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REFLECTING ON TRUMP'S FIRST 100 DAYS

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Introduction:

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Panel 1 - President Trump's National Security Policy

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Panel 2 - The Future Of Tax Reform And Regulatory Policy

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Panel 3 - Public Management Under The Trump Administration

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P R O C E E D I N G S

MR. WEST: Good morning. I'm Darrell West, vice president of Governance Studies and director of the Center for Technology Innovation here at the Brookings Institution. And I would like to welcome you to the eighth annual A. Alfred Taubman Forum on Public Policy. And this Forum was established by Mr. Taubman to promote greater understanding of public policy issues. Each year we choose a particular top and invite experts to offer their views on the subject. Mr. Taubman was a great friend of Brookings. He passed away a couple of years ago, but we continue the Forum in order to honor his memory.

So this year our topic is the first 100 days of the Trump administration. And we have brought together a number of distinguished experts to discuss his administration's policies and operations on national security, tax reform, regulation, and public management.

We are webcasting this event live, so a warm welcome to our viewers from around the country. And we will be archiving the video, so anybody who wishes to watch it after today will have an opportunity to do so through our Brookings.edu website. We also have set up a Twitter feed at #100Days. So if you wish to post any comments feel free to do so.

So since his inauguration on January 20 we've seen a number of actions from the administration. This includes the withdrawal from the Trans Pacific Partnership and the controversial travel ban announced through an Executive Order. Other policy initiatives such as healthcare repeal and reform have been attempted through Congressional legislation, but so far have not been successful. Now as the 100th day approaches this week the administration faces new questions on national security and public policy more generally.

Our first panel is going to take a close look at those topics, and I will turn the discussion over to our moderator, Shane Harris, a reporter for the Wall Street Journal.

MR. HARRIS: Thanks, Darrell. Good morning, everybody. Thank you for being here as we get ready to celebrate the first 100 days.

I think as a national security reporter in Washington covering the Trump administration the last nearly 100 days have felt maybe like 1000 days. (Laughter) In my 20 years

of covering this beat I can't remember another time where there has been this much sort of action packed into a short period of time and this many kind of head spinning events. And I'm primarily just focused on the Russian investigation, so that's not even getting to so many of the other things that have been happening in the past three months now.

What we're going to try and do in this panel is to unpack some of that and take stock as best we can of where the administration is and where it's going. And just as a kind of setting the table one of the things that I think is notable and important to remember in this particular area, at least it's something that's kind of been a guide star for me as I go about reporting on it, is that if you take all the various policy areas in this vast terrain that we look at in Washington, I can't think of another where the establishment of Washington was more vocally opposed to the then candidate and really sort of positioning and questioning his fitness for office as a central part of the campaign than the Washington establishment in national security and foreign policy. You'll all remember the Never Trump letters that were signed, the degree to which the Republican national security establishment turned against him. And I say that not in terms of setting this in any political cast, but simply to say that I cannot remember a time where so many of the leading thinkers and shapers of ideas and opinion have come out this opposed to a candidate. And so that is something I always keep in mind in terms of how this town, if you like, was really not ready to receive this President and how they have been dealing with that in the first 100 days is something that I'm always keeping in mind to judge how he is doing.

So let me just briefly introduce the panel here. I can't really think of many better people, frankly, to have this discussion, so I'm really looking forward to it. Susan Hennessey to my left, who is a fellow in Governance Studies here at Brookings and is the managing editor of Lawfare, which you probably are all familiar with, but if you're not reading it, go read it. Leon Wieseltier, who is the Isaiah Berlin senior fellow in culture and policy in Governance Studies and Foreign Policy at here at Brookings and a long-time journalist and commentator in Washington. And my friend, Ben Wittes, senior fellow in Governance Studies and the co-founder and editor-in-chief of Lawfare.

So thank you all for being here.

All right, let's have some fun.

So, Susan, you get the first question. So you are part of that national security and foreign policy establishment. I mean to some extent you're establishment in all the best ways. But you and many of your colleagues, I think -- and you have a background in intelligence law and you work for the National Security Agency and the General Counsel's Office -- openly expressed real concerns and misgivings about what a Trump administration would mean for national security and foreign policy. You wrote a lot about and you talked a lot about that.

So my first question for you is has Donald Trump exceeded your expectations or fallen short of them? (Laughter)

MS. HENNESSEY: I mean expectations for disaster or --

MR. HARRIS: Sure, yes. (Laughter)

MS. HENNESSEY: -- expectations -- I'll admit I had low expectations, I had real reservations, although I wanted to be optimistic. So I felt from the beginning that as soon as he was elected our fortunes were tied to his and we should wish his success and continue to wish his success. That said, I had low expectations and I can still sort of sit here and say this is going worse than I had thought it would. But we're sort of diving into that. There are some areas that are real bright spots, that have gone quite well.

The first is sort of the staffing of the national security team. There are really, really excellent people in this administration. You know, General Mattis as secretary of defense, H.R. McMaster. And, you know, our colleague, Fiona Hill, who has now moved over for the National Security Council. You know, there are lots of people that sort of form that bucket of not just being a good national security hire for a Trump administration sort of on paper, but objectively just a really great strong national security team. So I think that is a source of comfort and sort of an indication of things being a lot better than maybe people expected them.

The flip side of that is are they being relied on and utilized. And that's the area in which I think things are going worse. And I do think it's sort of an explanation of the whiplash or chaos of the past 100 days, that Trump doesn't appear to be relying on that national security team. He appears to rely quite a bit on sort of family members, informal advisors, even sort of the

National Security Council itself. Maybe there's a sort of shadow National Security Council and the Strategic Initiatives Group. It's not even sort of clear who owns national security policy within the White House itself. And so I think a lot of what we've seen has sort of been national security by instinct instead of expertise. So it's been just remarkable uneven in attempting to sort of put a strategy on top of what I would argue is absence of any real strategy. People have talked a lot about sort of the unpredictability and President Trump has talked a lot about sort of seeing real strategic value in being unpredictable. I think with sort of the latest tensions around North Korea we're starting to see some of the real perils of being an unpredictable leader. This is a space in which it's important that we signal not only to our allies but also to our adversaries how we feel, what our intentions are, what our red lines are. Certainly the national security establishment or foreign policy establishment isn't able to understand what exactly the policy is, where we're headed, what our values are. That makes it near impossible to imagine what message is being received all over the world and what the consequences of that might be.

MR. HARRIS: Do you think is he deliberately unpredictable or is it simply that he's uninformed? And I take as a data point for that an interview that he did with my publication, The Wall Street Journal, where he talked about sitting down with President Xi from China and saying that in the span of 10 minutes he realized that the security dilemma on the Korean Peninsula was a lot harder than he thought. I mean it seemed like he is willing to acknowledge that he had not come perhaps as prepared as he is now. And of course what can prepare you for being president, but is it a studied exercise in being unpredictable or is it simply that he is learning these things as he goes and making decisions based on this new information?

MS. HENNESSEY: I think it's clear that he is learning things as he goes. And that said, no one is elected president with this deep knowledge, deep expertise in everything all the time. There is no person who's like that. That's why you rely on experts and really experienced and knowledgeable counsel. And so I think that what we're seeing is the ordinary process of a president trying to very rapidly get up to speed on a much more condensed timeframe. We saw that they prepared for the transition much later than other administrations or candidates had in the past. There's been a steeper learning curve than might have otherwise existed. At the same time

we're seeing sort of a lack of preparation or even an understanding of the need to prepare. So phone calls with foreign leaders that -- there aren't briefing books or the staff was caught unaware and sort of the consequences of that. So there were are a lot of sort of revealing things that occurred during the transition period.

So one being the phone call that then president-elect Donald Trump took with the president on Taiwan. So some of his statements during that call and immediately afterwards signaled hey, maybe this is a real shift in where we are on Taiwan policy. There are some reasonable arguments for that. You know, give the brush back pitch and stop sort of being cute about prepositions and how we're going to have the one China policy.

