

THE BROOKINGS INSTITUTION

A POST-ELECTION ANALYSIS:

VICTORIES, LOSSES AND WHAT LIES AHEAD

COMMENTS BY SUSAN RICE

FRIDAY, NOVEMBER 10, 2006

9:30 a.m. - 11:30 a.m.

First Amendment Lounge
529 14th Street, Northwest, 13th Floor

Washington, D.C.

C O N T E N T S

MODERATOR:

THOMAS MANN, Senior Fellow
The Brookings Institution

PANEL PRESENTATION:

SUSAN RICE, Senior Fellow
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P R O C E E D I N G S

MR. MANN: I have the distinct honor and pleasure of moderating a discussion with an all-Brookings team, and a terrific team at that. We have with us today on my immediate left Susan Rice who is a Senior Fellow in the Foreign Policy Studies Program who will be giving us a perspective on the new politics of national security. Next to her is Amy Liu who is Deputy Director of our Metropolitan Policy Program. Amy is going to remind us that all midterm elections are not House and Senate contests but, indeed, involve important elections at the State and will be exploring some of the implications of those elections. And then to her left is Ron Haskins who is Co-Director of the Center on Children and Families and a Senior Fellow in the Economics Studies Program. I am in the Governance Studies Program, so we have four of our programs here to try to cover the waterfront.

It has been a busy few days for all of us, election night and the days since. It is always fascinating for me to see how talk evolves over the hours and days after an election, first for some people the shock of the results, for others, a sort of satisfaction that it turned out exactly as they thought it would. But nonetheless, almost immediately you begin to see the effort to define the meaning of the election, the so-called mandate, which, as you know, is not an objective reality, but is the story told by the winners and accepted more widely.

In fact, the initial statements of Speaker-Designate Pelosi, of Majority Leader-Designate Reid and President Bush, all indicated they were pretty much on the same wavelength. But it is important in our initial analyses to try to understand the vote and what

actually happened, and then we begin looking out ahead toward what the policy implications are likely to be, and what the longer-term political implications are as well. I think we are now at a state on Friday morning as opposed to Wednesday morning where we are really going to be able to begin looking ahead and trying to make an informed, sober assessment of how this change in political arrangements and political dynamics will affect our politics and policy over the next couple of years.

I want to say just a couple of things in advance. One, whatever your party, and I will say we have both parties represented, although not perhaps absolutely evenly, Ron.

MR. HASKINS: What an unusual things for Brookings, right?

MR. MANN: There is really a sense of relief I think among many people that our system demonstrated that it retains a capacity for democratic accountability. If we would have gone into a midterm election with as an angry and sour a public mood as we had with all of those indicators of a negative referendum and generated a swing in the national popular vote comparable to, actually larger, I think, than 1994, similar to 1974, 1958, 1966, 1982, if we would have done all of that and then saw that it did not translate into seat pick-ups that would have changed the political alignment, there would have been a sense that our system is so rigid because of the vast uncompetitive terrain in our electoral system that the public no longer had the capacity to send a strong signal. There were a lot of people who expected that, who worried about it and rightly so, but we demonstrated that there is enough flexibility in the system especially with the rough parity between the parties for that to happen, and to

actually get a change in party control in both House and Senate makes the results of the election unambiguous in the most fundamental sense.

We do have kind of self-correcting mechanisms available in our system. It does not tell us much about who will win the 2008 Presidential election; it does not in any way determine whether one party or another will break out of this position of parity. It does tell us, I think, that the ambitions of President Bush to build a large and enduring Republican majority have not been realized and will not be realized in his time in office, but that battle will certainly go on.

I think now we are going to be moving to questions about the lame duck session that will occur soon, about the 110th Congress and the prospects for legislation actually emerging and being signed into law. How the nomination/ confirmation process will change in a fundamental sense; it may be the biggest impact of this election is that President Bush will be forced as President Clinton was into genuine negotiations with the opposition party on his nominees to the courts that may end up along with the whole oversight investigation dimension being the most important implication. We will also see a lot of agenda setting rather than legislating in this coming 2 years.

It raises again the old question of what political and partisan arrangements are most productive for dealing with difficult problems facing the country. Some scholars and others have argued that under these conditions of narrow majorities and deep ideological polarization between parties, that divided party government is the best bet for that where both

have to buy in one of responsibility for those branches, and we are going to be exploring that with our colleagues here this morning.

Let me just say one other thing before getting our conversation going. I think the biggest test of whether the immediate rhetoric of bipartisanship and cooperation and working together has any meaning will come in the arena of presidential power. This administration, both President Bush and Vice President Cheney, have had the most ambitious, the most capacious conception of the inherent authority of the President, certainly in the national security arena, but more broadly. It is strongly felt; it is vigorously implemented through really refusals to make available certain information for the assertion of new implicit authority without genuine congressional engagement and with a vast expansion of presidential signing statements. It will be fascinating to see how responsive the administration is when the Congress asks for certain pieces of information, when they issue some subpoenas, whether the administration fights, how pitched these battles become and what that does to the broader climate of cooperation and bipartisanship. It will be fascinating to see.

Let me indicate that the first signs of that are not encouraging. We got a request to move forward on the new nomination, the renomination of John Bolton, and the President mentioned his interest in having the lame duck approve the new authorization regarding NSA surveillance. Those are two matters in which presidential/congressional prerogatives come strongly to bear. So it will be fascinating to see. Will George Bush become more like Ronald Reagan and Bill Clinton after confronting less-favorable terrain in

Congress and work with them in a productive way? Or will he stick more to the pattern that has been evident in his first years in office? I will let my colleagues have a shot at that.

Let's begin with foreign policy, and since Iraq was the 800-pound gorilla in this election, so responsible for much of the public unhappiness, Susan, have the political dynamics changed enough to lead to a change in course? And is there a change in course that can offer more benefits than cost and at the same time bring together Democrats and Republicans, the White House and the Congress? Take a crack at that.

MS. RICE: Thanks, Tom. Good morning, everyone. What is remarkable is the extent to which yet again national security proved the decisive issue in an election, but this time in a very different fashion than in 2004.

If you recall, there were sort of two theories of what went wrong for the Democrats in 2004, maybe three theories: values, national security, or John Kerry himself. National security and John Kerry were commingled to a certain extent, and the supposition was that the Democrats were weak. They could not project a strong message, they were still suffering from 30-plus years of Vietnam hangover, and that they would never be able to play effectively on the political terrain in which national security could be an asset rather than a liability.

I spent some time on leave from Brookings in that period of 2004 working on the Kerry-Edwards campaign doing national security policy. I thought then, and still do think that the perspective that foreign policy and national security were inherently losing issue for Democrats, which was the mantra of the pollsters and the political consultants, was

dead wrong and I thought it cost the Democrats in 2004. Many Democrats in the national security/foreign policy world have been arguing since then that, if we wanted to commit suicide in 2006, then what they ought to do is essentially what was done in 2004. That is to run away from national security and follow the consultants' advice, which up until a few months ago was run on domestic issues and leave the national security stuff to the Republicans.

Somewhere along the line in the last few months the Democrats got some spine and the courage to say out loud what they had been saying behind closed doors, which is that the President's national security policy has been an utter failure, has made us less safe, and that Iraq is Exhibit A for that failure. That message obviously dovetailed with events on the ground and in a variety of other developments from Katrina to Iran and North Korea, which called the administration's competence into question, and the Democrats were able to capitalize on this issue of national security competence to a greater extent than almost any of us might have predicted before Tuesday.

So now the obvious issue is what to do, and what to do in two respects. I will come to Tom's question about Iraq, but there is a broader imperative from the Democrats' point of view, I think, which is to recognize that while they have made some short-term gains in the public consciousness on national security, those gains are very tenuous and erasing the Republican predominance on national security is a job that is not completed by any stretch of the imagination. So Democrats need to govern to the extent they can from the legislative

branch with one eye on the prize of securing their lasting restoration in the realm of national security policy.

On Iraq, that implies several things simultaneously. First, proceeding with a fair bit of caution. They will continue to talk about the imperative of changing course. I think they believe that deeply, and they won an early scalp in the form of Donald Rumsfeld. I think, frankly, as needed as that change is for all the right substantive reasons, it also allows the Democrats to claim an early victory and not feel pressured into taking positions on Iraq that might not serve this effort at collaboration down the road, nor their long-term interests in regaining some preeminence on national security.

