

THE BROOKINGS INSTITUTION

FALK AUDITORIUM

ELECTION 2016: RESULTS AND IMPLICATIONS

Washington, D.C.

Wednesday, November 9, 2016

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## P R O C E E D I N G S

MR. WESSEL: Good afternoon. I'm David Wessel. I'm director of the Hutchins Centers on Fiscal and Monetary Policy at Brookings. I want to welcome everybody who's in this room, people who are in the overflow room next door, and who may be watching online. We're Tweeting this at #AfterTheVote, and that's important because if you're not in the room and you want to ask a question later, the best way to do it is to Tweet it to that. One of my colleagues will keep an eye on things.

I apologize in advance, given the intense interest and the number of people, I know that that there will be people whose questions will not be answered, but I suspect that this will not be the last conversation we have on this subject. (Laughter)

I think it would be -- it's obviously an exaggeration to say that we are surprised to find ourselves today talking about a Trump presidency and Republican majorities in the House and Senate. No matter for whom we voted, I think we all have a sense that something very big just happened in our country. And occasions like this demand, it seems to me, that we reexamine our prior beliefs and prejudices so that we can better understand the society in which we live, but they also demand that we sustain and defend the fundamental values and principles that we cherish as individuals, as an institution here at Brookings, and indeed as a nation.

This morning, Strobe Talbott, the president of Brookings, sent a note to the staff in which he reaffirmed that we will, to quote from him, "adhere to our core values; respect for facts; respect for rigorous analysis; respect for competing views and civil discourse; protection of our independence, both scholarly and institutional; and remain focused on our mission of improving governance." To paraphrase Strobe a bit, we know today that many Americans are deeply dissatisfied with the way their country is governed and we know also that other democracies in other parts of the world are

grappling with similar discontents that produced last night's result. And these have unsettling, sometimes even dangerous, political and geopolitical reverberations.

Now, there has already been a lot of instant analysis about this election on TV and on social media and in online commentary. And it's a tradition here at Brookings that we gather the day after the election to offer our preliminary observations, as well. I want to underscore the "preliminary." We're going to do that today, but I want us to keep a couple things in mind before I turn and introduce the panel here.

One, even on issues on which we intensely disagree, we believe in and practice respectful, civil conversation and argument.

Two, we should be very careful and humble today about predicting with certainty what follows Donald Trump's victory. I'm not even sure that Donald Trump knows what follows his victory. (Laughter)

And third, especially in a think tank inside the Beltway, a 100-year-old think tank, an institution which is in some ways a very symbol of the elites that so many Trump voters resent, we need to avoid over-generalizing and condescending to those Americans who voted for Donald Trump. J.D. Vance of Hillbilly Elegy has an op-ed in the New York Times today which points out that, "To suggest that many Trump voters are worried about something real invites scorn from certain corners of the media," and he might add the think tank community. Many people can't stomach the fact that people are driven to Trump by anything besides racism.

The decline felt in certain corners of the country is not just about economics; it's about every element of life, from family to life expectancy, to the drugs that have infected their communities. The feeling that so many of America's opinion leaders see their concerns as the produce of stupidity at best or racism at worst confirms the worst fears of the many. They already worry that the coastal elites don't care about

them and many of those elites seem happy to comply.

We are going to try and avoid practicing that today. We recognize that we live in a very divided society and we have a very diverse panel here to begin to speculate on what this means, how we got here and what this means.

On my immediate left is Elaine Kamarck, who's in our Government Studies program, who has among other things worked in Bill Clinton's administration and has been a long-time member of the Democratic National Committee.

Stuart Butler, who I want to make sure everybody understands, is, despite his accent, is an American citizen and actually has a Ph.D. in American economic history. (Laughter) So chances are he knows more than many of us who grew up here.

MR. BUTLER: So I'll be allowed to stay.

MR. WESSEL: Stuart is a colleague of mine in Economic Studies at Brookings, where he came to us a few years ago after 35 years at the Heritage Foundation.

MR. WESSEL: Bruce Riedel, who is -- is Rie-del or Ree-del?

MR. RIEDEL: Riedel.

MR. WESSEL: Riedel. Retired in 2006, after 30 years of services with the CIA. He was involved in, among other things, the Camp David peace process. He's now a senior fellow at Brookings and director of our Intelligence Project.

And on the far left is John Hudak, who's in our Governance Studies program; deputy director of the Center for Effective Public Management. Is that what you run, Elaine? Yes, and you're the director, the fund director. John has written about many things, one of which we'll talk about when we move past the Trump thing, is a short history of how marijuana emerged from the shadows of the counterculture illegality and become a mainstream public policy issue, which happened indeed just yesterday.

Stuart, if I might, I'd like to start with you. The popular vote is very, very close. In fact, the last time I saw it Hillary Clinton was ahead a little bit. But we know when you look at the exit polls that a lot of Donald Trump's support came from white, working-class Americans, who feel, as J.D. Vance points out, often with some justification, that somehow all the economic progress we've had has left them out.

A, do you think they're right? And B, more importantly, what kind of policies could we recommend to the president and the new Congress that might address their legitimate concerns?

MR. BUTLER: Well, we, as well as a lot of other research institutions, have looked a lot at the whole issue of economic mobility in America. Can people expect to move up if they work hard and so forth? And how is their trajectory in life likely to compare with their parents'?

And there's no question that you see, I think particularly among Trump supporters -- white working-class, black lower-income people, as well, a lot of others -- a feeling that the deck is somehow stacked against them; that they are not going to be better off, and the data's very supportive of that; and they're very pessimistic about the future.

They also feel, increasingly, I think, and you saw this very much in the election, that somehow there are obstacles that are being placed in front of them in some way, everything from sort of cronyism of various kinds. There are people making out very well in America, but not them. Immigration and so on. It doesn't have to be correct, but there's absolutely a perception of that.

And so I think when you look at this and you do recognize that we see a de-industrialization of much of America, particularly the smaller industrial towns in the South, in the Midwest, where we saw such a heavy vote for Trump. There is a realism to

that.

So I think in terms of how one is going to try to deal with this, I think a number of steps. First of all, I think for many of these people getting government to work on an everyday basis is so important. These are people who feel that the VA has let them down; they can't get an appointment. There's potholes in the road, all these kinds of things. So I think one element is both Republicans and Democrats, actually, and the White House beginning to take some steps to actually bring some effectiveness and efficiency back to government, getting things straight.

I think, secondly, that there are deep-seated issues, both economically and socially in this country. When you look at things like health care, we look at social policy, and so on, again, when we look at economic mobility in this country, we see a stickiness at the bottom. We see a failure of the school systems. There are many people in this country of all races who cannot expect their local public school to actually provide them anything approaching a normal education. And if they get through that, they find it very difficult or too expensive to get through college.

So there are enormous obstacles of that kind that have to be addressed. So I think there's a range of policies there.

And I say, finally, I think you will see a surge of activity in the area of infrastructure. I think that there is the feeling that the basic fabric of the country, literally the fabric of the country -- the roads, the bridges, and so on -- are in disrepair. And I think that's something where you could see a White House and a Congress and both parties in the Congress perhaps agreeing to move in those areas.

I think that will help to make a difference, but I think the division in this country and the prospects for different segments of the population are so different now that, as many have said, we really have two nations. We've seen this in other countries,

including my own, in the early 20th century. So we've got to think of it that way and begin to recognize those of us here in Washington, who maybe are immune from a lot of the things that the typical Trump voter sees, have got to really be realistic about what needs to happen.

MR. HUDAK: David, could I add just for one second. I agree with everything that you said and that a lot of Americans look at our system and see something that's broken. But something beautiful happened today. We had a Democratic candidate, who received more votes than her Republican counterpart, but lost according to the rules of the election, stand up and concede that election.

We then saw the President of the United States give a speech welcoming the president-elect who beat his handpicked successor, and committed to doing everything he could to help the peaceful transfer of power and to help the transition of the old administration to the new. That doesn't happen in a lot of places.

And so I think this is a unique moment to look at our system that is full of gridlock and polarization and is broken in a variety of ways, and see this shining moment of it working exactly the way it has worked for 240 years and working as effectively as possible to make sure that that transition happens.

MR. WESSEL: Elaine, how do you see the relationship between the Republican majority in the House and Senate and the new president? What are the questions we will have answered over the next few months?

MS. KAMARCK: Well, that's a really interesting question because it goes to what I think happened in this election. I think the Republican Party simply came home. And we in the press and think tanks we missed it because so much of the news was focused on Donald Trump's unorthodox personality, his Tweets, his this, his that.