So I think there was sort of a desire to say okay, there's a policy in this. Then the immediate backing off of that position, sort of the quintessential paper tiger here in response to a really strong Chinese opposition. I think it did sort of reveal it's a lack of knowledge, right, it's not -- there are things that are being done that if it's a conscious decision being made in sort of pursuit of a strategy there might be good or bad arguments. What's happening here is sort of it's more random and this is an area in which randomness is really quite scary and consequential.

MR. HARRIS: Leon, in the spirit of taking this span of the first 100 days I want to go back to a column that you wrote 3 days after the election in The Washington Post. I'll just read a brief snippet towards the end of it. And what you were essentially calling for people to stay hot, to stay angry, to stay involved and not to give in necessarily to the bromides of let's all get along together and Trump saying he wanted to unify, which he didn't --

MR. WIESELTIER: Yeah, I don't believe in getting along.

MR. HARRIS: (Laughing) And you did not take his plea to do that as genuine in the column of course. You said if Trump succeeds America may fail. And it is America, its values, and its interests whose success matters most desperately to me. No cooling of then, we must stay hot for America. The political liberty that we cherish in this precious republic is most purely and exhilaratingly experienced as the liberty to oppose.

So one question is, is Trump succeeding and how hot are you still today?

MR. WIESELTIER: Look, he's the gift that keeps on giving. I thought at the time right after the election that the most important challenge for all of us would be to preserve the shock because the mind wraps itself around things. And the adaptability of the mind in many circumstances is a blessing because it enables us to survive difficult times. But in this case shock is a sign that one is paying attention. And I've seen nothing in the past 100 days to make me think anything other than we have a president who is almost incomprehensibly ignorant with a serious narcissistic personality disorder and a problem with impulse control.

Most of the policies that I see coming from Trump are rather like his Tweets, they are immediate expressions of something that he feels. Even when he does something that I support, like the Syria strike, which made my week, there was no reason to get too overjoyed about it because it was perfectly clear that it was not the product of a policy or of a strategy, or of any serious moral commitment to humanitarian relief or action. It's random. You know, a couple of years ago Trump said something egregious -- I don't remember what he said but there are lots of things to choose from -- and a reporter from the Times called and asked me if I thought Trump was wrong and I said no, I think he's pre wrong, meaning that I can't even attribute to him the consistency and stability of an intellectual or ideological framework that would -- I mean so I think that we're operating in a different realm here. I mean Eisenhower liked people to think that he was dumber than he was and he used English in a way that persuaded them of that. And Nixon of course wanted to be known as unpredictable. But those were strategic calculations on the part of more or less rational and certainly well informed individuals. I think we're dealing with something unprecedented here. I agree that I think McMaster and his team are terrific, but one of the things I've learned from the Obama administration is that an entire administration could want to do something but if the President doesn't want to do it, it will not be done.

Moreover, as a consequence of Obama -- and by the way we're not going to discuss this today, it's still heretical to say so -- but one of the things we're looking about is the legacy of the Obama presidency. And I think we're going to have to deal with that historically. But in the case of Obama and the case of George W. Bush foreign policy had come to be centralized in the White House I think to an almost unprecedented degree. And certainly in the Obama White

House. I mean every significant issue of foreign policy was dealt with in the White House by the President with his Einstein-like brain and his staff. And Trump has now taken this to an absolutely absurd place. We have reversed ourselves in the course of 100 days on some of the most frightening and fundamental issues of American foreign policy and national security policy. I mean these flip flops are not amusing because they're not about small things, they're really not.

And again, in some cases I think the flop was better than the flip and you can call it a learning curve. So I actually much prefer the adversarial attitude we have towards Russia and Putin right now. On the other hand, I think it will be an exaggeration to call it a policy because I simply have no way to know. Putin may actually go on television tomorrow and say that he thinks Trump is a very handsome man. And our policy might change.

MR. HARRIS: That would be extremely well advised.

MR. WIESELTIER: I mean look, it would be the right play. It's obvious, right, it's obvious.

And all of this, the lack of experience -- and I say the startling lack of knowledge -- I mean I don't know frankly how you get to be a 70 year old in New York and know this little. (Laughter) I honestly don't -- it's almost a kind of clinical -- it's clinically fascinating in some ways. But the startling lack of knowledge combined with the ever shifting -- with the moodiness, the volatility of the thing, combined with the stakes involved in some of these crises. I mean we are -- you know, Obama did not leave the world in good shape, the world was any way in very bad shape. In many places crises are happening in slow motion, fast motion. This is not -- I mean it's a perfect storm. I mean this is not the time for this sort of man to be living in that house.

I'm enormously concerned.

MR. HARRIS: Ben, after President Trump issued the Executive Order on immigration and the refugee policy back in January, which was first major action and certainly first major national security action, you wrote a piece in Lawfare sort of trying to gauge to what degree this policy was malevolent or more an example of malevolence tempered by incompetence because it was rolled out in such a ham handed way, no inter agency process. It quickly ran straight into the buzz saw of the courts. So if you're looking at that kind of tussle, as you put it,

between malevolence and incompetence that seems to have characterized, you know, I think probably more than just the EO some would argue, which is winning out right now do you think?

MR. WITTES: Well, sort of in the bilateral battle between malevolence and incompetence, incompetence is certainly winning. But the interesting thing about that phrase, malevolence tempered by incompetence -- which is going to be written on my tombstone I think -- I mean like sort of it's something I typed out in a evening of impetuous writing that's become sort of like the only phrase that people will remember associated with my name.

MR. HARRIS: You're young, you're young. (Laughter)

MR. WITTES: But the thing is it was never meant as a sort of global accounting, which is the way the metaphor now is being used, as a global accounting of the Trump administration or Trump personally. It was meant as a very specific description of that executive order. And the thing is about the Trump administration is that there are many axis other than malevolence and incompetence around which to organize thought about them. And so I just want to tick off a couple of them. So if the question is who is winning, malevolence or incompetence, the answer is definitely incompetence. The administration has actually managed to get done relatively little in the malevolence department, largely because it can't get anything done. And that's actually, you know -- if you want to think of that as good news I'll bring splash some cold water on that as well.

But, look, there are some other axis that may be more important than either malevolence or incompetence. One of them is evidence clinical symptoms. And that insanity may be beating both malevolence and incompetence. This is not a President who is functioning in the normal way that we expect presidents to function. And whether you attribute that to something positive or to something negative I actually think the best way to understand it, as Leon suggested, is clinical. But that factor, that unpredictability factor, that shoot from the hip impetuosity factor, driven by whatever it's driven, probably is a very substantial determinant of a lot of things.

The second area that I think is just driving a huge amount of the train, and I don't think it's quite either malevolent or incompetent frankly, is personal obsession. The President is personally obsessed in a way that is just dripping off of every interview he does with the question of

other countries paying us. So if you read this Associated Press interview -- they released the transcript of it -- in reference to every single country whose leader he talked to the issue of getting them to pay is front and center of his mind. He actually gets along just fine with Angela Merkel, he wants her to pay. He meets with the Prime Minister of Italy, they had a good relationship, they had great chemistry, he wants him to pay. Country by country. Now is this malevolence or incompetence? It's a peculiar individual obsession on the part of the President with the quite literally transactional -- as in financial transaction relationships with other countries. I think this is a very significant determinant of all sorts of things that the Executive Branch is doing right now and it's simply a reflection of something that the President cares about that is -- and evidently really cares about -- that is sort of off the normal spectrum of things that our leaders typically care about.

So a third issue, which again I don't think of as necessarily either malevolent or incompetent, is a real driver, is ego and narcissism. Now, whether this fits into the clinical or is it a category of its own, you make your own decisions, but look, presidents as a class are not people with small egos, but they are usually capable of using the word we when they mean I. They are usually capable of talking about going through an interview without dominating the interview with the question of how the press covers them individually. They're usually capable of at least trying to separate relations with foreign countries from the personal indignities that the leader of that country may, or the press in that country may have subjected the President to. And they're usually capable of not congratulating themselves constantly by saying lots of people are saying X when what you mean is that you wish that lots of people were saying X. And, you know, the domination of the last 100 days, starting by the way with the first day of the administration where the President -- and I think in the department of maintaining our shock, I want to focus on this because on his first day in office the President of the United States went to the CIA, stood in front of the memorial wall, and talked about the crowd size at his inauguration and the way the press had covered it. And that was how he chose to spend his first day.