So I think they will proceed as follows. In the first instance, they will wait for the results of the Baker-Hamilton Commission. And I think, frankly, so will the administration, and this offers an opportunity for everybody to step back and take a sober look at what is going on and to at least try to find a common way forward on the very difficult, arguably intractable problem that we face in Iraq.

They will wait until the new Congress convenes, and I think they have already signaled several things. First of all, that they would like, and the leadership has requested this, a bipartisan summit with the White House and congressional leadership to talk about the challenge of Iraq and to begin to have a dialogue on the way forward.

Secondly, they have indicated that they are not going to use the blunt instrument of cutting funding to our troops as a means of forcing an early or precipitous withdrawal, and I think that that is wise on the merits and wise politically. I also do not think

that we will have an inordinate number of hearings that are retrospective and investigatory. There may be some. Certainly there are reports that have already been commissioned, particularly on the Intelligence Committee side that have never come out, and we will await those. But in terms of hearings that go back and revisit yet again the intelligence that led us into war, the decision-making that led us into war, I suspect this will not be the most attractive course for the Democrats, in part because the public has already absorbed that lesson and expressed their judgment on it this past week.

There will be a great deal of insistence on the part of the Democratic Congress for increased transparency and accountability, and so the administration and military leaders, not just at the very top level, but going down several levels will be asked to come and testify about what is going on, what is the strategy, what do we need to get this right, what might our troops need that they are not getting.

And there will also be investigatory hearings on things that relate to the present and the future, for example, the contracting fiascos, the wasted expenditures, fraud and abuse that continue to dog us to this day. There may also be hearings on the role that Iran is playing in Iraq to put some clarity around that. And to also, frankly, point out that one of the negative consequences of the Iraq venture has been an increase in Iran's influence not only in Iraq, but in the region as a whole.

I think, Tom, to summarize, that the Democrats will look to, first of all, offering an olive branch to the administration aiming to have a dialogue on Iraq that is genuine and that is collective problem solving. Baker-Hamilton, they hope, will provide a

vehicle around which both sides can come together. If that does not happen, I think over a period of months you will see increasing efforts by the Democratic-controlled Congress to pressure the President towards a course correction, pressure short of using the power of the purse. Because the reality is, if there is one thing that is clear out of this past week, it is that the congressional Republicans do not want Iraq to be the dominant issue in 2008. So they face a self-interested imperative to take the issue off the table, and there is no way to do that if the situation continues to deteriorate and the Democrats are screaming bloody murder that it is past time to change course, the American public has said that and the administration is dragging its feet. So I think that there will eventually over the next 6 months or so be a coalescence around at least a theoretical framework for moving forward, for changing the course which will entail, by necessity, a gradual and hopefully a relatively nondisruptive drawdown of U.S. forces.

The last thing I want to say on Iraq is that the political outcome also offers the administration an opportunity to try to change the dynamic within Iraq. The administration has already before the election tried to signal to the Maliki government that the status quo is not tenable, that our presence cannot be guaranteed in perpetuity. Now they have an opportunity to point to the guys down Pennsylvania Avenue and say, look, work with us to figure our way through this, begin to make the difficult decisions you need to make on reining in the militias, moving forward on the constitution, or we are going to lose control of this process. So I think the administration has the ability to use the events of the last week to put some increased pressure on the government of Iraq but not do it in a confrontational

fashion, but to extend the hand of partnership and say we have a common interest in getting this right. We have a common interest in working out a way to stabilize your country while we, as we must eventually, reduce our military commitment here. So I hope that that is something that the administration perceives and will begin to utilize to our national benefit.

MR. MANN: Susan, let me just follow-up with two questions. One is how serious should one take the, if you will, the sort of strong antiwar sentiment in the country and Democratic ranks and blogosphere? Is that over time going to begin to make difficult what you have outlined as a remarkably pragmatic, politically sensible and potentially constructive approach to Iraq? Will the pressure build, and are the Democratic leaders in Congress in a position to manage that pressure? That is number one.

Number two, could you give us some insight on the key Democratic leaders in Congress in the whole broad area of Iraq more generally now? I am thinking about the importance of the Armed Services Committee and thinking in particular about Carl Levin and Jack Reed working together, Biden on the Foreign Relations Committee, and whether they will be more prominent, more important relative to their House counterparts, Tom Lantos and Ike Skelton. Could you give us a little sense of how you expect them and the two branches to work together to one getting ahead of the other and so on?

MR. RICE: Another easy set of questions. On the first question about to what extent can the Democratic leadership manage their new caucus which includes many people who obviously were elected at least in part on a platform to change course in Iraq, and

then the blogosphere, I think that this is something that they can manage relatively well for the foreseeable future by which I mean 6 to 9 months.

I say that because they come in enormously empowered. Pelosi and Reid and Schumer and Emmanuel are heroes, and they got there in part by wielding a remarkable degree of discipline. So I think that it will be important for them as the new members come in to indicate that they are junior members of a wide tent caucus that has a variety of different perspectives. While we all agree on the need to change course, we are going to pursue this in a way that is responsible, constructive and ultimately does not do damage to our long-term national security or political prospects. I think they are strong enough in the short-term to do that.

I am not terribly worried about the blogosphere on this for the short-term. When we get past 6 or 9 months and we get into the seriously silly season of 2008, it becomes more complicated. So there is a window in which both the leadership in Congress and the administration, frankly, have an interest in trying to come together on a common perspective. I do not want to predict necessarily that it is doable, but in terms of their political self-interest, I think now is the time, now being the next 6 to 9 months, recognizing that thereafter it becomes yet again for both sides a political football, and for the Republicans a liability.

On the leaders in the House and the Senate, that is a tough question, and I know some of them better than others. But I think one thing that is obvious, on the Senate side, the people who are taking over the critical committees are the people who have been

doing some of the most thoughtful and responsible thinking on the critical challenges we face, particularly Iraq. Levin and Reid have for many, actually over a year, I was going to say many months, have had on the table a plan that I think is going to end up looking a fair bit like where we end up - which is to work with the Iraqis on a non-time-limited drawdown, but one that clearly moves us in the direction of greater responsibility on the Iraqi side, some remaining presence in the region, nothing precipitous, nothing with a hard deadline, but directionally clear.

Senator Biden, likewise, while he has a different view, has also been for the last several years thoughtful, outspoken and really trying to put forward some ideas in a constructive vein with the desire to see the costs of this failure in Iraq minimized. The complicated thing, of course, is we all expect that Senator Biden retains his presidential ambitions and whether that leads him to want to continue to push and promote his own plan, which envisions a really serious devolution of authority to regional groupings that are sectarian-based. Some have parodied it as a partition plan, which I think probably goes further than either the administration or most of the other members of the Democratic Caucus are yet prepared to go. It will be an interesting and complicating factor. If he is willing to view that idea as one idea in the mix that is worthy of consideration as we all try to figure out how to change course, that is one thing. If it becomes something that he is wedded to and insists upon, it could generate some rifts, not least with Levin and Reid.

On the House side, it is a little bit harder to know. It has been a longer time, frankly, since Skelton and Lantos have been in a position to really lead and chart a course.

Lantos has the challenge on some issues like Iraq of being sort of on the right side of the House Caucus, and other issues like Darfur, he has been a leader. So how he positions himself and the extent to which he is taking guidance from the leadership, which I think will be the expectation, will be interesting as try to unscramble issues like Iraq. I honestly do not want to speculate about Ike Skelton, because I just do not have enough knowledge of him.

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P R O C E E D I N G S

MR. MANN: Ron, let's shift our focus to the domestic policy arena. Give us your initial readings of what might look more promising in the way of cooperation between the President and a Democratic Congress, what areas seem fertile, what seem to involve so much fundamental difference in outlook and approach that we are unlikely to see any agreement.