The other day I showed my students at the Kennedy School the policy

points from Donald Trump's Gettysburg address, which got completely overrun by news of how he was going to sue everybody. Right? And that's all anybody focused on. But when you took that away and you just took the policy points, they were very mainstream, Republican Party policy points that have had a lot of appeal to people over the years.

So I think when I was looking at the exit polls this morning, what struck me was this looks like quite a normal Republican coalition. Republicans voted for Donald Trump even though many of the Republican strategists, certainly many of the Republican elites were basically kind of appalled at him.

So now that we move into this next stage, the interesting question will be can they get along? Right? I mean, there's no love lost between Paul Ryan and Donald Trump. Behind the personality questions there are some deep, philosophical questions. Donald Trump is a big supporter of the status quo in Social Security and Paul Ryan is not.

So these are things that I think are going to continue to create problems. The Trump coalition is Republican, but with some very significant differences between it and the Republicanism in the Congress.

MR. WESSEL: John, how do you see this playing out, the institutional relationship between the Congress, which is very jealous of its prerogatives, and the new president who has very little experience in this world?

MR. HUDAK: Well, one of the mistakes that new regimes have is this idea that under unified government everything gets fast-tracked, everything gets streamlined. And they have to realize that they're not going to agree on everything. Yeah, they're going to agree on the repeal of ACA and tax reform and a few other things, but the Congress is going to be an institutional roadblock for a businessman who doesn't encounter roadblocks. So this is going to be a cultural change for Donald Trump and his



administration as much as it is going to be a governing change.

There is going to be a lot, like I said, that Republicans agree on and there's going to be dramatic public policy change in this country starting on July 20th -- January 20th, forget by the time July comes. (Laughter) But what is going to happen is this dance that happens. We saw this at the beginning of the Obama administration with giant majorities of Democratic control of both Houses, but a president who at times was unable to get through parts of his agenda. The Congress will be much more divided now than it was in 2009.

And for Trump, for the new president, we are going to experience this period of time where everyone gets to know each other. You know, our last president went through a period of time where he got to know his own Senate colleagues. This is someone who is completely outside the system. The Congress needs to get to know the new president, the new president needs to get to know Congress. And they all have to get on some sort of a same page to understand what is achievable and what needs to be left behind.

MR. WESSEL: So, Bruce, what is Vladimir Putin thinking right now?

(Laughter)

MR. RIEDEL: I think Vladimir Putin had a great night. (Laughter) It'd be interesting to know what sales of vodka were like in Moscow. (Laughter)

Vladimir Putin did everything he could to signal that he wanted Donald Trump to win and he engaged in a cyber war against the United States' Democratic Party. It's really extraordinary when you think about it, a foreign power interfered in our political process. Now, I don't want to credit that with the outcome in any way. I don't think it really made that much of a big difference to the outcome, but they did interfere in our political process.

It's difficult to judge Donald Trump's foreign policy because more campaigns have a bunch of foreign policy experts and they write all kinds of position papers and the person has been forced to defend themselves in the debate. We didn't have that this time. For example, the war in Afghanistan, America's longest war in its history, didn't come up once in the three debates. We don't know what his posture is on Afghanistan.

What I think we can say, though, is this: he has in the course of the campaign challenged some of the very cornerstones of Americans foreign policy as we have known it for the last 70 years. One example, NATO. He hasn't said he wants to leave NATO, and there will be powerful bureaucratic forces that he's going to deal with, people who he has never met before either, that are going to press to stay inside NATO. But he's diminished it. He said he doubts its value to the United States. That's all music to Mr. Putin's ears. And if you're living in Estonia today, you should be scared about what your future is going to be like, let alone if you're in the Ukraine or in Crimea.

I think we're going to see a foreign policy that could be remarkably different than what we've seen before and remarkably different from what Republicans have spoken about before.

One of the most interesting things in the vice presidential debate was that Vice President-elect Pence said he would support a No-Fly Zone over Syria. Within hours, the president, his running mate, said nope, we're not going to do that. I'm not on board there. The kind of traditional bipartisan foreign policy we've seen could be a casualty of what happened yesterday.

MR. WESSEL: But, Bruce, just to remind you of my anxiety about saying anything with certainty, chances are Donald Trump didn't actually -- wasn't confronted with sitting down with whoever he picks on the National Security Council, meeting the

Joint Chiefs of Staff, and actually having to weigh these decisions that he was so quick to Tweet about. Right? So is it possibility, is there a possibility that faced with the reality, you know, when they brief him on this is the button you push to -- that we get something less than he talked about, something less dramatic?

MR. RIEDEL: Certainly.

MR. WESSEL: I mean, every president I've ever covered was about to go to war with China over trade and then as soon as they get into office, they discover that, well, maybe that's not such a good idea.

MR. RIEDEL: As I said, because he never really laid out --

MR. WESSEL: Right.

MR. RIEDEL: -- clear, well-defined policies, we got sound bites and we're trying -- all of us are trying to extrapolate from sound bite is there a policy behind it? I suspect that he's trying to figure out what the policy is behind it.

MR. WESSEL: Right.

MR. RIEDEL: Yes, he can walk back some of these things. I don't think he's going to tear up the nuclear agreement with Iran on the first day in office. In fact, he can't actually do that since it's an agreement that has the support of the international community and is underpinned by a United Nations Security Council resolution.

All that said, I've served through three transitions going from a Republican, to a Democrat, Democrat to Republican, and then Republican back to a Democrat. There's a lot of, you know, finding yourself around, but there's also an awful lot of we're in charge now and we're going to do it. We promised we were going to do it in the campaign and we're going to deliver on those campaign promises.

MS. KAMARCK: That, I think, Bruce, and your point, gets to the crux of the anxiety in the country, which is who is this guy? How much of this is an act? How

much of this is a way to signal to his followers that he's tough and he's principled, et cetera? And how much of this is real?

And I think the fear that a lot of people have about President Trump is that he will not sit down with his national security advisor and the generals and walk through a sort of reasoned approach to NATO or any other policy question for that matter. That, in fact, he will be constantly doing things that the rest of his government is trying to catch up with or correct, et cetera. We saw that a lot in the campaign. Okay?

Kellyanne Conway practically lived at CNN, saying almost every day, well, no, he didn't mean that. Okay? So the question here really goes to, and this is unique in presidential politics, it goes to the character of the man. Who is he? And is he the caricature that he stepped into during the campaign or is there a serious person somehow behind that?

MR. WESSEL: Let me ask you one question, Elaine, about the Democrats. So you've said Republicans came home. My understanding, John, you had a number that the turnout was 5 million less, you said?

MR. HUDAK: Yeah, about 5, 5-1/2 million.

MR. WESSEL: Five million fewer people voted in 2016 than voted in 2012, right, despite this vaunted Clinton turnout effort. Why, if Republicans came home, why did Democrats, or so many of them, stay home?

MS. KAMARCK: I think that -- I mean, it's a little bit hard to say. We do know that Hillary Clinton underperformed in all the key demographic groups from what Barack Obama had done. There's two possibilities, right?

Possibility number one is that Bernie Sanders took her down; that in a change election Bernie Sanders had somewhat the same kind of argument that Donald Trump had: she's more of the same, she's not change, she's part of the corrupt

establishment, et cetera. And that may have affected some of the people seeking change in the Latino community, the African-American community, and among young people, where she also fell short of Obama's numbers. So that's one possibility.

I think the second possibility, which we saw in some polls, they didn't quite ask it in the -- well, they asked it a little bit in the exit polls -- was I remember that Trump voters when they asked why are you voting for the candidate you're voting for, a big, big chunk of them said they disliked the other candidate. So I think that the irony here is that while Trump was kind of a, you know, clown from time to time in the campaign and everybody thought, oh dear, oh dear, oh dear, people took a serious dislike to Hillary Clinton. And the Republican Party and the Trump campaign pushed that and moved it and did a lot to augment what was there. And so I think that is responsible both for her underperformance among Democratic groups and for Trump's over-performance and being able to basically bring back Republican voters into the fold.

MR. WESSEL: Stuart, we are an increasingly non-white nation. Everybody has their favorite factoids about the number of kids born in America to people who are not white is greater than the number born to white mothers. And Bill Frey, our colleague here, has all sorts of charts and graphs. But when I think about the challenge that Donald Trump faces, it seems to me this is a substantial one: that he is seen as having been elected largely on the votes of white people, primarily white -- or heavily white men, and he is seen as a threat by many people of color. Where do we go from here given the diversity of America and the large number of people who feel kind of insulted by him?