Now, I think that when that is the reality that you're dealing with that is going to be distortive of all sorts of national security decisions, up to an including accusing your predecessor of

wire tapping you, not merely without evidence of it, but in the face of evidence that it didn't happen because you feel sort of like saying that in an impetuous moment.

So all of that is to say I think this is a multi axis discussion. Malevolence may be playing less a role than we all expected it to, certainly than I did, but there are a lot of other axis of distortion from what we would expect a normal foreign policy and national security regime and government to be functioning under. And the result of it is that the process and outcomes have been on a very consistent basis distorted and non normal.

MR. HARRIS: I want to spend just a little bit of time in just a few minutes on the wire tapping claims, which I think that was actually a real turning point in the administration. But I want to go back first to this issue of the transactional nature of Donald Trump and the way that he seems to be executing -- I hesitate to say a policy because I'm not sure it has given us evidence that it's that coherent -- but what seems to be guiding his action. And let me provoke you all with just this idea that he gave an interview recently where he said I'm not going to label China currency manipulator, why would I do that, I need them to be helpful on North Korea. So really reversing himself in a major 180 on what had been a pretty central kind of point in how he was going to approach China. And said honestly well, no, I need them for this thing now. So my provocation here would be like why is that so bad, I mean why is he not just practicing realpolitik?

MR. WIESELTIER: I'll tell you why, because transactionalism is contentless and ahistorical. When Trump was elected and I went searching for those regions of his mind that were not pure psychopathology, looking for ideology or a world view or some framework of belief, the only thing I found, the only thing I found was his believe in the deal. But the deal not just as a tactical maneuver but as a view of the world. And when you promote deal making into a view of the world and what you care about is winning, you have arrived at, as I say, a completely contentless place. So when he made that call, the famous call with the Prime Minister of Taiwan -- when I read about that the first thing I thought to myself it that it was a butt call (laughter) because there was no obvious -- then it turned out that Bob Dole had arranged the butt call, so it was just -- but I was delighted because I think I find Taiwan to be an extraordinarily moving and supportable place. And I thought oh, that's interesting. And then within 48 hours he winds up telling -- and of

course the Taiwanese rejoiced because they were finally getting the kind of Presidential attention that they've lacked -- and then within 48 hours he made it perfectly clear, however, that if the Chinese would give us a fair trade deal we would be prepared to talk about Taiwan. In other words, what began as the premonition of a principled position or of a strategic vision for a region turned out to be simply a bargaining chip, a bargaining chip. And the idea that everything is a bargaining chip is much worse than realpolitik. Realpolitik you have certain strategic ends, you justify them morally or you choose not to. Sometimes you justify them morally and you're faking it, but you have your interests and you're pursuing them consistently and steadily, and in the case of some practitioners, even brilliantly. But transactionalism is something much emptier than that, much more capricious than that, and much more -- and again the problem with Trump is that we keep going back to this clinical language -- much more egocentric than that if what you care about are the wins. Remember, this is a man who claims to come from capitalism. In fact he comes from marketing, reality television, beauty pageants, and professional wrestling. Those are places in which all that matters are wins.

MS. HENNESSEY: Actually I think those are more sort of even sort of fundamental points in what Leon is saying, all of which I agree with. And I think it's driving a lot of the anxiety that you're seeing, not just on stages like this but sort of --

MR. WIESELTIER: All around the world.

MS. HENNESSEY: -- across Washington, D.C. And all around the world, and that's that republicans and democrats disagree on policy, they disagree on what the best thing for the United States is, but both republican and democratic presidents we've always believed that they are acting in what they believe to be the best interest of the United States. And because of some of the combination of factors, one of disregard for ethics, rules, and lack of transparency, to a failure to articulate the American people the reason for certain things, I think that there is a suspicion that these deals, these transactions that are being conducted, the ultimate aim of those transactions is not the best interest of the American people as the administration understands them, but instead the best interests of the Trump brand or of personal finances, or of sort of cronyism. And there's something -- I think that there is a suspicion that sort of infects lots and lots

of interactions of the administration, some of which they've exacerbate, or much of which they've exacerbated, that there's a fundamental disconnect. Even for people who can say, all right, you know, America first and we should have this transactional approach and they should be paying more of their fair share. Okay. The problem is that the administration hasn't articulated why would lifting sanctions on Russia be a good thing for the United States, why would these things that we're doing -- how does that actually benefit this country.

And so whether it's a messaging disconnect, whether it's just a lack of trust because of the lack of transparency and disregard for some of those normative constraints if not legal ones. I do think that that sort of underlies a lot of the -- I don't dislike or sort of instinctual rejection of this transactional view of things.

MR. WITTES: So I actually think that there's still another underlying element, which is if the flip flop on China and currency manipulation had taken place in a vacuum, which is to -- I think we would all look at it and say that's fine, or that's disgusting but it's pretty normal. That is, every president runs for office on a tough on China policy and then flip flops when they get into office because actually the relationship with China is big, complicated, multivariate, and basically not formulated according to principles. See Leon's earlier remarks.

The problem here is that it took place against a backdrop of reversing all major positions. And so it takes place within a few days or weeks of going from Assad can stay in power and we can work with him to use of chemical weapons is completely unacceptable and we're going to bomb him and he needs to be removed, back to we having nothing to say about that. It comes against a backdrop of, as Leon pointed out, talking to the Taiwanese and then reaffirming the one China policy. It comes against a backdrop of NATO being obsolete and then it not being obsolete. I could go on, but this is actually what the military calls a target rich environment. (Laughter) And when you are stating things in very strong terms all the time and then reversing yourself all the time you don't get to then do what you just did, Shane, in formulating the question, which is to say well, wait a minute, maybe the reversal is a good thing because the larger picture is that he's created an environment in which the words of the President of the United States don't mean anything at all. And that is a really dangerous proposition that nobody -- he calls it unpredictability. There is some

value to certain forms of unpredictability, but this isn't unpredictability, this is meaninglessness, and that's a very different thing and it's a very dangerous thing.

MR. HARRIS: But is it dangerous because it will lead to misunderstanding and crisis or I wonder sometimes if it just leaves us like in the neutral position and we just get nothing done?

MR. WITTES: No. So it's dangerous for three distinct -- or maybe not distinct -- interrelated reasons. The first is because there are certain things that the United States President needs to be able to say that everyone will take seriously in order for bad things not to happen.

MR. HARRIS: Credibility.

MR. WITTES: Credibility. The second is because we stand for certain principles. Now, we stand for them imperfectly, we stand for them sometimes hypocritically, but we stand for them. And when you create an environment in which nobody can take seriously anything the President of the United States says, and the statement of the President then has to be filtered through the subsequent contradiction by his senior staff in what is the most profound affront to the Hamiltonian unitary executive that we have ever seen in the history of the country. The President says something, Secretary of State contradicts it, the world relies on the Secretary of State not the President. That is actually -- if you think about that from the point of view of founding era of thought, the only proper response is seppuku. (Laughter)

The third reason, and this is related to the first, is that we have a series of entrenched alliances. And short of those alliances we have profound alliance interests that people and countries -- by the way some of the countries, some of them are individual people -- rely on the United States for. There were individual people who were given documents that said they got to enter the United States. The President of the United States said people from certain countries don't come in, they didn't get to come into the United States. You know, now that is the President of the United States reneging on promises made to individuals with the honor of the United States behind them. So it operates at the level of NATO, right, at the highest grand strategy level. It also operates at the level of some poor student who can't trust what the United States says anymore

about his own or her own individual life because the President of the United States has a mood swing.

And so I think there probably are other reasons that I'm not thinking of off the top of my head, but those are three.

MR. HARRIS: Okay.

