election. To anticipate your question, yes—Hillary Clinton. The first really major female candidate with a possibility of winning that, in spite of her polarizing quality, can win a general election. As could Barack Obama be our first African American president. Given the strong partisan feelings it’s unlikely to be an overwhelming victory, but it’s not implausible that a Democratic candidate could win 52, 53 percent of the popular vote which would produce a substantial victory in the Electoral College.

Similarly, Democrats are almost certain to pick up seats in the House and the Senate. We’re getting retirements. I heard yesterday Trent Lott decided to the surprise of all of his colleagues to retire by the end of this year. There are many opportunities for Democrats because of retirement announcements by Republicans in both the House and the Senate. Democrats are razing the Republicans and their party committees. It looks like a banner year for them in spite of the low approval ratings of Congress.

It turns out the electorate still tends to focus on the party of the president and that’s the basis on which they make their judgments about how well the government has governed. Now if I’m correct and there’s a new unified Democratic government, the question is can they govern and how would they govern? That’s a really interesting and important question.

In conclusion, I want to say two things. One, virtually all of the serious

issues that confront us can't possibly be dealt with under narrow partisan majorities. It just can't happen. So the new president will have to have a strategy of trying to begin to breach the ideological divide and create the condition under which substantial numbers of Republicans in the country and in the Congress would come together with him. That means engaging in serious negotiations with groups that often allied themselves with the Republican Party. You can see this beginning to change on energy and climate change policy, as well as with healthcare policy, but it will be a real test.

A final point to return to, China. It's been a fact that in four out of the last five presidential campaigns the successful candidate has said unfortunate things during the campaign that have lead them to take positions in U.S.-China relations that created difficulties for the two countries in the first year or so of their administrations. That could happen again. The 2008 Olympics might be the occasion for it. If there are lot of protests, there may be a strong refocusing of attention on human rights. Focusing attention on trade imbalances, it is possible that candidates at both party conventions, which immediately follow the Olympics will be inclined to respond in ways that would not be especially helpful.

On a more positive note, if you read through the campaign statements made by most of the serious candidates, I would argue it's actually rather more encouraging than that, and every once in awhile we learn from the mistakes of our predecessors. One can only hope. Thank you.

(Applause)

DR. WANG: Thank you very much Dr. Mann for this excellent analysis of the current political situation. We will have questions and comments after the next session so that we can save some time.

(Recess)