MR. BUTLER: Sure. I think you're absolutely correct. I think that's an absolutely correct analysis of what's going on. And I think just to pick up on what John said earlier, you know, there's an enormous challenge for the Republican Party generally

and for Trump within it. Trump has to learn that the congressional sausage-making machine is slow and not always in a direct line. He's got to understand that.

MR. WESSEL: That's an understatement. (Laughter)

MR. BUTLER: Yes, which is very different from any businessman's experience, to be frank about it. In addition, of course, the Republicans now own everything and will shortly own the Supreme Court one presumes and, therefore, they've got to show success. So I think you've got these two big challenges they face.

One is this issue of, you know, how can they show success? I think there are some strategies to do that, but they've got to perform. And then secondly, you're right that if you look at the longer term and the patterns of America, if the Republican Party is not able to build the kinds of bridges and to talk in terms that appeal to this non-white population in this country, it will ultimately fail.

And that's why I think there's going to be a big debate, there is a big debate, within the Republican Party about the tradition of Jack Kemp, of Ronald Reagan in that regard, and others, who took the view that markets and capitalism and so on is good for everybody, and they should go out and proselytize to everybody and do things in that way. And that's where Ryan's in a very tricky position because that's his heritage. He literally worked for Jack Kemp.

And so there's going to be struggle within the party, both within the Congress and outside, as to which vision of Republicanism and conservatism is going to prevail. Is it going to be one that says, you know, individual empowerment and choice and markets and so on is good for everybody and we'll make sure that it's available to everybody or will it sort of shrink into a much smaller kind of vision of the future, which is ultimately bound to fail?

MR. WESSEL: John, do you think there's a chance here that as

president, Trump has a few priorities and that he effectively delegates the rest to the Republican leadership in Congress? I have in mind, for instance, he clearly feels very strongly about trade. And as I understand it the president has an extraordinary amount of power on trade and that's even just the words can make a difference, but there's ways to invoke tariffs or to threaten other countries. So you can imagine him -- and he doesn't need much help from Congress there. It's not like cutting taxes or spending more money on infrastructure.

On the other hand, is it plausible that the Senate Finance Committee and the House Ways and Means Committee get together and do some business tax reform thing and Donald Trump looks at it and says, well, you know, as long as you're raising the tax on carried interest or something, I can live with it, and we end up with much more of a congressional governance on that stuff while he limits himself to the three things he cares about?

MR. HUDAK: I think it's likely that he's going to find a few priorities, a few pet projects and run with it. I think if we look at his career it's going to give us a little bit of an insight into how he'll govern. This is a man who has a lot of properties and at certain times during his career, he will focus on one or two of them as his pet projects. I think that's how he'll govern with policy, delegating the rest perhaps to Congress.

But it's important to remember, the president-elect sees Congress as part of the corrupt system and even Republicans in Congress as part of that corrupt system. And so the delegation to the Congress I think will be limited. I think the delegation to the cabinet and to other agencies within the cabinet will be much more significant. And we'll see someone as president who is constantly looking for some sort of metric of success, of winning, if you will.

And, you know, one of the most remarkable things about President

Obama's first term was cabinet stability. He actually had the most stable cabinet since Franklin Pierce in his first term. We are not going to see that in this administration, and maybe that's a good thing.

MR. WESSEL: Donald Trump is no Franklin Pierce, is that what you're saying? (Laughter)

MR. HUDAK: He's no Franklin Pierce. But we're going to see something different. We're going to see cabinet secretaries, agency heads, and others really held accountable for failures, for failing to live up to the expectations that the president-elect sets. And I wouldn't be surprised if there was a lot of "Your fired's" along the way trying to achieve what he wants to achieve. Even if it's not something he's chasing after as a specific policy, if he doesn't think it's a win, then it's a loss and that person's gone. And so you might see a lot of appointee turnover early on in the administration and perhaps sustained through the administration because of that delegation.

MR. WESSEL: Bruce?

MR. RIEDEL: You know, always the most popular game inside the Beltway the day after is trying to figure out who's going to get what job.

MR. WESSEL: Right.

MR. RIEDEL: We're so stunned by the results we haven't really engaged in that yet, but we will within a few hours. (Laughter) And I think this gets to an important question that you raised about minorities, about women, about Muslims. Who does he put in his cabinet? Is his cabinet a carbon copy of himself, a white man? Or does he now begin to reach out and try to get women into his cabinet, to get African Americans, Hispanics? Does he try to reach out and find a Muslim for maybe not a cabinet-level job, but an undersecretary-level job?



If he doesn't do that, if by January 20th we have a cabinet which looks an awful lot like Newt Gingrich times 12, the anxiety level in this country is going to peak because we're going to start saying, look --

MR. WESSEL: I don't think there's 12 Newt Gingriches for better or worse. (Laughter)

MR. HUDAK: I think the anxiety level in this room just peaked when you said that. (Laughter)

MR. WESSEL: But, Bruce, what about will we look back on this period in the wake of Brexit and this vote that said this was some inflection point in globalization, thinking of defining globalization as the flow of people across borders in terms of immigration, the flow of capital across borders, and, of course, the lowering of barriers to trade and goods and services? I mean, that was an issue, he took a side.

MR. RIEDEL: He took a clear side. It was very clear.

MR. WESSEL: And Hillary had to move in that direction because of Bernie Sanders.

MR. RIEDEL: Right.

MR. WESSEL: I mean, there's not many people standing up for what used to be considered conventional liberal, in the British sense, economic order.

MR. RIEDEL: The kind of cornerstones of American national security, American foreign trade policy, he's rubbished them.

MR. WESSEL: So just if you had to guess, and I use the word "guess" advisedly, five years from now when we look back and say, wow, this was one of those inflection points in history or is there enough momentum so that, you know, the bicycle will wobble, but will keep going?

MR. RIEDEL: Well, now you really -- I mean, five years.

MR. WESSEL: Nobody will remember in five years what you said.

(Laughter) That's why I'm not going to ask you who his Treasury Secretary is because people will remember that.

MR. RIEDEL: I think we will see it as a fundamental breaking point. I think this really is a big deal because he has repudiated so many of the bipartisan cornerstones of national policy over the last 70 years.

Now, will he walk some of those back? Will he make adjustments? Is he really going to start building a wall on the 21st of January? He may, but he's made a lot of commitments and he's going to have to show his core constituency he's delivering on those. I would bet on a wall. If you're a construction company in Arizona, good news.  
(Laughter)

MR. WESSEL: Well, Rob Portman, the re-elected Republican senator from Ohio, said today it might be a virtual wall.

MS. KAMARCK: A virtual wall. (Laughter)

MR. WESSEL: So, John, I don't want to completely divert the conversation to marijuana, but it seems a shame not to talk about it. As a result of referendums, you'll know the states, California and a couple others, marijuana's now legal as a recreational drug, correct me, in places where 20 percent of Americans live, as long as it's not in the United States, something like that.

MR. HUDAK: Yes, there were five recreational and four medical marijuana ballot initiatives voted on yesterday: the five recreational initiatives in California, Arizona, Nevada, Massachusetts, and Maine; the medical initiatives in Montana, North Dakota, Arkansas, and Florida. Everything but Arizona passed. This was a remarkable moment for the marijuana reform advocacy community getting quite a few wins, and the number of states that have come online, as you said, puts a significant

number of Americans in legal marijuana states. It's changing public policy in significant ways in those states. It is going to be an issue that President Trump, his attorney general, and others within the administration are going to be facing in a serious way as California comes online, as Nevada comes online.

MR. WESSEL: You mean whether to enforce federal law and, if so, how in states that have made it legal?

MR. HUDAK: Exactly. There's a lot of issues in this country, marijuana is just one of them, in which on the campaign trail Trump's view wasn't all that far away from Barack Obama's, and this was one of them. Clinton and Trump were pretty close on marijuana policy, not identical, but pretty close.

But the question facing marijuana activists right now and marijuana business owners and patients and customers in these new states is will the new president, will President Trump carry on the Obama doctrine on marijuana? Will this be something that he delegates perhaps to an Attorney General Giuliani, who is very forceful in terms of the crackdown on drug use, and marijuana in particular, if you look at his record as mayor of New York?

MR. WESSEL: Just so we know, define the Obama doctrine on marijuana. It's not something I'm familiar with.