MR. HASKINS: First of all, I represent a new coalition at Brookings, there are three of us. We are the down and out, the defeated, the dejected. We are still in mourning. I may break out into tears at any moment. I was very close with several of the members who lost like Johnson and Shaw, and I think there will be repercussions in the next Congress because a lot of very good centrists lost and they would have played an important role in the negotiations, and I think that as a byword here that Blue Dogs are back. This is a very interesting thing, Tom, because when Republicans took over Congress in 1994, their new freshmen members, much larger than the current group of freshmen members, were really ideologues. They were extremists, many of them, and they in some ways controlled the caucus. It was really quite a shocking thing and it was something that I never expected to see that a freshman class would have so much influence, and they drove a lot of the extremism. I do not know what your view of this is, but you could interpret what happened when the Republicans took over the Congress in 1995 and 1996 as Republicans had the first play-out of a

fairly extremist agenda before they finally got down the serious business of legislating. A prime example, of course, is welfare reform, but the budget, a huge issue, was also another example.

By contrast now, the Democrats have elected lots of centrists and Blue Dogs and people who actually look like Republicans to me, and I have seen immense mischief caused for the majority in the House more than in the Senate, but in the House, when Blue Dog Democrats and moderate Republicans get together and sometimes even have the majority, but certainly nobody else has a majority unless they can cooperate with the centrist groups. And I frankly think as a general rule, that is a good thing.

So let me talk about the agenda as I see it without mentioning foreign policy, about which I know nothing. Normally that does not stop me, but on this occasion it will because Susan may criticize me, so I will be cautious.

(Laughter.)

MR. HASKINS: First of all, we ought to be humble about this. It is probably a lot easier for me to be humble than most of the people in this room because of the results of the election, so I am feeling pretty humble. But I always think of what Mark Twain said, "I hesitate to make projections especially when they involve the future." So that's what we are talking about here.

(Laughter.)

MR. HASKINS: So I am humble about this to a certain degree. But I think there is a category of things that are all but certain. I think there is a category of things that are probable or even possible. And then I think there is a category of very important things that fall under the heading "Not in Our Lifetime."

The first things that I think that are all but certain, there will be lots of investigations, Susan has already said that. I hope they are responsible. I can tell you this, Democrats I think as far as I can tell, they could do very hard-hitting, extremely embarrassing investigations and oversight hearings without crossing the line at all. They don't need to cross the line and they can cause a lot of trouble for the President and for Republicans. I think that is obvious to everybody who thinks through it.

Secondly, Bolton is gone. There is a way there could be a second recess appointment involving something like -- I forget exactly what the deals are, but if Bush did that, that would really destroy what has built up so far this week. Both sides have been magnificent so far. Everybody is bipartisan and it is going to last at least another half-hour, by the time we out of here I think it will be gone.

Minimum wage is a certainty not only because Democrats like it, but there are lots of Republicans who like it, and don't ever forget, the minimum wage is extremely popular with the American public. I can remember in the old days when a lot of Republicans did not want to bring the minimum wage to the

floor and Newt would always say, "Don't talk about it in speeches. Don't put it in legislation. Don't allow the Democrats to get it on the floor because we would lose this issue in a huge margin." So we will have an increase in the minimum wage, no question about that.

Pelosi's plan is to \$7.25 which is a substantial amount, and we have not had an increase for a decade, so it strikes me as a fairly reasonable thing to do. I think Republicans would have been wise themselves to do it, but would have split their coalition so they did not do it.

The fourth thing is that there will be ethics changes especially in the House. Maybe we can come back and talk about these. Tom has written a book about them so that I have another reason to be humble about this, but what Republicans have done to the rules in the House is really shameful, I think, is the only word for it. I do not see how you can run a democracy without having rules. Jefferson's rules for the House are magnificent. If they are followed, the majority can always win, always, always, always, it is not like the Senate. The majority can always win if it can hold its votes, and that is the way the Founding Fathers and especially Jefferson intended it, and that is the way it ought to be. And if you have to mess with the rules and keep votes open for 2 hours and threaten your own members by doing damage to their families in elections, you are doing the wrong thing and that is not the way to win a vote in the House. So I hope we

have some serious changes in ethics rules, and this will be a mark of how serious Democrats are.

I think we also need big changes in the lobbying rules. Republicans should have done it. I have no idea why they did not. It is absolutely nuts that they did not do it. And so I hope that the Democrats do it and we have some serious changes in ethics and especially lobbying.

The 9/11 Commission, they keep saying they are going to implement, I think there are 11 footnotes that might be left to implement, but pretty much the Republican Congress has implemented it. That is my impression, I am not an expert on this, there are some things that are on the margins, but the big ideas have already been implemented. So I am sure they will do that.

There has to be something on minimum tax, the AMT. Rangel has already said he is going to do and the Republicans would have done it, too, we have done it in the past and we will do that again.

There has to be something on No Child Left Behind because it is up for reauthorization. I think it would be a real mistake if Democrats were not able to hold their votes together. It is going to be an interesting issue. I think Republicans are going to be split. There is a possibility for real bipartisanship here. The President certainly wants to reauthorize it. I do not think the President is above spending some more money; he certainly has never hesitated to spend money, so I think that we will probably get a pretty good No Child Left Behind.

Drug prices, no question, Rangel has already talked about that. There will be an ability for the Federal Government to negotiate drug prices. I think the last thing that Thompson said, I was amazed by this before he left as Secretary of HHS was, that he sure wished he had had the authority to negotiate drug prices. I thought that was a pretty clear shot at the Hill, but he did it on his way out the door so they could not get him.

Then the last thing is, again, there will be something on stem cell and something that will make it easier to do stem cell research. And all of these, every single one of them, I think, have the virtue of being at least you could craft good policy, and they are popular with the American public.

Now for things that are possible or probable. First of all, my favorite issue, welfare reform. Welfare reform has been pretty much off the table and I think that is a sign of how great the 1996 legislation was. It really removed it as an issue because basically Republicans and third-way people like Clinton won. We really changed the laws on welfare and it has not been much of an issue.

There are things Democrats could do especially if they put provisions in other legislation, they probably could not pass these by popular vote, and here is where the Blue Dogs are going to come into play. There are things that they could do to cut back on the regulations, they do not like the noncitizen provisions, they had problems with the Supplemental Security Income, there are

lots of places where they could tinker. I think they won't. I think it would be foolish to do it, welfare reform has been very popular, but that is something that I would look for, that is something that I will look for.

The second thing is general tax reform.

MR. MANN: Just on welfare reform, a reauthorization has just been extended year by year?

MR. HASKINS: No, 5 years. They passed it; it was the famous where they had the mistake in the legislation.

MR. MANN: Exactly.

MR. HASKINS: They actually did not pass it until February, but it is for 5 years.

MR. MANN: So nothing forces them to do it.

MR. HASKINS: Nothing forces them to do it.

MR. MANN: I gotcha.

MR. HASKINS: But I'll tell you, the entire Democratic leadership just about voted no on welfare reform, indicating most of them are truly liberal members of the Congress, and this has been an immensely successful program. A majority of the Democratic Caucus supported it both in the House and the Senate. So it will be hard to change it, but I know that the will is there among certain members, not least important, Charles Rangel.

Head Start was not reauthorized. It is an important issue, it is a big program. Preschool is very hot in domestic policy. I think it is one of the most important issues in domestic policy, and the President put a proposal on the table that would have really, really changed Head Start greatly, some people say destroy it, which might not be bad. There are other things going on out there than Head Start like initiatives at the state level, so it will be interesting to see what happens. They are going to be forced to deal with Head Start at least in the way Republicans were which is by punting and not passing something, so that will be an issue.

The budget. This will be I think the first really big test, can the Democrats have a budget. Can Republicans have a budget? No. Republicans could not have a budget. That is one sign of the weakness and the reason that Republicans lost the election is they didn't even have the discipline to have a budget. But it will be hard for Democrats to have a budget that is acceptable in the House and the Senate. As you know, the President does not vote on the budget, it is a Hill budget, the House and the Senate, and it was the one slight ray for a scoundrel like me that I thought as long as the House, give them the Senate, too, because now they are really in charge up on the Hill and let's see what they can do. So I think this will be the first really big test.

Immigration. Potentially lots of cooperation with the President and maybe a third to a half of the Republican Caucus on some kind of centrist

immigration bill that involves both tough measures like fences, especially if you don't fund them, and then softer measures like some version of allowing people a path to citizenship, as the President said. So I think there is a probability that we could get that.