MR. WIESELTIER: I want to add two things. First, just to what Ben just said, as a consequence of all the things that he said, that we've said, there is definitely out there in the greater planet Earth a feeling of sovkipuh (phonetic). That the United States -- and this began with Obama by the way -- that the United States can no longer be really relied upon in a crisis, that the cavalry will never come again, that alliances are regarded more as burdens than as privileges, that alliances are based mainly -- thought of mainly transactionally and not philosophically or, et cetera, et cetera. And the consequence of this feeling of sovkipuh, there's a practical consequence, which is that more and more places are turning to Putin because Putin turns out to be pretty damn reliable. And Sisi goes to Moscow, Netanyahu goes to Moscow, everybody goes to Moscow, because if they're looking for positions in the new international game more and more people are beginning to think that it may be advantageous to strike deals, make bargains with our enemy and a nefarious power.

The second thing I wanted to say is to add to what you said. And I think it's very important when you mentioned republicans and democrats, the Trump entropy, let's call it, in foreign policy, in national security takes place against the political context in which thinking on both these questions and both parties has broken down or gotten completely discombobulated. I mean even though Trump was the republican candidate, so the republicans won the presidential election. The fact is that after this campaign both parties are broken down. And in foreign policy and national security the situation is even more incoherent. On domestic questions some of them retain a certain degree of ideological elan and ideological vitality on questions of economic inequality and immigration and economics, and so on.

On foreign policy and national security we're living in a bizarre world. I mean all of a sudden democrats fall all over themselves adoring the intelligence agencies (laughter) and

republicans believe you can't trust a word they say. But more importantly the arguments for interventionism, for liberal internationalism, for the idea that American power can be used for good in the world, these arguments are in retreat on both parties. Now, you may not like those arguments and you may celebrate this retreat, but what I sense is that both parties need to develop a discussion of foreign policy and national security at the level of first principles, at the level of first principles, because everything is confused and modeled and unclear. So there's no leadership that will come from the parties and there's no leadership that will come from the White House. And so we find ourselves -- so they don't rule on these matters, we're like a banana republic that consoles itself with the fact that we still have an independent judiciary. That's approximately where we are now.

MR. HARRIS: So if we're taking all this, the past 100 days this is what we've learned and where we are now and kind of where this deposits us in this particular moment today, is a brewing crisis on the Korean Peninsula. I think it's abundantly clear at this point that the intelligence community has essentially assessed that North Korea has probably two out of the three legs that it would need to develop a nuclear weapon capable of hitting somewhere in the continental United States. We can talk about the Carl Vinson episode and what that maybe reveals about the coherence or lack thereof, but if you were having to sort of take stock of this now and bet where we go in the next two weeks to two months even on North Korea, I mean what are you thinking? What kind of ideas does this provoke or anxieties in your minds?

MR. WITTES: I mean obviously the anxieties that are provoked are sort of ones of nuclear incineration and, you know -- like this is the ultimate high stakes thing. The probability of the worst case scenarios involving North Korea strike me as remaining pretty low. On the other hand -- and again in an example of even when they do things that you approve of it's very hard to celebrate that. I have a lot of sympathy with what the trump administration seems to be trying to do with North Korea, which is to take a different, more aggressive approach than the last three administrations, which collectively have an unremitting record of failure in reigning in the North Korean nuclear weapons program. And so if the question is, you know, is do I have sympathy with

the idea that we should as the stakes are now reaching a critical point, take a very firm line, yeah, I think we should. And I'm sympathetic to the administration on that.

On the other hand, it does not give you confidence that in the context of executing such a policy they lose an aircraft carrier. It doesn't give you confidence that in the context of executing such a policy there are statements that are all over the place and that the President announces that he'd really never realized until the Chinese Premier explained it to him that Korea is complicated and that Korea used to be part of China, (laughter), which by the way did not go over well in South Korea. And so you have this problem even if you start with a point of view of sympathy for the sort of more active posture that they're taking that they don't seem to be able to do anything well. And when you do this particular thing badly it is a game that involved nukes, it's a game that involves 10,000 artillery pieces trained on a city of 10 million plus people, and it is a game where the person on the other end of the game is as impetuous, maybe more impetuous, as crazy, and as ego driven, as our President is, and by the way is something additionally that our President is not, which is murderous and incredibly violent. And so I think it's an extremely dangerous situation and I think the only hopeful thing to say is that the situation may have a certain logic, the logic of the situation may have some degree of its own stability in it. But I wouldn't put a lot of faith in that.

MR. HARRIS: Susan, can I ask you a question on the -- and just briefly before we go to questions -- and, Leon, I want you to chime in too on this -- but what happens when the President -- if he has to go to the American public and say my intelligence community has told me that the North Koreans are preparing to ready a missile that can hit San Francisco? And this is the same President who told us that we shouldn't trust the intelligence community and whatever they said about his ties to Russia because these are the people who got weapons of mass destruction in Iraq so profoundly wrong. What is that moment like when he has to go to people and say well, no, now I trust them and I want you to --

MR. WITTES: About weapons of mass destruction.

MR. HARRIS: About weapons of mass destruction and I want to go to war.

MR. HENNESSEY: Right. So he's actually already had that moment whenever he comes forward and says we have high confidence that there were chemical weapons used in Syria. High confidence, that's an intelligence assessment. So I think this incredibly short sighted frankly war on the intelligence community that really existed in the campaign period and has endured into his Presidency. That is a really, really short sighted thing. It raises real questions about why it's happening and why there is this sort of instinctual hostility to this community that exists to serve the American people, exists to serve the President.

I think the bigger issue at this point is going to be credibility on the international stage and the ability to actually take action and to rally our allies and to not have other countries fall in line the way they have in the past. You know, I think what we're seeing is everybody wants to avoid a crisis and so other political actors, Congress will move out of the way when the President sort of gets out of line because they want to avoid the crisis. And sometimes the Judiciary will move out of line. And geopolitically different nations will sort of help give each other space because nobody wants the really bad thing to happen. And that works. And so it allows sort of the trampling of norms and for people to sort of run roughshod over some firmly established lines. And the problem is it works until it doesn't.

And I think that North Korea is the area in which it's the most consequential and maybe sort of the most immediate area in which there seems to be a real possibility that nobody moves out of the way in that circumstance. You know, I think that the President will come to regret any action he's taken to undermine his intelligence community. Paired with his own lack of credibility this has sort of the makings of a real disaster.

MR. WIESELTIER: Well, the good news is that Jared Kushner is in the situation room. (Laughter) So I think things will be fine.

MR. HARRIS: It's all going to be good.

MR. WIESELTIER: I think it will be good. Yeah, yeah, yeah.

MR. HARRIS: You're going to be really happy, don't worry.

MR. WIESELTIER: Yeah, it's going to be great.

MR. HARRIS: It's going to be beautiful.

MR. WIESELTIER: It's going to be great.

MR. HARRIS: Everyone is going to be really pleased.

MR. WIESELTIER: No, look, I think that on Korea -- and I'm far from an expert on this -- it seems to me that the question of China's relationship to Korea is historically, morally and humanly more consequential to everyone in the region and to us than the question of the Chinese currency or their trade policy. Trump being who he is, he economicizes all issues.

MR. HARRIS: Yeah.

MR. WIESELTIER: By the way, many people in this city and in this country have for years now been economicizing all issues for various reasons. But that's his comfort zone. You know, he wants -- I mean you said that he wants allies to pay, I'm thinking well he understands the problem because for so many decades he was on the other side of that debate. And I think that with allies and with the diplomatic talent that we have, it seems to me that the only way to solve this in a way that will not clean to conflagration is to make it clear to the Chinese that we really are serious.

Now, it's heretical, and certainly in this building it's heretical to suggest that one should take a very forthright and somewhat impatient let's say policy towards China in various regards. There is this view that China is a given, that we need their goodwill, we need their money, they're a quarter of the world's population, they have the greatest market that God ever created on earth, et cetera, et cetera. I think the Korean crisis should now force us to think about our China policy in a different framework where the stakes are infinitely higher. The Chinese, as far as I can tell, are playing a dirty game in Korea, they really are. I don't quite understand it, I have to say. They can't possibly want war on their border and they can't possibly want nuclear war. But they're playing a dirty game. They remind me of the Coteries and the Saudis in Syria and other places who are on both sides of the crisis. And I think that the first important diplomatic test of the Trump administration will be whether or not McMaster, who I'm sure understands this, and Mattis, whom I presume understands this, and Tillerson, who's now reading a book about China (laughter) -- I hope that we can somehow arrive at some rethinking of this strategy. And, again, it won't happen

because of the President, it will happen despite the President. And if it works the President will take credit for it.