MR. HUDAK: It's a hands-off approach to the enforcement of the Controlled Substances Act that says if a state reforms its laws for recreational or medical marijuana use, it sets up a regulatory system and the players within that system don't engage in certain bad acts, like sales to children or engaging with drug cartels, then the federal government will take a hands-off approach. They will use enforcement discretion not to go after those businesses and to divert criminal -- sorry, law enforcement resources to other states and other actors and other drugs, frankly, like opioids and

fentanyl and others. And that has been a workable solution right now under Obama.

It's probably the most face-saving solution for the new administration with the prospect of shutting down this many marijuana operators nationwide. But there are a lot of people, a lot of Trump supporters and surrogates, who are vehemently opposed to this.

And so we talked about, you know, key moments, and clearly key moments in terms of foreign policy and what it means for the future of America far outweigh what this key moment is, but there are a lot of nervous people in this industry and looking to get into this industry who woke up this morning with a result they didn't expect. And they saw a lot of states come online as legal marijuana states, which thrilled them, and then they saw the outcome of the presidential election, which gave them a little bit of pause.

MR. BUTLER: If I could just comment on that because, first of all, it's a bit surprising we're getting into this issue and thinking about it as an industry and that we ought to be sort of somehow supporting it.

MR. WESSEL: Well, because it was John's expertise, I thought we owed it to him to allow him to plug his book. (Laughter)

MR. BUTLER: But let me just raise a point here, which harkens back to the first question you asked me about what is going on --

MR. WESSEL: Right.

MR. BUTLER: -- in this low income, white -- not only white, but white community. And we see this as pessimism about the future, at people being de-linked from the workforce, just not working at all, not even trying to work, looking for alternatives for recreation, and so on. The idea that we should be encouraging an industry that makes marijuana more available to such people and to younger people who are trying to

get through high school, and we know a lot about the medical effects of marijuana on concentration, particularly in teenagers and so on, I think it would be a disaster if we saw this spreading any further.

This is not a sort of middle class or upper income, cosmopolitan issue. This is an issue about what are the steps needed to enable people for whom America is failing that they're not being able to move up the economic ladder, what do we do to help them move up? This would be definitely a step in the wrong direction.

MR. WESSEL: Elaine?

MS. KAMARCK: Yes, let me make something clear to our audience. Brookings, Governance Studies, we study marijuana not because we have an opinion as to whether or not it's good or bad, and I share many of your concerns about children, especially adolescent brains and marijuana. I think the research is pretty strong on that. But it is a massive experiment in federalism. And we can learn an enormous amount about an evolving 21st century federalist structure from the fact that we have states taking action on these issues with the federal government opposed.

And so we saw a little bit of this -- we saw the beginning of this kind of 21st century federalism with gay marriage, and we started to study it then. Marijuana is proving maybe the biggest test and maybe the biggest evolution of the federalist system that we've had in a long time. So we are looking at it because of the governmental aspects, which apply not just to marijuana policy, but can apply to all sorts of other policies where states decide to try and get ahead of or stop something that the federal government is doing. And this goes all the way back to *Marbury v. Madison* and the roots of our republic.

MR. BUTLER: I wish we were looking at another area to experiment in.

MS. KAMARCK: Well, but that's the one here.

MR. BUTLER: For example, improve the availability of health care and other resources to people by using the federalist system. That would be much more interesting.

MR. WESSEL: So let me take you up on that one. I don't want to divert. So you have written repeatedly that the way out of the gridlock over the Affordable Care Act is to not repeal it, per se, but to widen the flexibility of states to achieve the goals of the Affordable Care Act in different ways. So repeal of the Affordable Care Act did not seem a very likely prospect if we had a Democratic Senate and Hillary Clinton as president. And I suspect it's still an obstacle, a filibuster issue in the Senate. But still, the odds of it happening or at least passing a bill that's called the Repeal Affordable Care Act, which may repeal none of it, but it'll have that title, those are all possibilities.

MR. BUTLER: Very likely.

MR. WESSEL: So sketch out for me a possibility here where we hold on to the parts of the Affordable Care Act that are popular, but allow states to experiment more, which is kind of a compromise from the repeal and we'll replace it, but I don't know with what.

MR. BUTLER: Yes, well, I think it's an excellent experiment in federalism one can contemplate here. (Laughter) I think you're absolutely right, first of all, that even though there will be a bill, which I'm sure has the word "repeal" in it, going through in this area, first --

MR. WESSEL: I think it'll be like we can probably -- it'll have the words -- you could come up with a title. It'll be R for something, E for something, you know, and it'll be called the REPEAL Act.

MR. BUTLER: Very likely. That's a very good --

MR. WESSEL: You could have a contest.

MR. BUTLER: Let me write that one down. (Laughter) I think that's very likely. But first of all, I think that the idea that you would just overnight or at least through a bill remove the availability of health care, either through the Medicaid program or others, to millions of people, most of whom are the very people who are feeling that -- are being pessimistic about the future of the white, working class population and so on, I don't think is very likely.

And if you look very carefully that is not actually what now President-elect Trump has been discussing. He has been talking about the idea of moving certainly the Medicaid program and other resources to the states and also of looking at individualizing in some way the resources available through exchange plans and so on.

There's a pattern here to say not that we undo the notion of giving people support to get adequate coverage, but allowing a diverse way of doing it and experiment in how best to do it. There are states on the liberal side as well as the conservative side who would embrace that without any question, who want to see a more -- towards a single-payer system, for example.

So, yes, I think you could see and I think you will see a movement very much in that direction, and there are multiple ways of doing it. Even within the existing Affordable Care Act there are provisions that would allow states to come forward and say we want to get rid of the mandates, we want to get rid of the exchanges, we want to reach the objectives in the Affordable Care Act in a very different way. That's in the law. It hasn't happened because the Obama administration was unenthusiastic about that part of the law. But a Trump administration can absolutely do that.

So even without legislation going through you could see enormous changes. You could see enormous changes through the considerable discretion that the White House has in dealing with the states in the major programs and in the Affordable

Care Act. So I could see that you could see a dramatic change in the nature of the law without a change in the law.

Certainly if a repeal bill goes through, I don't think it's going to get rid of things like allowing parents to have their children on their coverage till 26 and so forth, you know, preexisting conditions and so on. Many of those things have had bipartisan support for many years.

So I think it's going to be a complicated response to this. It's a great slogan to say, "Repeal Obamacare," and there are many things that should be repealed. But I think in practice, you're going to see an evolution of this towards a much more state-driven system with a lot of diversity, but a commonality of what it's trying to do, which is --

MR. WESSEL: So Elaine will have something to study besides marijuana. (Laughter)

MR. BUTLER: I think so. I would put that under advisement.

MR. HUDAK: I think the idea that this is going to be a careful, deliberative process is a bit outside the realm of political reality. There are a lot of members of Congress who have gone to Washington promising to repeal this law.

MS. KAMARCK: You bet.

MR. HUDAK: And they have had an out for six years by saying the Democratic Senate wouldn't let us do it. We finally were able to repeal it, but the president wouldn't go along with it. There is no excuse now for the Affordable Care Act to stand.

MR. WESSEL: Right, I'm sure they will pass a bill that repeals the Affordable Care Act. The question is what parts of the Affordable Care Act will remain --

MR. HUDAK: Oh, no, I get that.

MR. WESSEL: -- and they'll say we repealed it?



MR. HUDAK: And once the people --

MR. WESSEL: So I think all Stuart's saying is how do they -- they still have to write a bill and you pass a bill that says we repeal everything in the Affordable Care Act, millions of people lose health insurance coverage, I don't know that that's what they have in mind.

MR. HUDAK: But I think the heart of this law is going to go away because there's the risk of a primary if it's a weak or empty repeal, and that's what a lot of Republicans are scared to death of. If you sort of, you know, rearrange the deck chairs of Obamacare and then, you know, empower states, there's going to be a lot of conservative Republicans ready to jump in.

MR. WESSEL: I think that's a marketing question. Let me posit something else. There was even before the election about -- there seemed to be very little appetite for doing anything about the long-term projections that the debt would rise. The debt is high now relative to GDP. It's about 75 percent of GDP. It's never been higher except for a few years after World War II. There seemed little political urgency to deal with it and, indeed, with interest rates low, there seemed to be little activity from the markets. I saw the bond market wasn't happy today, but I don't think it had anything to do with the fact that they woke up and discovered that we don't have the funding to pay for Social Security and Medicare promises that we've made.