Rangel has been huge on executive pay. Many of the Democrats on Ways and Means, they could do things like give directors of companies a lot more authority and a lot more information. Republicans really don't like that stuff, so this would be a really partisan conflict. On the other hand, the public would generally be on the side of the Democrats because especially if you do hearings, you can make executive pay look absolutely horrible because it is absolutely horrible, and I think the Democrats would definitely have a leg up on that.

(Laughter.)

MR. HASKINS: Now "Not in Our Lifetime." I would support Democrats if they did this. I think it is shameful that Republicans didn't. There are four huge issues that we just simply have to do something about, and eventually we will, and the sooner the better.

The biggest one, of course, is the deficit. We have this huge iceberg coming down that is going to explode in our midst, especially health care, but Social Security to come extent, Medicaid, within, pick your number, 10 to 12 years. Defense, homeland security, Medicare and Medicare, and interest on the

debt is 100 percent of federal revenues. How are you going to deal with that? We have to do something, and Republicans did not have a good record at all, and this idea that we cut the deficit in half is so nuts because this is like a down payment because the problems are really in the future, and besides that, the way CBO does these numbers is the way they should do it, but they do not give you an accurate picture of what is coming toward us, because, for example, they assume the tax cuts will not be reauthorized. So the CBO figures on this are you have to go beyond the CBO figures.

The second thing is health. Health is absolutely driving us to bankruptcy. Let's call this the Mann Solution, stop all health research and innovation and then it will stop growing 9 percent a year. I'm serious. On health we have to do something, I don't know what it is, and especially in view of the fact that Democrats are now in charge and their dream is to have universal health care. I am sure they are going to want to steps in that direction, and that is exactly the opposite direction that we need to go. We've got to figure out a way to cut the country's health expenditures, so let's see what they are going to do on health.

Global warming, which I know absolutely nothing about, I used to be a typical Republican saying the evidence is not solid enough, but I've been a little bit about this also.

MR. MANN: See how open-minded we are?

(Laughter.)

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MR. HASKINS: Actually, I have to say my former colleagues, most of whom don't call me anymore, that started the day I went to Brookings, but this is a case where being at Brookings really did have a major influence because we're doing a project for 2008 and had a brilliant presentation on energy and global warming and I really found it hard to refute most of the points, so if global warming is the issue, even if you take a moderate position on this, it is really, really an earthshaking, literally, issue, and we are not doing anything to speak of. And there are some obviously easy things we could do, but much harder long-term things.

Then finally, living standards. This is a very tough issue. Republicans did not do very much about it. I think the evidence is absolutely clear, or two things that are absolutely clear, one is that we have a maldistribution of income in this country and it has gotten much worse. It isn't just right at the top. We have created lots and lots and lots of millionaires in this country. Roughly above let's say the eightieth percentile we have sent a lot of people into what used to be the eightieth percentile, so a lot of people have gotten rich, especially at the top, but a lot of people, say over \$100,000 there is an enormous expansion. But that has meant that the middle has not done very well, and low-income people have not even kept pace. There are lots of issues here.

So what can we do about living standards? Most of the things that the government does are probably not going to be very successful, but this is a

huge issue for the future because it divides us dramatically, and I think we have to focus on that.

So that is an overview of the minor issues that the Democrats can deal with now.

MR. MANN: That's a wonderful, wonderful overview. I just want to follow-up briefly. You made the really central point that about a third of the moderates in Congress are gone in the House in particular, including some key people that you mentioned, and others like Jim Leach and so on. At the same time that some of the newer members elected in the Democratic Caucus reflecting the pragmatism of the Democratic leadership, and Schumer and Rahm Emanuel are clearly moderates, some conservative on social issues. And the Blue Dog ranks and New Democrat ranks will certainly be increased. That could be a source of difficulty for Pelosi in management, but also a source of opportunity if in seeking to set an agenda that passes some muster with them she has a better chance of picking off a number of Republicans. So the trick is to find issues that unify and to stay away from issues particularly on the social side.

I am guessing we will not have any abortion, guns, same-sex votes. The closest we will get to that is stem cell where, as you pointed out, there is broader support in the country and on the Republican side. So it will be fascinating to see how she is able to manage that. But as you have indicated, the

first agenda items are all designed to basically unify a very disparate group of Democrats and attract some Republicans.

Here's my question. I'm still puzzled why Nancy Pelosi came up with this 100-hour agenda. A hundred days is bad enough, but 100 hours. Because at the same time she is talking about restoring, as you said, the importance of regular order in the House of actually having real deliberation and debate, allowing the minority party and rank-and-file members to have an opportunity to amend and so on. How do you move decisively on six major items in 100 hours without setting aside regular order and not allowing any amendments or debates?

MR. HASKINS: Let me tell you I am a survivor of Gingrich's 100 days in which we passed 10 items. We actually did it in I think it was 96 days. And by the way, I am sure you all would be dying to know I wrote a book about this called "Work Over Welfare." Go right out and get it.

(Laughter.)

MR. HASKINS: It was an amazing experience. My favorite story from that time was that I had a son, I think he was 3 then, and I would put him in bed and read him a story on Sunday night, and the next time I would see him would be Friday or so. So one time I walked in on Friday and he was watching TV and he looked up and he saw me and he said, "Hey, mom, Ron Haskins is here."

(Laughter.)

MR. HASKINS: I actually have some good friends on Pelosi's staff and I am praying for them, because they are not going to survive the 100 hours. I don't know why she did that. It just does not make sense to me. They could do some really important things the first year. Gingrich did a lot of big things especially on House rules, get rid of the ice, for example. I don't know if you remember that one.

MR. MANN: Right.

MR. HASKINS: So you could do a lot of big things. I heard the psychology of this, start with a big splash, do something the first day, she is in charge, the Republicans aren't, the spirit is high and all that. So I don't know why she did that.

MS. RICE: Tom, I just want to point out that there is a process change because they did put together the legislation last summer and it's a big bound book, so the Republicans have had plenty of time to read it.

MR. MANN: That is not fair.

(Laughter.)

MR. HASKINS: The most important thing though is the Republicans are irrelevant to this process. All the items that they try to pass within some given period of time you have to be able to pass with Democratic votes. That's the beauty of the House, if you can control your votes you win,

period. That's it. And if she can do that on these items, and they are highly unified now, so I would assume she could push a lot through in 100 hours and it would be very impressive.

MR. MANN: Although the one thing that she can do initially is this ethics/lobbying package with some real enforcement, she can force her members to accept something they don't want, and I bet you almost every Republican votes for it as a consequence.

MR. HASKINS: They will have to.

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THE BROOKINGS INSTITUTION

A POST-ELECTION ANALYSIS:

VICTORIES, LOSSES AND WHAT LIES AHEAD

COMMENTS BY AMY LIU

FRIDAY, NOVEMBER 10, 2006

9:30 a.m. - 11:30 a.m.

First Amendment Lounge
529 14th Street, Northwest, 13th Floor
Washington, D.C.

C O N T E N T S

MODERATOR:

THOMAS MANN, Senior Fellow
The Brookings Institution

PANEL PRESENTATION:

AMY LIU, Deputy Director
Metropolitan Policy Program
The Brookings Institution

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P R O C E E D I N G S

MR. MANN: Yes. Thank you. Let's shift our focus away from Washington. There are 50 other state governments, there are governors. Remember in presidential politics that every Senator seems himself or herself as a potential president? But as we know, many are called but few are chosen. There were important developments in the policy-making sense, in signals about political dynamics. Amy, tell us what happened and what we think we know as a consequence.

MS. LIU: Thanks so much. I think I was like many of you on Tuesday night, completely riveted on the election results, the gains and losses in the House and Senate and to see what happened.

But the treatment on Tuesday about the governors' races and the ballot initiatives by the networks and the cable shows really were a postscript. One of the things I want to remind everyone is that every time there is a midterm election, it is also the exact same year that there are the biggest governors' races happening at the same time, and this year there were 36 governors' races that were up.

The governors' races, the state issues, are really important, because if we remember, a lot of the policy innovations in this country actually emanate from the states. If you think about welfare reform coming out of the state, the idea that it came out of Tommy Thompson and others when they were governing

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there. The fact that we have not been able to health care, but Romney moved on universal health care in the State of Massachusetts. The lack of movement on immigration in Washington doesn't mean that the states aren't trying to be ahead on immigration reform nonetheless. So I think a lot of times, federal decision makers learn from what the state experience is, they stop it, it informs the national discussion, and at the same time I think the states really are a barometer of where voter sentiment is on these issues.