I used to think about Trump that the good news and the bad news about Trump is that the only thing he cares about is popularity. So if he discovers that taking candy from children forces his numbers to go down he'll stop doing that. And if he discovers that giving candy to children pushes numbers up he'll give candy to children. It's sort of like Scrooge in some sort of way.

But this is a policy that I hope that people in government right now are -- I mean et cetera, et cetera, et cetera.

MR. HARRIS: All right, let's turn to you all in the audience. Please raise your hand if you have a question. Yes, sir, right here.

And, I'm sorry, the microphone will come to you and please wait for the microphone because this is being webcast, so people at home can hear you too.

MR. BROWN: Stuart Brown, Warren Capital. I have a question about rule by Executive Order. How this President ranks with others and are there any checks on that or are we to look forward to another three plus years of rule by Executive Order?

MS. HENNESSEY: I mean the irony here is of course this is a principle critique that the republicans had against President Obama, who relied heavily on Executive Orders in the face of sort of an uncooperative Congress.

The primary check on the use of Executive Orders is the Judiciary. And I think there's one interesting or reassuring signal here is that we're seeing in response to the Executive Order a very, very muscular sort of Judiciary that is pushing back on sort of assertions of Executive deference in ways that we haven't seen in a very long time. So I think potentially there's a silver lining. There's a recalibration we see the Judiciary occupying a little bit more of its Constitutional role and, you know, it seems silly to even say it, but maybe Congress will step up to occupy a little bit more of its Constitutional role, especially in regard to sort of the war making powers.

Ben, I don't know if you have a different take on it.

MR. WITTES: Well, I think the President's authority in the national security realm is vast. And that means that whether using the formal structure of the Executive Order or some other authority that's within his power, he has enormous latitude to do an incredible variety of things. And by the way he's invented some new forms of executive exertions of authority, including the Tweet, which we hadn't previously realized was a major instrument of executive authority, but it is actually. You can shape the world as President by Tweeting, including Tweeting false information. There's a special codicil of Article 2 of the Constitution that given the President that power. (Laughter) And I don't think that's actually controllable. You know, the President gets to name crazy people to senior positions. That's not an authority that Congress has the ability to limit to the extent that those are not Senate confirmed positions. The President has the authority to choose to focus on X issue transactionally, you know, who pays us, versus Y issue, which the entire rest of the world might think is more important. There's nothing you can do to stop that.

So while I do think it's important for other actors to play their functions, you know, at the end of the day the Presidency matters a great deal and we elected somebody for four years who's going to remind us of that every day.

MR. HARRIS: Leon, did you want add anything?

MR. WIESELTIER: I yield to Lawfare.

MR. HARRIS: Question here. Yes, sir, over here, right here on the left.

QUESTIONER: Good morning. My name is (inaudible). I'm a student from Europe, from European (inaudible), and my question is easy. What is Trump going to do with Putin? Do they become good friends or he makes a deal through Ukraine to make peace in Syria? What do you think about that?

MR. HARRIS: The Trump-Putin bromance.

MR. WIESELTIER: Well, I mean again like with the strike in Syria, I was absolutely delighted that they broke up. I hope neither guy's feelings were too hurt. (Laughter) But I have no reason to believe that this will be a consistent policy or that it's based on any larger reading of history or interests or values. I think that the ascendancy of Putin in our time is the single most surprising fact about our time and probably the single most dangerous fact. If you had

said 25 years ago that in 2017 China will be a very powerful country with military ambitions and growing economic power globally, we would have agreed. And if you had said 25 years ago that in 2017 the Middle East would be in flames for one reason or another, we would have been sad, but we would have agreed. But if you had said that in 2017 Russia would be the ascendant global power and this KGB thug would preside over a renaissance of Russian nationalism and revise Russian regional and global centrality, and would successfully and brazenly interfere in the democratic processes of western countries, and would seize territory from a country, and invade a country, and et cetera, et cetera. And I'm not even -- I haven't even gotten to Syria yet. If you had said that all this would be the case, I think we would have been laughed at. I certainly would have laughed.

So I think given the grotesque relationship or -- I don't know what the relationship was -- the grotesque attitude that Trump had to Putin throughout the campaign, which was one of probably -- maybe the most disgraceful aspect of that disgraceful campaign -- though the competition's rough. But I think it's a health development. Now, will it last, what is it based on? I have no idea. There is no way to know. It's perfectly clear that Europe -- and we'll use that -- for as long as we can still speak of Europe we'll use the term Europe -- is looking for American leadership to cement a new front against Russia, which I think is absolutely necessary. Just as for a long time during Obama and now it was clear to me that there was a pro American alliance along the East Pacific and the Pacific Rim on the part of countries that were getting actually very worried about the Chinese. And the question is whether we have the values, the will, and the talent to actually act diplomatically in this regard. You know, when it came to Syria our policy towards Russia and Syria has been one of deconfliction, right. That was our objective. To which I think to myself, you know what, we're the United States of America, let them worry when we fly or not.

MS. HENNESSEY: I mean I would disagree with Leon at my peril. The one thing is I'm not sure that we should be viewing Russia as this ascendant global power. I think that they were desperate and reckless and got lucky in this one instance, massively lucky. We're going to have to have a really hard conversation, one, about getting to ground truth on what exactly

occurred. It's clear we're going to have to do that over the obstruction and objection of the White House.

MR. HARRIS: With the interference in the election you mean?

MS. HENNESSEY: Exactly. The other hard question we're going to have to have is what exactly was going on in American society that made us vulnerable to those kinds of attacks. That's going to be a much more difficult long-term fix, but that's really going to be the most important part.

MR. WIESELTIER: But you see the geostrategic situation -- I mean I agree with every word you've said, but the geostrategic situation is not the same thing as the question of Russian interference in our election.

Russia is now advancing steadily along various fronts according to a certain view of its own interests, in the Middle East, in North Africa, in Eastern Europe, in Western Europe. You know, it's just a matter of days before we wake up in the morning and hear that somebody important from Moscow has met with Maduro. I mean this is -- you know, the Russian relationship to Iran is one of enormous geostrategic consequence. So whether or not they did or they didn't -- and we all know that they did -- that actually interests me less than the rest of the world.

MR. HARRIS: We have reached the end of our time. Susan, Leon, Ben, thanks for doing this. Thanks for being here. Thank you all. (Applause)

(Recess)

MR. CASSELMAN: All right. I think we'll go ahead and begin here. Is everyone feeling optimistic after that panel? (Laughter) The good news on this panel is it will not start any nuclear wars.

So thank you all for being here. I'm Ben Casselman. I'm an editor and writer with FiveThirtyEight. And we're gathered at an interesting moment -- I think interesting is a safe comment -- an interesting moment on tax and regulatory policy. In particular, it's been an eventful first 100 days and looks like it's going to be an eventful right up to the end of that 100 day mark.

As I'm sure many of you saw on Friday President Trump signed a number of memorandums and executive orders relating to financial regulation and to tax regulation. And it

sounds like this week we may get kind of our first glimpse of at least the broad outlines of a tax plan, although nobody seems to sure on what any of that is going to actually hold.

I'm sure we'll get into some of those details over the course of this panel, but I sort of want to set out two questions that I'm hoping will frame this a little bit. The first of those is sort of how likely we are to see fundamental change in either of these areas under this administration, this Congress. Not just sort of one off tax cuts or rollbacks of loopholes, not just the rollback of a couple of Obama administration regulations, but the kind of fundamental reform that we were promised on the campaign trail and that, frankly, we've been promised by members of both parties in one way or another on the campaign trails for the last several cycles.

And then secondly, to the extent that we do see change, large or small, does that fit into the sort of traditional framework of, for lack of a better word here, sort of normal republican reform, or do we see something different in some way, whether you want to call that different thing populism or economic nationalism, or assign some other word to it.