It seems to me, I'm just going to assert this and I'm interested if anybody has a reaction, that the coming year will be a year in which we do not do anything much about the long-term debt. And, in fact, on balance, we're more likely to have expansionary fiscal policy, some combination of tax cuts and increased spending on defense and infrastructure, and that -- I mean, I saw a Goldman Sachs analysis today, which a lot of credit for their courage to actually put numbers on this to the second

decimal point, that had .75 percent of GDP fiscal expansion in 2017. They apparently didn't get my memo about don't predict things with a lot of certainty six hours after the polls close. (Laughter)

But is anybody challenging it? It just doesn't seem like, A, nothing's going to happen on the long-term debt; and B, if anything, we're going to increase the deficit from what it would otherwise be?

MS. KAMARCK: Oh, I think you're absolutely right. I can't remember a time when there was this little interest in deficits. Okay? It had a little boom around Greece, when a lot of people -- when the Greece crisis first went into American consciousness, when a lot of people thought, oh, my god, oh, my god, we're going to become Greece. And much to my amazement this issue disappeared. We do not see it in the polling.

Some of you may know, we have a very big primaries project going on here at Brookings, where we examine everybody who runs in congressional primaries, which is a way to see what the interparty demands are. And you see debt reduction there among the Republicans only, and it's about a fifth priority.

So I think your prediction is right. I think we will see expansionary policy and I think that nobody really cares about the debt right now.

MR. BUTLER: I think that's absolutely right. I mean, I don't think it's a great idea that that's right, but it is right. And I think until people see an effect of larger deficits, particularly in larger debt, which it's inflation or high interest rates, unless they see that and associate it with it, then there's not a call for action.

MS. KAMARCK: And you're not going to get it.

MR. BUTLER: It's a freebie. Why not cut taxes and spend more if there's no consequence?

MS. KAMARCK: That's right.

MR. BUTLER: I mean, it's a pretty rational position if there's no consequence to it.

MS. KAMARCK: That's right.

MR. BUTLER: And that's, I think, where we are now, which, you're absolutely right, there's no enthusiasm at all to deal with it. And if you're going to deal with the long-term issue, if you look at the long-term question, it's the entitlement programs. It's Social Security and especially Medicare, and nobody, including Mr. Trump --

MR. WESSEL: Except Paul Ryan.

MR. BUTLER: Paul Ryan.

MS. KAMARCK: Paul Ryan, yes.

MR. BUTLER: Yes, absolutely, Paul Ryan, but nobody else is in any way enthusiastic about taking on those issues.

MR. WESSEL: I'm going to turn to questions in a minute. I just want to repeat that if you're not in the room and you want to try and pose a question, #AfterTheVote on Twitter, and one of my colleagues will keep an eye on it.

Bruce, can you just look across the globe and tell us where you think a Trump presidency is most likely to face the biggest challenges? And you mentioned our whole framework for foreign policy is being questioned. Is it China? Is it the Middle East? We talked about Russia already.

MR. RIEDEL: Sure. Well, I think there's an immediate question: Does he build a wall? And does he try to somehow, I don't know how, get Mexico to pay for it? We could have a crisis with our Mexican neighbor starting in January -- starting even before January.

MR. WESSEL: Right.

MR. RIEDEL: We noted before, the Brookings Board of Trustees is bizarrely meeting in Mexico City this week, which either shows incredible presence of mind or a lack of attention to scheduling. (Laughter)

MR. WESSEL: We'll put that to a vote of the audience later, a secret ballot.

MR. RIEDEL: We could have -- and I say with Mexico, it could be more than with Mexico. It could be with Latin America's whole --

MR. WESSEL: Right.

MR. RIEDEL: I think beyond that, the Middle East, which has tortured every American president now going back decades, is likely to torture Donald Trump just as well. He says he has a policy for dealing with the so-called Islamic State. I think, in fact, we'll see a lot of continuity there because the policy that is dealing with the Islamic State is actually doing better than expected in many ways these days.

But how is he going to deal with the Iranian nuclear deal? What is his response going to be? Is he going to increase sanctions on the Iranians, which could bait the Iranians into leaving the deal? Does he have a posture towards the JASTA, the Justice Against Sponsors of Terrorism Act, which was the only bill passed by the Congress.

MR. WESSEL: This is the one that gives the 9-11 families the power to sue Saudi Arabia.

MR. RIEDEL: Right, sue Saudi Arabia. Is he going to do nothing about that or is he going to try and repeal it? If he doesn't do anything about it, we and he are going to be confronted early this winter with a whole series of suits against one of our most powerful, most influential allies in the Muslim world.

Given that there is intense concern in the Muslim world about what Donald Trump stands for, about his announcement that he was going to ban Muslims from coming into the United States, about the way he dealt with the Humayun Khan family, that's an awfully rocky way to start off your relationship with the world's fastest-growing religion, by suing the custodian of the two holy mosques.

I think China, it's more difficult to say. He wants to make deals. He says he wants to make deals. Is he actually going to live up to some of the things he said about tariffs and stuff like that? As you rightly noted, he has an awful lot of discretionary power on those kind of issues. We'll see.

MR. WESSEL: And Bruce, finally, so what happens with the Supreme Court? Presumably, he will nominate somebody, perhaps one of the people on his list. You'd think that the Republican Congress would be -- the Senate would be inclined to support that person. You don't know what the Democrats would do. What are you looking for there even though we can't predict?

MR. RIEDEL: Right. If he nominates a person from the list that he's put forward so far, I think that person will be (inaudible).

MR. WESSEL: Do you agree with that, John?

MR. HUDAK: Yes, I think so. I think one person who would get fast-tracked through the Senate would be is if he picked Ted Cruz because the Senate's willing to get rid of him.

MR. WESSEL: Just to get rid of him, yes. (Laughter)

MR. HUDAK: You might actually see a unanimous confirmation in that case. (Laughter) And he's, honestly, a young true conservative and someone who, strategically, I think any presidential candidate would like to get off the stage and on to the Court. There's a lot of appeal for Ted Cruz.

MS. KAMARCK: And with a respectable constitutional background.

MR. HUDAK: Absolutely.

MS. KAMARCK: I mean, he really -- I mean, he's very conservative, but Ted Cruz is no dummy when it comes to constitutional law, so that fits many categories.

MR. WESSEL: I have to confess, that one hadn't occurred to me. (Laughter) And maybe it would be a way to get more Supreme Court justices to resign, so that he could have more openings. (Laughter) Maybe that would be the strategy since Ted Cruz seems to be uniquely unable to get along with his peers in the Senate.

MS. KAMARCK: Right, that's exactly right.

MR. WESSEL: All right. We have a lot of people here and I'd like to get time for questions, and I have a suggestion. The temptation will be to pretend you're on the panel and give a speech, and I'm going to be aggressive in cutting you off. And I think what I'll do is I'll take questions in groups of three and let one or two of the panelists reply because, otherwise, we'll end up in this ritual of one person asks a long question, four people give long answers, and by then it'll be time for cocktails. (Laughter)

So the gentleman in the middle here, let's start with him.

MR. GASTEV: Sergey Gastev, Financial University, Moscow, Russia. Will President Trump lift sanctions on Russia? And will President Trump repeal Dodd-Frank? Thanks.

MR. WESSEL: Lift sanctions on?

MR. GASTEV: Russia.

MR. WESSEL: Russia, okay.

MR. GASTEV: And Dodd-Frank.

MR. WESSEL: There's a woman over here.

MS. O'CONNELL: Thank you. I'd like to follow up on --

MR. WESSEL: Can you tell us who you are?

MS. O'CONNELL: June O'Connell. I'd like to follow up on some of the suggestions about executive power to just act. One is tearing up the Dream Act, which was an Executive Authorization. There are also federal agencies who, in a vacuum, did things like the Department of Labor with the fiduciary duties, those sorts of regulations. And those could be quickly rescinded. So I'd like your views on really the number of things that could be done quite quickly via one form of executive action or another.

MR. WESSEL: Question over here. Questioner, stand up so she can see you.

MR. GUHA: Thank you. Krishna Guha, Evercore Partners. I just wanted to ask the panelists what they think that President-elect Trump's approach towards Janet Yellen and the Federal Reserve will be going forward.

MR. WESSEL: Okay, sanctions on Russia anybody?

MR. RIEDEL: I think there's a good chance. He may not repeal all of them, but I think that there is a good chance that he will remove them over time. And certainly there were members of his inner circle who we know had connections there and who probably already made promises that these things are going to be removed.

MR. WESSEL: And does Congress interfere with this?

MR. RIEDEL: On this issue do you really think a Republican-controlled Congress is going to stand up and say we're against the president-elect, that we want to be more aggressive with Russia than the president-elect is? I think there are a lot of -- our colleagues on Massachusetts Avenue, who are Republicans, who are going to make that case. I'm not so sure there are going to be that many on Capitol Hill.