So I think there were two big takeaways from what happened in the election season coming out of the governors' races and all of the ballot initiatives that we saw. One is that as much as we talk about partisanship here in Washington or particularly now after the election the need for bipartisanship, the reality is a lot of the state races, a lot of the ballot initiatives, really confirmed that most voters reward folks for pragmatism and really reward moderation, and their votes really reflected that in both the governors' races and the ballot measures.

The second is that again I want to remind folks that even though many people probably went to the polls with Iraq on their minds when they voted for their House and Senate members, when it came to all the other items on their ballot, it really was not about Iraq, it was about the issues that they need to grapple with at a day-to-day level, and so in many respects this notion about all politics is local is true and there are some real priorities at home that remain important.

Let me start with the governors' races. Again, there were 36 governors' seats that were up. Democrats, as we all now know, picked up 6 seats in the governors' mansions, flipping the party leadership toward their favor. So today we have 28 governors' seats running the mansions and 22 Republicans. That is an exact reversal from prior to the election.

One of the things I would say here is that there is always a comparison to the 1994 Democratic sweep. I would say that in the governors' races, this year's governors' races were not as severe as the scale of the change we saw in 1994 because in 1994 the Republicans also swept the governors' mansions. In that year, Republican governors entered 1994 with only 19 governorships, and they walked out with 30, so they actually had an 11-seat pick-up in 1994, and this year, again, only 6.

What do the governors' results mean for us? I think there are three implications. I will start with the political one and then close with policy.

The first is that some of the Democratic pick-ups in the governors' races really occurred in important swing states, setting up the stage for 2008. Let's start with the Rust Belt. We saw Spitzer win in New York, we saw Strickland win in Ohio. That really does now confirm that the Rust Belt going into 2008 is going to be almost solidly blue. If you take a look at the necklace around the Great Lakes, we now have Democratic governors running Iowa, Michigan, Wisconsin, Illinois, Ohio, Pennsylvania, and New York. So the

standouts and the exceptions are Indiana which did not have a race this year, and Minnesota, and Pawlenty just barely eked it out this year. So again we now have a pretty solid blue in the Rust Belt going into 2008 really showing a welcome mat I think for many of the presidential candidates hoping to go through there in a couple of years, or actually starting next year.

But the thing is, if you look at the swing states in the Sunbelt, we now have an Interior Mountain West that is really now more truly in play. I think if we look back 8 to 10 years ago, we always think of the Interior West as a solid red place. I think this election confirmed that that is not true. We now have, again, if you start North and going South, Montana, Wyoming, Colorado with the victory by Ritter, Arizona and New Mexico, are all headed by Democratic governors. That does mean that there are Republican governors running Utah, Nevada, where their primary has now been moved up for the first time this year pretty early, and Idaho.

Again what we see is that the Interior Mountain West which is really now the swing states in the Sunbelt really is no longer as monolithic as we thought. And I think this is true politically, but if you ask why that has happened, this is a region in the country that is truly going through a lot of change, a lot of churning. It is a high-growth region, lots of population growth. The other thing is this is the region that is the recipient of out-migration particularly from California and the Coastal States, those that find the Coastal States really unaffordable.

They are all moving into these interior states and bringing their politics with them. There are a lot of immigration issues and immigrant growth in these states. So, again, I think that is contributing to why we are seeing the colors running maybe even more purple in this region. Again, the bottom line is there are a lot of interesting changes afoot by these elections in these swing states.

The second thing to think about as a result of these elections is whether or not there is a policy shift as a result, and I would say unlike the conversation in Washington where a Democratic sweep in the House and Senate means the agenda that is being put forth is going to change. I will be frank, I don't think that is going to change at all in the State Houses, and that is primarily because governors have always had to deal with divided legislatures and they have always had to deal with divided constituencies. We have seen innovations and policy reforms coming out both from Republicans and Democratic governors. The reality is they have to all deal with pragmatic problem-solving at home. No matter what color or whatever their political stripe, they all have to balance budgets. They all have to deal with the economy. They all have to deal with the environment and transportation issues, housing, immigration if it's there, college tuition rates was a big issue this year. All of them have to grapple with these issues, and in the end the ones who really get reelected are the ones who do this in a very pragmatic and thoughtful way. So I do not see a lot of shifts in the politics

that are going to come out of the states just because we've got 6 new pick-ups from the Dems.

The third thing I want to say here is what we saw in terms of victories in the governors' races also points to the fact that the most popular governors today, and the ones that won with a lot of wide margins on Tuesday, are the ones who are truly moderate, centrist and, again, being rewarded for not being ideologues. I will just mention a couple of the newcomers, and I think we have seen this in the press already. Bill Ritter was a pro-life Democrat who won by 15 percent, so huge margins, pro-life, but at the same time really supports a comprehensive approach to immigration.

Ted Strickland, this is a governor who won by 23 points over Blackwell. He is for gun control and gun rights, but also has a broad economic agenda beyond tax cuts which is what Blackwell had really pushed for.

Then if you look at the incumbents who all won, I think it is really interesting how much the incumbents who won on Tuesday, the ones with the hugest margins, won in states where their electorate comes from an opposition party. For instance, when you think about Napolitano and Richardson, both of them are Democrats, they both won on Tuesday with 20 to 30 point margins, and these are states that all supported Bush in 2004. Sebelius who is the Democratic Governor from Kansas, Phil Bredesen who is the Democratic Governor from

Tennessee, both of these governors won in huge margins and they are also again in solidly red states.

If you look on the flip side, everyone has been talking about Schwarzenegger. Schwarzenegger won by 17 points and, again, that was Kerry state in 2004. And the same thing with Jody Rell in Connecticut. Jody Rell actually entered the race with a 70-percent approval rating, won by almost 20 points, and that is a solid blue state. So what you see again is the ones who were most popular governing in really divided or moderate to centrist states, and I think they have been rewarded by that pragmatic approach.

Let me just go quickly to the ballot measures. I think the ballot measures are always an interesting thing to track for a number of reasons. One is they are kind of a litmus test to the way voters perceive certain hot issues that are introduced to them, and when they are citizen-initiated or initiated by wealthy donors from out of state, they do sometimes signal a frustration with a lack of federal action or lack of state action. That is exactly the reason why these initiatives are sometimes introduced.

So what we saw was, particularly when you think about the absence of any federal action or state action, you saw referendums on minimum wage, you saw referendums on immigration, you saw referendums on eminent domain because they didn't like the Supreme Court decision that was made last year.

What did we see with those results? I have to say I went into the election thinking that we were going to see a Democrat sweep in the House and Senate and in the governors' mansions, and then we were going to see a conservative values sweep in the ballot referendums because we had so many values-oriented or value-driven initiatives on the ballots. We had those who were trying to limit the role of government, we saw those who were trying to limit government spending, we saw anti-gay marriage amendments, we saw antiabortion amendments. So I was looking for a counter-story coming out of these ballot initiatives. Again maybe the voters didn't surprise us. The voters did what they consistently do which is send back a message and said we are more moderate than you think on these issues or more sensible, or maybe just erratic depending on how you want to look at it.

So, for instance, nearly all the gay marriage bans passed by relatively wide margins, but at the same time they all supported the minimum wage measures. All six of them passed by really wide margins. The abortion measure we know went down. Folks still support stem cell research. Again, counter to some of the conservative concerns about stem cells.

Eminent domain which is really a --

(End Side A. Begin Side B.)

MS. LIU: (In progress) -- a desire to protect individual rights, but when the voters looked at the real extreme versions of the eminent domain

measures which required local governments to have to compensate property owners for changes in their property values, all of those four went down by huge margins. So again I think voters can distinguish between a good measure and a bad measure.

All three of the Taber amendments to limit government spending, all of those were struck down, and at the same time, I think voters really do want to spend money where their priorities are. So I think we were surprised to see that all of Arnold's big infrastructure transportation bond issues, \$37 billion worth of spending, all of them passed in California, even though people were a little bit tired of more spending, but they did really well. Again, it wasn't such an ideological consistent set of actions on the ballot initiatives.