So I'm hoping that we'll be able to get into sort of both of those as overarching questions on this.

We have a wonderful panel here today to help us wad through those questions and other.

Vanessa Williamson at my far left here is a fellow in Governance Studies here at the Brookings Institution where she studied public attitudes towards taxation. She previously served as Policy Director at the Iraq and Afghanistan Veterans of America. And her new book is titled, "Read My Lips: Why Americans are Proud to Pay Taxes." She has a doctorate from Harvard.

Philip Wallach is a senior fellow in Governance Studies at Brookings where he has written about regulatory issues, particularly environmental and financial regulation. His recent work examines the legitimacy challenge facing the U.S. administrative state. He holds a Ph.D. from Princeton.

And Louise Sheiner, to my immediate left, is a senior fellow in Economic Studies and policy director of the Hutchins Center on Fiscal and Monetary Policy, again here at the

Brookings Institution. She has previously worked at the Federal Reserve Board of Governors, at U.S. Treasury Department, the Council of Economic Advisors, and she holds a doctorate in education from Harvard.

So thank you all three of you -- in economics. I'm sorry. She has an education from Harvard.

So, Louise, I wanted to start with you. Tax reform, and especially corporate tax reform, seems to be one of these things that everybody agrees is necessary from both sides of aisle, and yet it never happens. According to our Treasury Secretary it's a lot simpler than healthcare reform, but the evidence on that is outstanding I guess. So I'm curious as to sort of why this is so difficult and to the extent that there may be a path towards some kind of agreement what that might actually look like.

MS. SHEINER: Yes. So I mean tax reform sounds easy until you start looking at the details and then it gets difficult, just like health reform. It is quite different, I agree with you, than the health reform where at least the diagnosis of the problem is commonly shared. So the U.S. corporate tax is the highest among the OECD partners. We have a tax system that supposedly taxes worldwide income, but allows for a ton of income not being taxed or being taxed at much lower rates because there are loopholes, because of gimmicks. And so I think everybody agrees that it's a problem. And then in particular we also worry that our tax system is pushing U.S. companies to move headquarters overseas to become foreign companies. So we agree on the problem. And the Obama administration had a corporate tax proposal. So that's different from health reform where we don't even agree on the basic facts on the ground.

But then when you try to think about where do you go from here it becomes very difficult. And I think three basic reasons for that. So if you think about tax reform, what people often mean about tax reform is not just a tax but really as you say, a sort of essential change in how we tax. So the House republicans have a proposal that I would call real tax reform, where you're really, really changing the way corporate and business income is taxed, where it's going to depend on where the products are sold rather than where they're produced. So it's very, very different. If you want to have a tax reform that isn't just a tax cut, but that is revenue neutral, that

says we're going to lower taxes in some areas, we're going to have to raise them in others, we're going to get rid of loopholes, we're going to get rid of the gimmicks, then what happens is you split the business community. There are winners and there are losers. And once you've done that it makes it very, very difficult to pass.

So take an example in the House Republican tax reform plan they have this border adjusted tax, this BAT. You've probably heard about it. And what that appears to do -- economists would argue that it doesn't -- but what that appears to do is to tax importers and subsidize exporters. So a retailer like Wal-Mart that imports most of its stuff is firmly against it. And it will also not only be against it in terms of saying this is bad for our business, but they say it's going to raise prices on consumers. So a Congressman and a lot of their voters who shop at Wal-Mart are going to have a hard time voting for that. So because there are winners and losers it just makes it very, very difficult for everybody to get on board.

So that makes it hard. But it's not as hard if you say, you know what, we don't have to be revenue neutral. We can make some of these reforms and let it pass through and increase the deficit. Well, that becomes difficult for other reasons. So certainly at this point in time, with the debt already very high, there are people in the republican Congress who would not easily vote for something that increases deficits.

Procedurally it's difficult as well because in the Senate if something increases deficits beyond the 10 year window you have to have 60 votes, unless they change those rules, which would mean that you couldn't do it just with republicans, so that becomes difficult. And I think on top of that, at this point in the business cycle, it's a lot harder to argue that we need to cut taxes in order to spur the economy. So we're kind of at full employment, the Fed is raising interest rates, you kind of lose that argument. So it's easier to get those kinds of tax cuts when everybody says well we need to do something.

And then I think the third reason that it's hard, you know, as we said both republicans and democrats want to do something, but cutting business taxes, corporate taxes, individual business taxes, tends to be distributionally tilted towards the wealthy. So the only way the democrats would sign on is if you had something that really had a lot of benefits, you know, it

doesn't have to be taxes but it could be taxes or ACA subsidies, or like for people in the middle and lower income classes it's not clear to me that the republicans would give enough to make the democrats want to do that, especially because we've got 2018 on a horizon and people said well, you know, what if we just wait. Maybe, you know, this will be a do nothing Congress and we could take over the house. So I think for those reasons it just makes it incredibly difficult.

MR. CASSELMAN: Vanessa, one of the things that you have written is that one of the obstacles to reform is that Americans hold some pretty fundamental misunderstandings of how our tax system even works. So I'm curious what some of those misconceptions are and how that affect this tax debate.

MS. WILLIAMSON: Great question. So I think it's important to start by saying that because tax policy is very complicated it's common for smart and educated and even very politically engaged people to hold misconceptions about tax reform. So I think that it's important to sort of recognize that that's a problem that's not just limited to certain kinds of people.

But right, it's true that Americans do hold these really fundamental misunderstandings. Well, a lot of them are on the individual tax side, but the distinction in the average person's mind between the individual income tax and the corporate income tax is not very strong. People tend to group together corporations and the wealthy as people who don't pay their share. And whether you believe that or not if they don't pay their share it's not for the same reasons. It's a completely separate code. So you have to sort of recognize that people know very, very little about corporate taxation in general. The only piece of it that I think is widely understood, or at least that people are even aware of, is the idea that some companies are hiding their money overseas. But, of course, the details about policy that would address that and which kind of policy would address that in a way that aligns with any given voter's values is extremely difficult to say. I mean even experts disagree on these subjects.

The other piece of public misconception that I think may play a real role this year is a tendency for people to perceive loopholes and not rates as the thing that really matters for public opinion, or for the tax rate that you pay. So, for instance, people often misunderstand a plan that closes loopholes but lowers rates as something that's going to end up revenue neutral when, in

fact, obviously you could close some loopholes and lower the rates and end up costing a lot of money, right, blowing a big hole in the budget. And many of those plans that get proposed do that. So I think that people tend to misperceive what kind of policies will implement their values. And that I think is especially true when they're trying to understand tax policies that don't affect most Americans at all in any immediate way, in any direct way, so that they're really operating with the best information they can get from their very polarized news sources. So you face a big partisan divide on that.

MR. CASSELMAN: A lot more we can get into on tax, but I want to shift to regulation for one second to Philip here. Because unlike with tax where it's been all talk so far, on regulation we've actually seen some stuff happen. We've seen a number of regulations get rolled back to the Congressional Review Act, we've seen this new policy of one in, two out, as the President signed as one of his first acts in office. We've seen a number of other Obama era regulations either suspended or under review.

So I'm sort of curious, just take us through the first 100 days. How much action has there been and kind of what does that tell us about the regulatory approach of this administration going forward?

MR. WALLACH: Well, the first thing to mention is the Congressional Review Act that you noted. So that has a time limited window, 60 legislative since a rule was finalized. So that leaves a lot of Obama administration rules that were vulnerable to having Congress pass this procedurally advantaged disapproval resolution and then the President has signed this. So 13 rules from the Obama administration have been wiped off the books through that mechanism so far. And the White House even sort of had a press briefing say hey, everybody, take note of this. This is a big deal. Only one rule had ever been wiped off the books in this way before and we've done it, you know, more than a dozen times now.

So those don't tend to have been really big blockbuster rules though because the Obama administration sort of sheltered its most important rules by getting them passed earlier. On a lot of those fronts, you know, there's a lot of important stuff that the Obama administration did

through Executive Orders of guidance documents, and the Trump administration is able to just, with their pen and their phone, wipe those out and have done so on quite a lot of things.