MR. WESSEL: Repealing Dodd-Frank?

MS. KAMARCK: I see there's one area where both ironically that's kind

of related to Dodd-Frank, and I don't know specifically about that, but there's one area that ironically showed up in the Republican platform and the Democratic platform, which was to reinstall Glass-Steagall. And so I think that -- and that was something that Hillary Clinton was like, you know, they sort of dragged her to being in favor of. And the fact that it ended up in both party platforms in a year when the parties are so polarized says watch that, okay, and perhaps --

MR. WESSEL: But wouldn't you agree that Donald Trump does not seem to be -- he is not in hock to Wall Street. He has some Wall Street advisors. He didn't run as the pro lower Manhattan candidate. But I'd say also -- so it's hard to tell whether he would be tough or less tough. But also, they can't repeal everything that Congress has done in the last 8 years in the first 45 minutes.

MS. KAMARCK: Right.

MR. WESSEL: So they're going to have to pick some shots. I don't think we know what the shots are.

The woman over here made a good point, President Obama has aggressively used the executive power of the presidency much to the concern of Republicans. We're now, I'm sure, going to see Donald Trump taking advantage of that and the Democrats will say he's overstepping.

MR. BUTLER: That's exactly what will happen. There's considerable opportunity to use Executive Orders and other rulemaking changes, and I think you'll see a lot of that happening, in part to show an administration that's off to a fast start, I think that's going to be part of the reason. And the other part of the reason is there's a lot that can be done in that area.

I mean, just take one example, we were talking about Obamacare earlier. You know, there's a lawsuit currently before the courts in terms of is it



constitutional for the administration to be providing additional subsidies to people for out-of-pocket expenses? That was in the law, but the funding was not authorized. He just simply has to stop, you know, not opposing that lawsuit.

MR. WESSEL: Right.

MR. BUTLER: That's an example which would make a huge change, but there are countless others. You can assume right now that in the transition team and even before now, but there will be a feverish activity of putting together those kinds of actions for the new president.

MR. WESSEL: I don't know if Krishna intended the Fed question to me, but I'm going to assume that I'm at least as qualified as the other people on the panel to answer that. I was a little startled this morning when I got a call from a reporter who asked me did I think Janet Yellen would resign?

SPEAKER: They called me, too. (Laughter)

MR. WESSEL: And I said are you crazy? I think that we have an independent Judiciary and we have a traditional of an independent Central Bank. It remains to be seen how aggressively Donald Trump will challenge that. My experience, this never-seen president who was demanding that the Fed raise interest rates, and so I'm a little suspicious that Donald Trump will make one of this top 10 priorities to talk Janet Yellen into raising interest rates, despite what he said during the campaign.

Janet Yellen serves until January 2018. My guess is that she will be replaced by someone of Donald Trump's choice and that any criticism of the Fed by the Trump administration will simply stiffen her spine and that of her colleagues on the Fed. Because they believe that it's important to have a Central Bank that's independent of the elected political leadership under the mandate they been given by Congress.

There are two interesting issues. One is there are a couple of vacancies

on the Fed, and we'll have to see whether filling them is a priority of the new president. And secondly, there have been bills to limit the Fed's authority or change the way the Fed operates, that haven't gone anywhere, but were popular among some Republicans, and we'll have to see whether those go anywhere. And I think Hillary Clinton would have vetoed them. I don't know whether Donald Trump would veto them when they get to his desk.

So I don't think the question is what happens to Janet Yellen? Whether they raise interest rates in December, I think, is unknown. Depends a lot of what happens between now and then. The markets had a bad morning and then they had a better afternoon. We're going to have expansionary fiscal policy. They might raise rates, they might not, I don't know. But I would imagine they have to revisit everything because the world is different today than it was 48 hours ago, and you'd be a fool not to revisit your things.

You want to give us some -- can you bring the mic down here to Liz and she can --

MS. SINCER: This is from Twitter user C.M. Sincer and he asks will a populist wave continue into upcoming German and French elections?

MR. WESSEL: Okay. Are there a couple of others? That's good.

All right, let me take a couple. There's a woman over here and the gentleman over here. Why don't you bring the mic over here. Right here, the guy in the blue shirt, stand up. We need a better system. There's technology for this. Tell us who you are.

MR. ROSE: (inaudible) Rose. Given President-elect Trump's propensity to counterpunch, do you think there will be any individuals or countries that will bait him or poke him, and how do you think he will respond?

MR. WESSEL: Yes, ma'am?

MS. REVIA: Hi. Blanca Revia, Mexico Cide. What would be your estimate as to how soon and to what extent will Donald Trump act upon his threats to Mexico?

MR. WESSEL: Bruce, you want to take the Mexico one? How soon and to what extent?

MR. RIEDEL: I think this is a core Donald Trump policy issue. It has been from day one. It is in every one of his rallies one of the most popular things. So I think he has to do something from day one about building a wall.

Now, you mentioned it could be a virtual wall. There are lots of ways to build this wall that are less provocative than the just pulling up to the border with National Guardsmen and starting to build a 20-foot wall. He doesn't need to do this like Khrushchev building the Berlin Wall in 1961. But I think he has to do something fairly quick on this. I think he's going to be judged by the people who voted for him on this issue. It's one of the top, I would say.

MR. WESSEL: And does anybody have a view on is Brexit, Colombia, now the United States, what does this portent for Germany and France and populism?

MR. RIEDEL: I'm particularly worried about France, I mean, because I think, you know, we have a --

MR. WESSEL: The internal verities.

MR. RIEDEL: Right. The French leader, I think his popularity rating was 4 percent.

MS. KAMARCK: It was pretty staggering, yes.

MR. RIEDEL: So that's within the statistical margin of error. (Laughter)

MS. KAMARCK: It could be zero.

MR. RIEDEL: A gain of zero support. You have a very strong nationalist movement. You have a divided political system. And there's certainly a real possibility of future and further significant terrorist attacks. In France and in other parts of Western Europe, which would help to create the atmosphere in which a French National Front right wing government could actually do quite well. So I think France is one to really watch carefully.

MR. WESSEL: Germany has a still slightly less popular, but still a strong popular leader, and a bit of a self-correcting mechanism when extremism gets out of hand.

MR. RIEDEL: That's right.

MR. WESSEL: They remember where that goes, so they have less of that.

MR. RIEDEL: That's right, that's right.

MS. KAMARCK: Yes.

MR. RIEDEL: There's more of a collective memory. And Mrs. Merkel is very popular, not as popular as she was two years ago, but continues to have a lot of popularity.

I want to make one quick point about terrorism. Many of us anticipated that there would be a significant act of international terrorism in the month leading up to our election. Certainly the primaries were dominated by a series of international terrorist attacks and prowess in Brussels and around the world. We didn't have them in the month that led up to it. I don't know why. To me it's very interesting because it may be -- and I want to underscore the "may" here -- an indication that the campaign that we are conducting against the Islamic State is working.

MR. WESSEL: Does anybody -- I think diagnosing Trump's personality

and then the personality of people who might poke him is a bit of a parlor game, but does anybody want to play it?

MR. BUTLER: Well, I think that, you know, god created Elizabeth Warren for precisely this purpose. (Laughter)

MR. WESSEL: Very good answer.

MR. BUTLER: And I would just point out that I think you are going to see the Senate Democrats sort of looking very much at this because, remember, in two years' time, at the next election, you have, what, 23 or 33 of Democrats?

MS. KAMARCK: Yes.

MR. BUTLER: They've got to establish -- "they" being the Senate Democrats -- have to go to establish a position and deal with this. And I think she certainly is doing that.

MR. WESSEL: Right, and I would think that the case that we ought to be moderate and centrist lost a few votes last night.

MS. KAMARCK: Right.

MR. WESSEL: Yes.

MR. BUTLER: Absolutely.

MR. WESSEL: Yes. All right, let's take a few more.

MR. HUDAK: David, just quickly.

MR. WESSEL: Oh, please, I'm sorry.

MR. HUDAK: I think his targeting of fellow Republicans will be something interesting to watch. You know, there's a tradition of presidents not really engaging in same-party primary battles at the legislative level. If he's having a couple of people in Congress really blockade him, I think you see him out very actively engaging in primaries. Or for the opposite, if a friend is faced with a difficult primary, you're going to

see him get very aggressive because if we've learned one thing from the election, that norms around politics and campaigning are out the window with him, and he'd be willing to take that step.

MR. WESSEL: That's right.