And I was going to just say and close with this, Arizona is a great case study about this because Arizona went into the election with the highest number of ballot measures. There were 19 ballot measures in Arizona. Their ballot measures included all the things we just talked about, so the same set of voters were asked to vote on the same set of issues, and they came out with these really mixed messages, or you can call it moderation. They actually struck down the gay marriage ban, and I think I heard at one point that that is the first time a state has actually rejected a gay marriage ban.

But at the same time, they decided they wanted to restrict all benefits to illegal immigrants, and they passed the minimum wage which might

be considered a more liberal stance, but they also restricted eminent domain which is a conservative stance on property rights.

So, again, I think that voters are smart, they really do think very serious about these issues, and they are not ideologues about it. And I think, again, that sends a real signal to Washington that as we think about partisanship and partisan bickering here in D.C., that in the states, people look at issues, people are sensible, they want to be pragmatic, they want to solve problems, and they do it again in a very much centrist way.

MR. MANN: Thank you, Amy. Just a footnote on your observation to reinforce it. Regarding the magnitude of the parties' swing between 1994 and 2006, you said it was about half in the governors' races this time compared to them. That is reflected in the state legislative races as well with a bit under 300 swing to the Democrats, while in 1994 it was close to double that, and the same with respect to the chambers. You could argue in the House that it was a bit like that as well, that is, the magnitude of change in seats is smaller, there is less competitive terrain, but it is still large enough to change the political dynamic.

The other thing I thought, the one possible exception to your observations was New York State and Eliot Spitzer who of course is a unique political figure and became a national figure in what he was able to do from his own position as Attorney General and making a blue governor in a blue state who

is very ambitious, although in his own peculiar way, but exceptions sometimes prove the rule.

MS. LIU: Right.

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THE BROOKINGS INSTITUTION

A POST-ELECTION ANALYSIS:

VICTORIES, LOSSES AND WHAT LIES AHEAD

Questions and Answers

FRIDAY, NOVEMBER 10, 2006

9:30 a.m. - 11:30 a.m.

First Amendment Lounge
529 14th Street, Northwest, 13th Floor

Washington, D.C.

C O N T E N T S

MODERATOR:

THOMAS MANN, Senior Fellow
The Brookings Institution

PANEL PRESENTATION:

SUSAN RICE, Senior Fellow
The Brookings Institution

RON HASKINS, Co-Director
Center on Children and Families
The Brookings Institution

AMY LIU, Deputy Director
Metropolitan Policy Program, The Brookings Institution

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P R O C E E D I N G S

MR. MANN: Now the agenda is yours. We would be delighted to respond to questions. We have mikes and we will pass those around. We have a question right here, please.

MR. ARSHAD: This is Arshad, a member of the Speakers Committee of the National Press Club. Susan, if I may understand one of your punch lines, that the Republicans would like to see the Iraqi issue out of the paper. Why do you surmise that, number one? And do you foresee that Republicans will be less combative on issues like the national surveillance wiretapping patriotic act and broadly the security issues? How do you foresee that as opposed to a bipartisan approach that Nancy Pelosi, the designated Speaker of the House, do you think this will be a turbulent year on those counts, Susan? Would you please highlight on these issues?

MS. RICE: Let me begin with your first question which is why I said Republicans will want Iraq off the table 2008. I really mean congressional Republicans because it killed this time politically, and if it is still the burning issue with another 2000-plus Americans lost, hundreds of billions and no progress, I think it will be a major drag on their electoral prospects in 2008. So that is why I say congressional Republicans broadly speaking have a very immediate interest also in some change of course on Iraq. And you are already hearing a lot of Republicans talking in those terms. Some of them began to signal

that prior to the election, people like John Warner and Susan Collins, but it is reinforced I think by recent outcomes.

The tricky part is that it does not mean that President Bush shares that same interest. Obviously, he is not going to be on the ballot again in 2008 and I think it remains an open question the extent to which he is prepared to shift course. I think the appointment of Robert Gates is encouraging in that regard. He is a pragmatist, he has been critical of our approach in Iraq to date, he has advocated reaching to Iraq's neighbors including Iran, presumably also Syria, which I think is a necessary piece of the puzzle of putting together a more sustainable political outcome.

The other thing that is important to be said is that Gates and Secretary Rice have a long-standing prior relationship which is constructive, any presumably that will help diminish what would have been very counterproductive tensions between the State Department and the Defense Department.

But whether or not and how far the President is prepared to go to change the course in Iraq is a real open question, but he will face pressure I am quite certain from within the Republican Congressional Caucus to in effect resolve this issue from a domestic political point of view in 2007, because if it is burning in 2008, it is a problem.

I was going to go to the second part of your question which is what about all the domestic anti-terror legislation, and there I do not think that the

prospects for compromise are as good. I did read briefly this morning in the papers some sense that Speaker-Designate Pelosi came out of her meeting with President Bush yesterday saying that there might be, with some modifications, an opportunity to deal with the wiretapping issue. I do not know the details. I do not know whether that was conciliatory language or whether they actually discussed some substantive accommodations. But I think without really substantive accommodations, that is not going to be an issue on which Democrats are going to roll the President's way, and I think the White House continues to believe and perhaps many Republicans in Congress, that both on the merits and the politics that their relative hard-line position on this serves them well and it is viewed as I think politically quite distinct from the Iraq issue. So there is plenty of latitude I think for friction on those.

MR. MANN: Susan, I have to follow-up on 2008 and Iraq, and specifically on Senator McCain who has been a real hawk on the war and critical of the management of it, but constantly suggesting the need for additional troops which seems to cut against the grain of public sentiment now. What is your sense of how he manages his views on this and the view he might play in Congress while he is running for President? I only give you the easy ones.

MS. RICE: That is not my question. You are supposed to answer the straight-up political questions.

I think it is going to be interesting because for Senator McCain to back away from those very clearly articulated and strongly held positions would undermine his politically popular shtick of being independent and something of a maverick and taking positions presumably based on principle even if they are not politically popular. That said, I do think I should be more specific when I talk about 2008 because what it does to the presidential candidates is one set of dynamics, what it does to the congressional Republicans who are going to be trying to get back Congress is a different set of Republican. And for the Republicans in Congress, if there is no evidence of their willingness to go along with change and if the Administration does not help them in that regard, I think it is politically problematic, particularly if the Democrats continue to force the issue which I presume they will. How it plays out on the presidential level is trickier and it is obviously different for the Democrats than it is for the Republicans.

I do not know how McCain will balance that, but I do not think he has got much of a choice but to stay in the short-term where he has been which is to argue that if we are going to do this right as we must, he argues, that entails additional troops.

The other interesting thing will be if there is this move in the direction of a course correction, a gradual withdrawal, whether he stakes out in a position in strong opposition to that, and I am not as smart as you, Tom. You tell us what the political implications of that turn out to be.

MR. MANN: Yeah, right. For the record, I know less than Susan just expressed on what John McCain will do, but it strikes me as exceedingly important that he is the one Republican now that seems to have this broader appeal partly because he fought with George Bush, and that is a good sign for Democrats, back in 2000, but also because of his Teddy Roosevelt like stands on a number of reform-oriented issues. But Iraq poses it seems to me just a serious problem for him and it is not obvious to me how he manages that as well.

MS. RICE: I think the President has felt the political winds, I am not entirely convinced that he is substantively of a different mind, and it may be that McCain follows in his wake and takes up that torch that we have to stay, we have to do more, and we cannot leave, as the President would say, before the job is done.

MR. HASKINS: McCain is exposed on Iraq, there is no question about that, and he is going to have a tough time getting out of it. But on the whole on balance I would say this election helped him simply because Republicans are going to be dying to win in 2008 and they may be willing to forgive all kinds of past wrongs that they perceive in McCain in order to have a candidate who can win. And by contrast, the Democrats are still mired or whatever you want to use, Hillary looks like she has got the inside track and she will have a very difficult time being elected. The parties have the opposite problem. The Republicans have their problem, they have a candidate, maybe

even two who could win in a general election, but they probably cannot get nominated except maybe that is now changed. And Democrats have someone who now has the inside track for the nomination but might have a tough time winning the general election.