For other ones, such as the Clean Power Plan, one of the regulations that was the most controversial that I study, we've seen the Trump administration take a somewhat more cautious approach. They put out an Executive Order saying we're going to reassess this rule, and they're going to observe all of the niceties of the Administrative Procedure Act in going through and reconsidering, that there'll be a notice and comment process. And we have a pretty good idea on where they're going to end up, but they're going to be legally careful about that. So in a lot of those ways we've sort of seen the opening moves rather than everything.

So then the question is on the bigger picture stuff, reshaping the way regulations get made. So the Trump administration has put in place this one in, two out rule by Executive Order. But it's really hard to understand exactly what that's going to do still. The Executive Order says this should not be interpreted as being inconsistent with any statutory requirements. So that means presumably any rule that is mandated by statute cannot be wiped off just because this policy is in place. So we're going to have to see how OMB Director Mulvaney and the nominee for the head of OIRA, Neomi Rao, figure out what to do with that exactly.

And likewise with the regulatory budget that's also a part of that same Executive Order, where the administration says they're going to aspire to zero net costs for all of the regulations that they are going to implement.

So that's on the Executive Branch side. What can they do themselves? We have to see how that will all work out. Then we have the Congressional side. And really I think a lot of the stuff on regulation is of greater interest to Congress than it is to the White House in some ways. And so Congress has endured eight years of the Obama administration where they felt -- or at least six years with a republican majority in the House, where they felt very marginalized and they've been passing reforms through the House for many years now that would really significantly restructure the regulatory process.

And so they've now passed some of those same ones through the House again. The real action is in the Senate where it's not clear if you can count up to 60 votes on some of

those -- you might be able to -- or you could work through reconciliation somehow. But that's where the real action is going to be, this upcoming summer I'd say.

MR. CASSELMAN: I'm curious just to double down on that slightly, and I'd love Louise and Vanessa to weigh in on this as well. We've seen a sort of flurry of sort of undoing in the beginning of this administration. And we know that the Obama administration relied heavily on Executive action, especially in the last six years. Now we're sort of seeing the fundamental impermanence of that on some level.

But the early days of the Trump administration have also been very focused on Executive action. We obviously haven't seen anything really in the way of legislation. Are we heading towards a place where there's just much more sort of back and forth every time there's a change of control versus a little bit more of the permanence that we might have been used to to some degree on the regulatory side?

MR. WALLACH: I mean you're sort of talking from my book (laughter) as far as I'm concerned. The way that a Constitution sets up our policy making process really to achieve any degree of stability needs to go through Congress and Congressional enactment of statutes. And the more that that becomes something that administrations and the White House try to do without and circumvent, the more that we set ourselves up for a regime of policy instability where there's reversals after reversals and really very little policy certainty, which is obviously very economically destabilizing.

MS. SHEINER: I mean I think that comes from the polarization that we've seen. It's not because they don't want to use the Congressional process, but that's such a broken process that we have so much disagreement, you know, trying to get 60 votes for anything in this administration is going to be very difficult. And it was in the last administration as well. So I totally agree that we will see more of that and that's because that's kind of all they have at their disposal that they can actually easily get done.

MS. WILLIAMSON: Just to follow up on that. I think one troubling aspect of it is that I think it has a little bit of a self reinforcing mechanism where because -- if you're in the administration you can't get what you want done through Congress, then you're obliged to use

Executive Orders. But then you take very polarized positions and that sort of reinforces the sort of zero sum game for the next iteration as well. So you end up with -- I don't see how to bring that back in the more traditional governance direction as opposed to it sort of spiraling outward into increased polarization.

MR. CASSELMAN: I kind of framed this conversation at the outset by saying how likely are we to see fundamental change versus sort of smaller pieces. And I'm curious to sort of set a benchmark here. If we can go down the line and assign a probability we will then hold you to that, absolutely, because we like holding people to probabilities at 5:30 a.m. (Laughter) But try to just lay out a probability of sort of major reform in either of these areas. We'll just go down the line quickly.

MS. SHEINER: Okay. So on tax reform I think a really major reform is unlikely. I'm going to give it -- and I think the BAT has got maybe a less than five percent chance, of something a little bit bigger. Still very unlikely. I think the probability that they get something, a tax cut. I mean again you have republican administration, republican control of both House and the Senate, could not deliver, I don't think they will be able to deliver on the ACA repeal. You know, the desire to pass something to bring home to the constituents I think will be large.

So I think I would give some kind of corporate tax cut, maybe sun setting after 10 years, you know, whatever, a 60 percent chance and like 35 percent of nothing much happening.

MR. CASSELMAN: I like it. All right.

MR. WALLACH: I think republicans will be able to get on the same page about something. Again, regulatory process reform. So I think there will be a big law passed, possibly as soon as later this year. The one that has the most traction right now is the Regulatory Accountability Act. We didn't want to bet on particular horses, but I'd say I think there's a 75 percent chance they'll be able to come together on something. I do think there's a lot of other areas where they may end up in conflict and find out that their consensus isn't so deep.

MS. WILLIAMSON: I have to admit I basically just agree with Louise. By far I think the most likely scenario is a substantial cut that is not tax reform. I think that's by far the most

likely thing and I think you're absolutely right, that it's not likely to end up being revenue neutral, it's likely to sunset instead.

MR. CASSELMAN: So if we're not likely to see kind of the big whack at tax reform -- Vanessa maybe start with you -- what are we likely to see? What kinds of cuts are we likely to actually see? Cuts or loophole closings, whatever.

MS. WILLIAMSON: Well, so one interesting question is what's going to happen about the tax cuts that were supposed to be in the ACA repeal. So that's one thing that I think I would have thought was quite likely a couple of months ago. That once the election was completed that that was something you were likely to see change on tax. And now I think that's much less clear. I think they'll probably want to do something about the money that's overseas and bringing that back at some preferential rate.

Other than that I'm not totally -- I don't think that it's clear at all. I think, you know, the sort of big pieces of reform are pretty unlikely, particularly the ones that raise taxes or divide the business community. I think that's exactly the pieces that are at the bottom of the list for me.

MR. CASSELMAN: Other smaller things either of you think are likely?

MS. SHEINER: No. So again I'm going to basically agree with Vanessa. But what I'm not sure about is whether or not they're going to end up doing -- if they do something at all whether or not they're going to have an individual tax reform and corporate at the same time, or they're just going to do some lowering the rates on corporate, doing something like bringing back -- you know, having a repatriation holiday, maybe some minor chipping at the edges of certain things.

So one of the things I might have thought they would do would be trying to do something to limit interest deductibility, which is one of the gimmicks that corporations use to move profits overseas. One the rules that they just decided that they were going to oversea is what the Treasury Department had already issued in trying to do that. So it's really unclear. And I mean it's really unclear because what you're hearing from the White House and Treasury, you don't even know who's in charge -- so we're going to hear on Wednesday -- I mean does it matter, is it really what they've thought. There's no sense again. I was listening to the previous panel, this idea of

having sort of fundamental values from this administration and we don't really know what their fundamental values are and what they want to do or why.

So, I don't know. No, I don't have anything else.

MR. WALLACH: Just to briefly follow up on that. I mean, yeah, a lot of this depends on how unified does the republican caucus turn out to be on any of this stuff. Trump had the potential to really bring in some disruptive ideas, whether those end up just getting spat out such that we're sort of back in a world that Paul Ryan circa 2014 would be at home in, or whether the republican coalition is in a position of having to digest some kind of more fundamental tensions now.

MR. CASSELMAN: Inversions piece, which I think you were referring to from Friday, is sort of striking as something that President Trump has spoke about on the campaign trail. It's something that seemed to sort of fit into his populist agenda to say to go against us, and then we obviously saw him go sort of totally the other direction on Friday. I mean what should we make of it?