MS. KAMARCK: I want to just throw in one thing. This is going to be -- this first term will be the most significant test of our Constitution in a long time because, let's face it, why did the Founding Fathers create three equal branches? To protect against despots and despotic behavior. And so of all the presidents we've had in modern history who seemed to be inclined in that direction, Donald Trump is one of them.

And so the question -- I've had this question innumerable times that came over here from foreign reporters. We have to trust the Constitution. We have to trust that if Donald Trump gets baited, and he decides that he wants to do something that is out of proportion to the baiting, we have to trust that between the Congress and the courts, they can stop him.

MR. WESSEL: So, so far, John has pointed out that we had a peaceful transition of power, at least the necessary part so far. Bruce has pointed out that we may actually be making progress against terrorism. Elaine reminds us that the Constitution remains enforced and well admired.

So, Stuart, I want to give you a chance to give one positive thing in the therapy session. (Laughter)

MR. BUTLER: A positive thing about what? (Laughter)

MR. WESSEL: Anything. Something that will make us feel good about America today.

MR. BUTLER: Oh, I think it's very hard to come up with. (Laughter) But I think I'll make sort of a general statement that usually elections turn out never to be as

good as some people want and never as bad as some people fear, and I think that's definitely the case here.

Now, I think on the foreign policy side, there are a lot of acute dangers. But I think on the domestic side, I think it's going to be a lot slower than one might think. I think you won't see a number of actions, as I mentioned earlier. But I think when it comes to the big issues things are going to slow down and there's going to be -- I just think that will be the case. Hopefully, that's as positive as you wanted.

MR. WESSEL: So let's take one in the back, that gentleman with the red hair. Can you stand up? And then we'll take -- there's a gentleman here in the front.

SPEAKER: Hello. My name is Oscar. I'm a student at American University. And although Trump hasn't made LGBT issues a very big part of his platform, as far as I can see his vice president, Pence, has been very much against the LGBT community and their rights. And so I was curious to know the panel's thoughts on whether a Trump presidency would -- how it would affect LGBT issues in general, their rights, same-sex marriage, and anti-discrimination legislation.

MR. WESSEL: Okay, you want to give a Twitter question here? And then we'll cover over here.

SPEAKER: We have a few users asking similar questions, one here from Ben Proctor asks in regards to climate change policy, including the Paris Agreement, is this a setback or are we doomed? (Laughter)

MR. WESSEL: He didn't get the positive spin.

MR. KRAVITZ: Thank you very much. Alexander Kravitz. If any of you were invited by President-elect Trump to Mar-a-Lago or, you know, Trump Tower and you're sitting with him and he wants to sort of listen to your advice, what would you tell him in terms of potential pitfalls, you know, in the first 100 days or, you know, the first

semester, that he should be careful of?

MR. WESSEL: Okay, LGBT, anybody?

MS. KAMARCK: Well, I'd like to address this one.

MR. WESSEL: Okay, fine.

MS. KAMARCK: LGBT, by the way, I think he's a New Yorker and I just don't sense in him the way you do in some other conservatives the animosity towards that community. But what would I tell him? That's really easy because I've actually watched presidents be instructed in this. What presidents say really matters, particularly in international relations because the world is watching and whatever they say gets translated into many different languages, so it has to be clear.

Even Bill Clinton, you know, a brilliant man with a lot of experience, had to learn to carefully phrase his foreign policy pronouncements as opposed to his domestic policy pronouncements where there's a lot of cooks in that shop and you can sort of talk off the top of your head about it. You can't do that in foreign policy. I think Trump is going to have a hard job managing this, and that's probably the most important thing that anybody can tell him right now.

MR. WESSEL: Does anybody else have a suggestion for Trump?

MR. BUTLER: I think Elaine is right on both those issues. I think he doesn't really have an opinion or care much about LGBT issues.

MR. WESSEL: I think he's pretty open-minded. I think he's not --

MR. BUTLER: I think absolutely.

MR. WESSEL: Yes.

MR. BUTLER: But whether the vice president will push that forward, I think you may see some token changes in regulations and things like that in terms of, you know, (inaudible). I think it's going to be at that level, I think. There's not going to be



anything significant.

MR. WESSEL: I don't perceive that this is going to be a presidency where the vice president is going to be the chief operating officer. (Laughter)

MR. BUTLER: No, I don't think so. I agree that that's the case.

MR. RIEDEL: My one piece of advice: Get rid of the Twitter account. Never Tweet again in your life.

MR. WESSEL: Yes.

MS. KAMARCK: That's right.

MR. RIEDEL: It's done you an awful lot of damage.

MS. KAMARCK: Yes, that's right.

MR. BUTLER: Even on a private server.

MS. KAMARCK: And that goes --

MR. WESSEL: And use government email? (Laughter) Or no email. No email.

MR. RIEDEL: No emails.

MR. WESSEL: No emails.

MR. HUDAK: No documents, actually.

MR. RIEDEL: No emails. Stay away from social media completely.

MS. KAMARCK: Yes.

MR. HUDAK: My bit of advice would be, it's something that most presidents do, that is to convene the formers to the White House, ask for their advice, and continue those communications. I think for Trump, he is obviously a harsh critic of President Obama's, but President Obama has served through the same sort of period of gridlock and polarization that President Trump is going to serve through. And I think it may seem jarring to him, the idea of using former President Obama as a real resource or

a sounding board, but it might be one of the best things that he could do as he wraps his head around a job that he has never been anywhere near. Most of our previous presidents have been near the presidency in some way and so I think opening communications to formers is going to be a huge step for him.

MR. WESSEL: I think the one thing you said with which I fully agree is that it would be jarring to tell Donald Trump that the most important thing he could do was get a counsel from Barack Obama, not casting aspersions.

Climate change? I mean, it seems there was with a Republican Congress and a Republican president who has cast out on climate change, it seems we won't make much progress there, at least in the near term. Agreed?

MR. RIEDEL: Doomed. Doomed is the answer.

MS. KAMARCK: Yes.

MR. WESSEL: Doomed, great.

MS. KAMARCK: Well, I mean, I think let me qualify that because I think doomed in terms of any big national policy. On the other hand, you've got places like Florida, you've got places like Louisiana, that are constantly confronting the challenges from climate change. So I think that gradually the government, perhaps at levels lower than the presidency, are going to try to make some policy around mitigation, even if it isn't around prevention, just because we've got a lot of places in the United States that are affected by climate change.

MR. WESSEL: Right, I agree. It's inevitable we will do something about climate change, but it will not happen in the opening months of the Trump presidency, I think. Sorry about that.

There's a gentleman here in a blue shirt on the aisle and there's someone behind him who I can't see and the guy in the very back. Give the mic to the

guy against the wall.

MR. BRADFORD: So I'm Colin Bradford from The Brookings Institution. Stuart and David started with some itemization of things that Mr. Trump might do in the first part of his period on the social front to address his core constituency and their sense of being marginalized and left out of the global economy. I've neither heard from him, or actually this afternoon, enough convincing evidence that he has an agenda there and the instruments to deliver on that promise. And I wonder if you could fill that out a bit.

MR. BUTLER: Well, it depends a little bit on what you mean when you say "the social." You mean social welfare policy or --

MR. BRADFORD: No, I mean how is he going to respond to his constituency that basically voted for him because they thought neither the government nor the economy is delivering anything for them?

MR. BUTLER: Well, I think this is where you will see -- first of all, I think you'll see a series of what I'll call show trials essentially, in the sense of hearings designed to really pinpoint breakdowns in government as we did with, you know, Wells Fargo and the financial community and so on. I think that will be kind of the softening up. And then I think there will be a number of very, you know, specific steps to clean up agencies and so forth.

In the grand scheme of things, it may not make a huge difference to people, but it'll be the kind of symbolic steps that I think someone like Trump would do, and will get a lot of good reaction from people. I think that's really -- the symbolism of all this is really important in I think how the constituency sees it.

MR. WESSEL: But in the areas where his constituents have concern and he has not enunciated any policy, it seems to me that that's where the Paul Ryan agenda has some movement.

MR. BUTLER: Yes, yes. Hopefully, that is what will happen. Over time there is going to be a struggle, as I said earlier, within the Republican Party about whether an empowerment agenda, whether addressing essentially the Trump constituency in this way. Ultimately, the Republican Party has got to figure out how to do that because that is its base. So I think you will see that.

And I think over time, it may be a very bumpy relationship, of course, between Ryan and Trump initially, but I think Ryan will see his role in this as, A, sort of, you know, keeping obviously the Congress Republican, but, B, beginning to sort of almost fight back, to begin to reintroduce this positive, optimistic, kind of upward mobility strategy into policymaking. And I think Trump is not opposed to that in any way.