MR. MANN: That has been the case. I think it changes a bit. I think McCain's standing in the Republican Party has become enhanced, but I believe his seemingly overpowering position in a general election is potentially weakened by Iraq and the strong public sentiments against it. So it will be very interesting.

The other thing on the Hillary side, there always a contest and will be a contest for an alternative to Hillary and the person who emerged from the race in the best position is, of course, Barack Obama who was the most sought-after Democrat to appear with Democratic candidates. So I think that is where the contest comes down to. I think we are settling into a McCain-Romney and Clinton-Obama contest, but it is very early. We shall see.

QUESTION: I wanted to ask a little bit about the rehab job that needs to take place on the Hill. Republicans clearly are attempting to rebuild from this disaster for them, Democrats on the other hand are required to somehow prove themselves after being on the wrong side for so long.

Do we have any opportunity to think, because one of the subtexts of this election was that the Congress had not been performing its duties in

relation to the Executive, is there enough opportunity, is there enough political will, is there enough bandwidth to have the Congress rehabilitate itself in its role as a real check and balance here?

MR. MANN: Ron and I will both take a cut at that. First of all, with divided party government there is a sort of natural incentive for now the Democratic majority to be much more forceful in confronting the Executive over authority for restoring some level of oversight and investigation. The political incentive is there. It is also the case that many of these committee chairs were chairs before and are used to doing it. Dingle loves to beat up on everyone, Democratic and Republican administration officials. Henry Waxman actually worked with Tom Davis on the Government Reform Committee during the Bush Administration and that was the one source of genuine oversight and investigation. So expect Waxman to be very active there.

The real question was, as Ron put it I thought well early, would it be serious or would it be gotcha, is it focused on scandal or is it focused on policy and implementation and the rest. Republicans did not distinguish themselves during the latter years of the Clinton Administration in this regard with 140 hours of hearings on whether the Clinton White House abused the Christmas card list for fund-raising purposes, compared with 12 hours on Abu Ghraib. And if Democrats fall into that trap and become consumed with getting even on abuses and scandals, then they would have squandered a great opportunity. But they are

aware of it. They have the chance of learning a lesson from what backfired I think on the Republicans, and Pelosi at least has sent signals she is going to keep some of these people on a pretty tight leash and that Dingle is already speaking about doing things with his Republican counterparts.

The real question becomes whether that becomes sustained in a unified party government again. Again, I think that this Republican Congress was so supine in response to this assertion of Executive authority that future congresses will not fall into that trap be they Republican or Democratic. Ron?

MR. HASKINS: The answer to the question is, yes, yes, a thousand times, yes, the House can exert itself, especially the House, because the Democrats have a clear majority, they have quite a substantial majority compared to recent Republican majorities, and the institutional procedures, and with the checks and balances in our Constitution, the definitely exert itself, and it already has. The President has already backed down, and we have never heard him talk like this about Iraq, and I do not think you are going to see any big move by Republicans and the President to extend the tax cuts to make them permanent. The two biggest issues that Bush has governed on he has already had to back down from, so I think it has already happened to some extent. Also, I think on most of these big issues, and especially Iraq and taxes, not only do the institutional, and the procedures, and the tradition all favor Democrats running the House and giving fits, but the public is generally on their side on most issues. We

are clearly in a 51-49 or 50.5 or 49.5 nation, but this election showed that moderates can do very, very well as all of us, or at least the two of us who sat on this panel, and Tom as implied as much. So right now the wind is at the Democrats' back.

The next question is how long is it going to last and how long is this bipartisanship and good feeling, and you always have the 60-vote problem in the Senate so you cannot really govern from the Hill, and so the Democrats are really going to face some serious trouble, as I said, roughly this afternoon. There will be a honeymoon period, but there are two things I think that are really working against any extended honeymoon and all kinds of love and cooperation here in Washington.

One is, and I saw this with Republicans and their feelings about Clinton, senior congressional Democrats despite Bush personally. They think he has been a crummy president and they think he has violated the law. All the things that Pelosi said, she didn't just say them as a slip of the tongue, she means them. They will be able to control themselves temporarily, but when things get tough I think you are going to see some real hostility between the Hill and the President.

The second thing is that the presidential election is going to start, and it is not going to start next year, we are in a permanent presidential election, and the closer you get, the stronger the feelings get, the more that people start to

posture, and although Tom is right that we maybe have four people in the field now, from the perspective of people in the Senate we have probably 50 in the field, every Senator. So both of those forces, the animosity toward Bush and the beginning of the presidential election are going to push the parties to be very partisan. So I think we are going to have a very short period of peace and tranquility here.

MR. MANN: Gary?

MR. MITCHELL: Gary Mitchell from "The Mitchell Report." I want to first of all say this has been a really helpful session, including that grocery list of things that Ron laid out, although I am a little disappointed that nowhere have we talked at all about Britney Spears's or Reese Witherspoon's divorces.

(Laughter.)

MR. MITCHELL: I want to ask a question that I suspect is for both Tom and Ron, and that is about leadership races particularly on the Republican side and whether there is going to be a slate and, A, what do you think will happen, and, B, what are the implications of that. And perhaps, Tom, how serious is this Murtha run at the Majority Leader spot?

And the other person who we have not talked about is Lieberman, and I would love to know either of your thinking about catbird Lieberman.

MR. MANN: Ron, why don't you take on the Republican leadership in the House?

MR. HASKINS: I don't think there is much question McConnell will -- so I think that is settled. McConnell is really a very tough partisan, so I am not sure that that augurs well for this spirit of bipartisanship and so forth.

I think the Murtha-Hoyer is an issue, and this is the kind of issue that leaders have to face all the time. You do not want to face these kinds of issues. You can understand that Murtha has been a close adviser to Pelosi, he has obviously been extremely competent as a member of Congress, he is very popular because he came out clearly against the war, it was so clear even I did not like his position, but I really admired him and I think a lot of people feel that way. So you can see why he would want to challenge Hoyer. But Hoyer is a perfect counterpoint for Pelosi. He is well liked, he is very good on television. Hoyer is an ideal number-two guy, and to run the floor and the members admire him, so this is a regrettable thing that you are going to start off with a little trouble in your own backyard. Similarly, they could have trouble in the Whip race, too. That could turn out to be very difficult because you have issues of the Black Caucus here, and the Black Caucus already took one from Pelosi over the Jefferson issue. I think they were pretty not necessarily in agreement that Jefferson should be removed from the Ways and Means Committee, so these are messy little things and it will be interesting to see how she handles them. I will bet she will do a good job and I will bet she will get these both resolved, Hoyer will wind up I would guess being Majority Leader and there will not a bloodbath or anything and

she will say it has all been very healthy. So I think it will work out well, but they are difficult situations for her.

MR. MANN: Let me follow-up with a couple of things. One, Pelosi has managed one of the problems already. Late yesterday after discussions with Rahm Emanuel and Larson, it was announced that seek the position of Chairman of the Caucus, not Whip, and Larson will stay as Vice Chair of the Caucus, but both the Chairman and the Vice Chair would have expanded authority and responsibilities. And now there is still the possibility of a Colorado Democratic challenge on the Whip. Gary, have you heard whether she had announced? There is a possibility candidacy, but it seems to me that Clyburn will be the Whip. And like Ron, I am guessing that Pelosi is simply waiting for Murtha to do some counting and then say you are not there, it is not going to happen, step aside. So I have a feeling it is going to be a fairly peaceful leadership transition here.

One of the problems with Murtha is that he effectively killed the ethics package this last time. There were 20 Republicans who voted for the motion to recommit which was the Democratic alternative this time, but four Democrats led by Murtha opposed it and good reporting suggested it was partly garnering some additional earmarks. This is not exactly the image you want to begin with.

On the Republican side, it looks as if we are going to have a team ticket with Pence, Shadegg and Putnam competing for Majority Leader, Whip, and Conference Chair. It is very interesting. This is a conservative group who believes that big government conservatism has really harmed the party in many ways, both in wheeling and dealing with K Street, the earmarks, the big spending, and they are offering an alternative. I do not know how that comes out, but certainly in the past after electoral defeats, Republicans have not been hesitant to keep out their team. And even though Boehner has had 9 months in office, he is seen as part of the team.

MR. HASKINS: But he has been leader forever though.

MR. MANN: Effectively.

MR. HASKINS: He has been in leadership before.