So I think if the personalities can get along with each other, I think there will be a lot of possibilities there, and a broadening to some Democrats, of course.

MR. WESSEL: The gentleman against the wall.

MR. MENDOZA: Hi. Matthew Mendoza, Council of the Americas. In a similar way September 11th for George W. Bush and to another extent the great financial crisis for President Obama, do you think there is a wild card issue or factor that can deviate the original intent or plan of the administration? And if I could squeeze a second question in, who do you think will be the first foreign leader that President-elect Trump will meet with?

MR. WESSEL: Okay. Why don't you go right to the gentleman, yes, in the middle.

MR. SKATU: Thank you. I am Ken Skatu from CSS. I would like to ask about TPP.

So this presidential election results will affect the possibility this TPP law, TPP act will pass during the lame duck session. And if TPP would not pass or even if it

passed during the lame duck session, what will Mr. Trump really do under his administration?

And last, so if the TPP will not pass, will not be in effect, so what will be happening in the U.S. economy in specific regions? Thank you.

MR. WESSEL: Okay, so it seems to me the definition of a wild card is you don't see it coming.

MR. HUDAK: Right.

MR. WESSEL: I don't think George Bush had -- be prepared for 9-11 on his to-do list. The global financial crisis was totally different. Barack Obama knew exactly what was going on. And so, yes, something could happen. You know, people say to me what surprises do you expect? (Laughter)

MS. KAMARCK: If you expect it --

MR. WESSEL: Right. TPP, does anybody think TPP gets through in the lame duck?

MR. RIEDEL: No way.

MS. KAMARCK: Nope.

MR. WESSEL: Does anybody think it gets through in the next year of Congress? No. So what are the consequences of TPP failing to be ratified by the U.S. Congress?

MR. RIEDEL: I think it sends a message to Asian countries that the United States is not pivoting, famously; that we're not interested in that kind of new economic order.

I want to address the surprise -- the surprise that's not a surprise.

MR. WESSEL: Okay.

MR. RIEDEL: This is a classic one. There will be a significant act of

terrorism in the United States, whether it's self-radicalized or a foreign plot. I mean, I said earlier we didn't have one. I think that's a good thing, but I'm not at all doubtful that there will be one either between now and January or in the first six months of the Trump presidency.

Now, a lot depends on the order of magnitude of such a thing. But if it is of sufficient order of magnitude, then Trump is going to have to live up to some of his commitments. Does he ban Muslims from coming into the United States? That's going to be the first question he's asked after there's a significant act of violence perpetrated by a Muslim in the United States: Are you banning all Muslims from entering?

Does he reopen Guantanamo Bay? There are a lot of people on the hard right --

MR. WESSEL: It's not closed yet, is it?

MR. RIEDEL: Right. Well, no, it's shrinking.

MS. KAMARCK: It's shrinking.

MR. RIEDEL: Nobody new has gone in. We could now start putting people in Guantanamo Bay again.

Does he tell the director of Central Intelligence so-called enhanced interrogation techniques, a.k.a. torture, are now back, you can use it, do whatever you want. He said that during the campaign. He said I would tell them to do whatever they want. That's not a surprise. Such a terrorist attack will happen at some point in the next foreseeable future and his reaction is going to be quite a test.

MR. WESSEL: Interesting to watch.

MR. RIEDEL: Quite a test.

MR. WESSEL: Does anybody have a guess on who his first foreign leader is?

MR. RIEDEL: He said he's going to see Putin.

MS. KAMARCK: Putin.

MR. WESSEL: Yes. I doubt it'll be the president of Mexico. I think he made that mistake once. (Laughter) He's not going to repeat.

MR. HUDAK: Been there, done that.

MR. WESSEL: The gentleman over here and then Gary.

MR. GLICK: Thank you. Peter Glick. How aggressive do you think Senate Democrats will be to use the filibuster, which is really their only way to influence policy now?

MR. WESSEL: Right. And over here.

MR. MITCHELL: Thanks very much. I'm Garrett Mitchell and I write The Mitchell Report. And I want to go to the other end of the extreme about what are expected surprises and say that the thing that I'm struck by today is that despite this shock of this election, the fundamentals haven't changed. All the things that have made Washington a place where stuff doesn't get done are still in place. Nothing in this election changed that. The only thing that changed is there will be a new president and this is a president who knows less about how the system works and who has demonstrated --

MR. WESSEL: You have a question here, right, Garrett?

MR. MITCHELL: Yes. So what I want to know is where do you anticipate that his first major hiccup is going to come?

MR. WESSEL: Okay, let's do one more. The gentleman over here.

SPEAKER: Thank you. As I understand it --

MR. WESSEL: Tell us who you are, please.

SPEAKER: -- all previous presidents have placed their financial assets

into blind trusts, but Donald Trump will have his family manage his. Suppose the press discovers, as they very well might, some conflict of interest with a government like Saudi Arabia or some other government, and let's suppose this is presented. Is there any mechanism you can imagine which would call the president to account? I can imagine mobilized congressional outrage, but I don't know how it would work itself out.

MR. WESSEL: Okay, thank you. All right, so the first question, will the Senate Democrats use the filibuster to frustrate the Republican majority and the new president?

MR. HUDAK: Endlessly. (Laughter) But you're right, that's all they have right now. I think on legislation it's going to be prime. I think with something like an ACA repeal the Republican response is going to be the same kind of creativity that Democrats used to pass it. They'll use that creativity to get around a filibuster to repeal it.

I think where the filibuster is going to be most important is actually on nominations, not the Supreme Court nomination. I think that's actually going to come with a lot less fanfare than people think. But for Yellen's successor I cannot imagine Sanders and Warren rolling over when that pick comes, and you know they will oppose almost anyone you could imagine that Trump would select.

MR. WESSEL: But so didn't they -- the "nuclear option" took away the filibuster on appointments except for judges, so the Republicans have to decide whether to --

MR. HUDAK: Well, I mean, there's a formal filibuster or they could just slow the Senate down to a screeching halt in whatever way they choose. And I think you're going to see that type of action happening in a significant way.

MR. WESSEL: You --

MS. KAMARCK: To your question, Mitch, I think the first significant



hiccup is going to come around the issues of the center of his campaign, which is going to be immigration and the wall. And he may put in a comprehensive immigration reform bill that's very tough, that requires, you know, enhanced screening for anybody from a Muslim country, et cetera, and he may decide to beef up the deportation task force at DHS. If, in fact, he decides to do those things, you're going to start talking oodles of new appropriations, so it's going to be very, very expensive. You're going to have all sorts of questions about civil rights violations. And I think that this could be a mess that he is not anticipating, that he thinks that he's got everybody right behind him, it's going to be easy, et cetera.

And imagine what happens when mothers get deported and the police go to the house and find the three-year-old and the five-year-old in the house. Okay. This is not -- all of a sudden, Americans are going to say, wait a minute, we didn't vote for that. Right?

So I think that he has -- I don't think he has the background to get through the maze. He knows where he wants to go, but I think this is going to be tough for him. And I wouldn't be at all surprised if this is his first problem.

MR. WESSEL: On the question of, John, how does the Constitution and the powers of Congress respond if it seems that the president has financial conflicts of interest?

MR. HUDAK: I think from the president's perspective he's not going to care. (Laughter) I mean, and I don't necessarily mean that critically. I think seeing in this campaign a total refusal to release tax returns and things like that, it's just not going to be matter to him if a conflict comes up. He'll wave it away. The recourse is impeachment, that's it. It's not going to happen over something like that, but that is the only recourse.

MR. WESSEL: Does the president have to release his tax return or is it

voluntary for him, as well?

MR. HUDAK: Voluntarily.

MR. BUTLER: I would just say just on the filibuster, which I totally agree with John that really the filibuster for the Senate Democrats is the only thing they have right now, but I do think we'll see an erosion of that. I think it's certainly -- you know, we have effectively a way around it through reconciliation in the budget area. And I think that in terms of budget issues particularly, that will be -- we will see an erosion of the filibuster there, as well.

Again, I think that when you think about the next election and the probably that Republicans will strengthen their position, they don't have -- the filibuster's not the must-have tool just in case that, you know, generally has been thought before. So I think you actually will see an erosion of the filibuster rule.

MR. WESSEL: Okay. Well, I'm afraid we're out of time. I want to thank everybody for coming and people who participated online. I promise this is a continuing conversation. Thank you all. (Applause)

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