MR. MANN: Right.

MR. HASKINS: Before he went to Education.

MR. MANN: Do you have a sense, Ron, as whether this dissident team can depose?

MR. HASKINS: No, but I agree with everything you have said. Republicans are looking for a big change, and I think of all the things, I mean the war obviously, but the other big issue is that I think a lot of Republicans think we became a party of big government; they have taken a giant step forward. I think that is going to be one thing that members take from this election, that we need to

be a lot more fiscally responsible. And I think Democrats will help unite Republicans on that. Maybe Pelosi can really curb the tendency of Democrats to spend money, but there is a lot of pent-up desire to spend money by Democrats and it is going to be fun to watch.

(Laughter.)

QUESTION: Given what you have said about the political urgency of dealing with Iraq before the 2008 elections, and given that the Democrats, not only do they not have a consensus, they do not even seem to have an idea with the exception of the one Ms. Rice mentioned about Senator Biden's idea of dividing the turf up. They do not seem to have an idea on how to end the war then or by anywhere near then. Is it conceivable that the more conservative Democratic Caucus, more conservative than it was, might team with the more conservative Republican Caucus and come up with a plan to commit still more troops, possibly even paying for them with a repeal of some of George Bush's tax cuts? Is that a possible option?

MR. MANN: No.

MS. RICE: No. That would be on Ron's list of "Not in Our Lifetime."

(Laughter.)

MR. HASKINS: Yes.

QUESTION: How can you get then by 2008?

MS. RICE: First of all, I think you overstate the lack of consensus within the Democrats as to how to approach Iraq, and I will come back to that. Secondly, even though the Democratic Party is arguably become a big tent party with a much broader spectrum from right to left, more centrist in the members who were recently elected, they are more centrist on the social issues. They are pretty much in the mainstream of the Democratic Party on economic issues, and Ron did a great job of going through that agenda. There is agreement on the minimum wage, there is agreement on education, an agreement on the need to do more on health care, help the middle class, equity. And they are not conservative on Iraq. They won in substantial part on the predicate that the current course in Iraq has been a failure and that course needs to change. So I do not see these newly elected Democrats either in the House or the Senate, whatever their views might be on abortion and gun control, lining up with Republicans to add more troops.

Moreover, I do not see even the conservative Republicans in the House advocating for more troops. And the President himself, you can argue this as one of the principle flaws in the approach, has not entertained a substantial augmentation of the troops over the last 3-1/2 years. So I do not see that happening.

MR. MANN: In fact, if you look at one of the most prominent of moderates, the former Republican, Jim Webb, it is a very aggressive anti-Iraq

policy that carried his candidacy. But look at Bob Casey or Tester or any of the others, you are right. On certain issues, as Susan said, mainly many social issues, they are quite conservative, but on Iraq, they are looking for a way out, not for a way to get more troops there.

We are going to finish up, and let's have a question right here, please.

QUESTION: Just to echo, Tom, the point you made. I am working with Senator-Elect Webb's transition team, and to follow-up on Susan's point, but to take Webb specifically as an example, he has said very emphatically that one central element of getting out of this mess is for the President to declare emphatically that we have no designs on permanent basing in Iraq. That is one thing. Second, the need to convene the regional conference of the historically related states including Iran and Syria. So my question is, based on that and other items I think on which Democrats broadly are in rough consensus anyway, how likely does the panel think that some action within the next 6 months following on the wake of the presumed Baker-Hamilton recommendations is there some kind of resolution?

MS. RICE: By resolution do you mean outcome?

QUESTION: Some kind of agreement. A grand bargain with the President.

MS. RICE: I think obviously none of us know, that is the first thing, going back to Ron, and this is where you have to underscore humility. But I think if it does not happen in the next 6 months so, it is not going to happen. This is the window. And I think certainly, to go back to a point I touched on but did not elaborate on, and you helped me elaborate on, there are actually a lot of areas of agreement within the Democratic Caucus, you pointed to several of them, the need for there to be fundamentally a political resolution to the underlying tensions that need to get back to the Constitution to make some accommodations for the Sunnis that were promised that have not been delivered, et cetera.

The difference, if there remains one, is about whether there ought to be a hard timeline, a hard deadline for withdrawal or an unspecified one and whether it ought to be something that the United States comes up with on its own or whether it is something that is done in consultation and dialogue with the Iraqi government. Those are not unbridgeable differences, and I think once we have the outcome of Baker-Hamilton, the question is in my mind, presuming that they come up with some option that envisions and eventual phased deployment, I pretty much expect the Democrats to be able to find a way to embrace that. The question I think will be whether the President can. And, frankly, if he cannot, it is going to be back on him to articulate, which he has failed to do to date, a really credible alternative that satisfies the powerful will of the American public on this, and I think that will be quite difficult for him.

So I do think there is some decent potential for coalescence around at least a theory as to how to move forward. But let's remember that this was a war of choice, it was a war that was started by President Bush and the Administration, and at the end of the day it is their responsibility to figure out how to end it with maximum success for the United States and minimal risk to our long-term national security, and to date they have failed to do it and the electorate punished them for it. If they are not seen as doing it between now and 2008, it is hard to image the electorate not punishing them again. We need to be clear that just Democrats won both Houses of Congress, it is not their war and they do not have the ability to solve it. That has to come from the Executive Branch ideally with the support and collaboration of the Congress.

QUESTION: If they keep funding it, aren't they going to be in trouble, too, in 2008?

MS. RICE: I do not think the American people want to see any Congress, Democratic or Republican, cut off support to the troops. There are other ways to get at it, you can get reconstruction assistance, you can get reporting requirements, you can get a phased traunching the funds, but to say we are going to cut off funds to our troops in combat, Democrats do not believe in that, and I do not think we would go there.

MR. MANN: Just to point out how much is resting on a set of recommendations from a "study group" that has not yet made any decisions, they

really have not come together as a collegial body and wrestled with this. There is a lot of hope here that somehow they will help chart a course out of the present mess. A lot of people are counting on it.

MS. RICE: Nobody more than the President.

MR. MANN: Nobody more than the President, but there is no guarantee that they are going to be able to formulate an approach that will serve the necessary purposes.

QUESTION: Thank you. This is for Mr. Mann. What level of interest do you think there might be in the new Congress for taking a fresh look at the Help America Vote Act?

MR. MANN: That is an interesting question. We avoided a meltdown, thank God, in this election, the Senate with the one seat determining the majority. Fortunately, while having two close races, they were quite decisive races in Montana and Virginia in the sense that there were no signs of irregularity that would have provided a basis for a legal challenge, so we avoided the potential disaster of litigation and weeks and months of counting.

We avoided that in the House because of the size of the Democratic pick-up, but let me tell you, there are five or six races that will almost certainly have an initial recount, and we have one race now, the Sarasota District, Katherine Harris's district, that produced the kind of outcome that people worried about with electronic voting machines and warned us about. We now have a

reported undervote in the House race in Sarasota of 1,800 votes in a race decided by about 500 and those who have done the analysis of the parts of the district where the undervote occurred forecast that right now the Republican candidate wins by about 500. The forecast is that if those votes had been cast with undervotes comparable to the absentee ballots in previous elections there and the national experience, the Democrat would have won by several-thousand votes, and no one knows yet what happened. The Secretary of State has sent a team there. This may take weeks or months to resolve.

That very seat could provide the impetus to take another look at this. Otherwise I would say the Congress has no stomach for it, it was hard to pass HAVA in the beginning, it was hard to get the funding out, and now they seem to have created new problems they did not intend to, one, the great concern about paper trails with electronic voting machines and new controversies about voter I.D. that the Congress did not realize it was sparking because it had a very limited provision having to do with those who register for the first time by mail having to have some identification.

So the bottom line is there are a series of concerns and problems, we avoided the meltdown this time, but we have one serious case that is going to have to be resolved. But I have the feeling we are going to deal with this not by new law, but by vigorous oversight and looking to other means to try to begin to deal with the problem. That is my best guess.

I want to say a couple of things, one, Ron's book really is good and it is a bestseller. You can order it through Brookings, and the information is out at the desk along with other books written by my colleagues.

I want to thank Susan, Amy, and Ron. You were all terrific and informative, and I want to thank all of you for coming. We are adjourned.

(Applause.)

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