MS. SHEINER: So I mean I think this idea of going totally in the other direction is a common theme you might have for this administration. And if you think about the people they put in place to do policies as opposed to other, you know, agencies, EPA, or addressing something, are really people who would be comfortable in Paul Ryan's world; right? I mean there are people from Goldman Sachs, there are people who are in synch with the business community, you know, except for Pete DeMorrow, but who seems to have been kind of sidelined. And so I don't think that Trump cares enough about the details, or really wants to understand the details. So, what he said on the campaign trail, won't necessarily matters that much, so I think if we see anything, it will be much more like Paul Ryan style tax change, I think, than something kind of really different, and then I think that's more true on the economic policy than perhaps on other policies.

MR. CASSELMAN: Well, the one thing that Paul Ryan sort of really explicitly wanted on tax reform is border adjusted tax, and it looks like he's not going to get that.

MS. SHEINER: Right. So, I don't know mean what Paul Ryan himself wants because I think he's not going to get that, but sort of what a standard Republican plan might be,

which is the (inaudible), it should be let's lower taxes on investment, let's lower taxes on business, I think is what you are going to find, and not this, let's make sure that corporations have to pay if they want to -- you know, the stuff that was on the campaign. The stuff that when you -- when it gets proposed, or if it's even talked about, they'll say, oh, that's going to be terrible for business, and that's going to be terrible for, you know, investment and I think it gets dropped.

MR. CASSELMAN: Is that true on THE regulatory side as well, stuff that were dropped?

MR. WALLACH: I do think there are a lot of potential institutional conflicts between Congress and the Executive Branch in any political environment, and that's certainly true here. But I do think that this is one of the easier issues for Republicans to hold hands and get along on. You know, I think there's a possibility that there will be blow back at some point that, sort of, people will say, hey, Trump, you are just serving business interests after all the populist rhetoric, what gives with that.

But I do think that for now, there's this harmonization, well, we have to allow U.S. businesses to thrive and get rid of these regulatory barriers, and that's the way of promoting U.S. jobs, and that sort of rose into a fairly coherent narrative that they can run with for a while.

MR. CASSELMAN: I'm curious on both of these sets of issues, how true do you think that assumption is, that there are -- the existing tax and regulatory structure are holding back the U.S. economy in sort of a fundamental way. And to the extent that it is, sort of what areas do you see as the biggest tension points there? Phillip, we'll start with you

MR. WALLACH: I have some sympathy, and it's very hard to assess quantitatively or counter-factually, you know: what would the world be like with a whole lot less Federal regulations? But I do have the sense that we have this, layers and layers of accreted regulations that really do create some serious barriers. We have lot of regulations that are not very discriminating, and whether they apply to very small businesses versus big businesses, and certainly in community banking is one that gets a lot of emphasis.

And so I think there should be like a bipartisan space for doing some regulatory pruning; that would be very productive for helping the U.S. economy. Of course everything is so polarized, it's always hard to find that bipartisan space but, yeah, I think there's some real truth to it.

And so when Trump reaches for some of these things, that do seem kind of gimmicky like the one-in, two-out, kind of thing, I have some kind of sympathy for saying, well, he just needs to create some kind of forcing mechanism, where we say, we are going to force bureaucrats to go in and reckon with what the existing laws on the books are doing, and whether those are really cost-effective.

Because a lot of times we just do cost-benefit analysis when we put regulations in place, and we don't really return to them all that much later. So, there's a lot of crudeness in that Two-for-One approach, but it does seem like doing something to try to confront the regulatory burden makes sense.

MR. CASSELMAN: Louise?

MS. SHEINER: I guess I basically agree with that, and I think that, you know, if we are looking for something that's going to be: oh, we just do this, and then we are going to have so much growth, we are going to have so many jobs. There is no silver bullet like that, and so this idea that, you know, that every ever REG you know -- that if the REG's costs are greater than its benefits, we should get rid of it, and we should have a process that thinks it up, and I think that's right.

You know, would I go there first, if I said what would -- you know, if you could make changes is that where you would focus? I wouldn't. Anyhow, again, on the corporate taxes, I think, you know, it is a problem it will be needed to be addressed at some point, but I also don't think it's going to be like, you know, if we get rid of corporate taxes we are going to have this huge increase, and that's not a huge increase for the jobs, I wouldn't go there.

You know, when I think about where I would go, I would go to areas where -- I mean, my view is that the biggest problem that we have is rising inequality, which I think also contributes to potentially; potentially slower productivity growth, and I would go to things that address that. I would go to things like, make sure we invest in poor kids, you know, make sure

they don't have lead in their water, it's sort of -- these are obvious ones that I think are more important and aren't getting the attention.

I would think about anti-trust, because I think there's some ideas that may lead to productivity. So they might be related to this increased concentration, and then would think about things that -- I don't know how much the federal government had in terms of regulation, but I think there is some evidence that sort of the reduction in geographic mobility, and it's very hard for people to move to cities where there is -- productivity where there is growth because of zoning issues, that makes housing too expensive.

I don't know if there's a way for that, and that's increased potentially, regulation. And I don't know if there's a way for the federal government to have a role there, but those places I would look. I wouldn't really look to these issues as much. But again, you want to do things that makes sense, and everything at the margin can help.

MS. WILLIAMSON: Yeah. I would just definitely second your point about the sort of challenge of monopoly or relatively few actors in markets obviously that is not the best approach to encourage competition and, investment and all these things. I think that we have that issue in a lot of sectors now. I also think that, you know, this is not something that's particularly likely to happen in the near future, but I think that one challenge we also face is that with lower tax rates at the top it encourages the -- You know, encourages certain kinds of (inaudible) seeking, basically, among executives.

So that they are less interested investing in more -- investing in their companies, and more interested in providing dividends to their shareholders. So I think that that's -- those are a couple of challenges where I think that there is probably room for regulation. But it's not particularly likely to happen in the near future, but I think it could be an important part of building an economy that was growing, and was growing for more people.

MR. CASSELMAN: One thing that's kid amazing to me here is the way that that we glossed over this revenue neutrality thing. I think if we've been having this conversation a few years ago, we would not have just sort of -- especially with a Republican Congress and Republican President, we would not have just sort of said, oh, and I don't think it's going to be budget neutral.

Although we saw during the campaign of course the sort of -- the deficit was hardly something that came up during the last campaign. I'm curious sort of how we got to that place, and how that changes this debate, as opposed to if we were sort of insisting on that, in a way that we have historically. Louise maybe you can?

MS. SHEINER: Well, so I think if we were insisting on revenue neutrality, we would be more likely not to do anything because it's not -- as I said, it's very difficult. It's very difficult to have some people be losers when other people are winners; right? So I think that, you know, there's a question, I think one of the big unknowns in terms whether or not the Republicans can act unified, as whether the people who've been claiming that they care about the debt actually do, when the tradeoff is, you know, tax cuts.

And I don't think we know the answer to that. I mean I think that probably they don't care as much as they've said as they said they would. It was a good talking point when they didn't like what was being proposed. And now when they do like what's being proposed, you know, then it's not as important. And do you know, you could laugh at that, but it actually makes, too.

Like, I personally would be willing to have deficits for policies that I think would, you know, help in the future, would invest in kids, would invest, you know -- If you really believe that tax cuts are going spur economic growth, even though, you know, maybe the official scores don't say it, you know, it's not that hard to say, well, you know, I don't want to increase the deficit on things that are not useful, that are not helpful, but if they are things are helpful then it's worth it.

So, I think it's not hard to see people make that adjustment and, you know, that's what you were hearing last week from the Treasury Secretary, which is that these tax cuts will pay for themselves. So they are not saying that we don't care about it, but we are saying, you know, really it's going to just get so much growth, that these things will pay for themselves.

So, I mean, and the other thing that I think is that we've seen this huge increase in the debt, we've seen this huge reduction in interest rates, and projections that interest rates are going to remain low, that in itself, I think has changed many people's view of how we can go

without -- you know, we would have said, oh, if debt is high, you can expect really high interest rates, and we have the opposite.

So, I think that's another factor that has changed the conversation as well. I think if you had seen interest rate start to get really high, I think then, there would be a lot more on both sides saying, we need to get together and do something to lower deficit.

MS. WILLIAMSON: Yeah. I think following up on that point, with interest rates low, there is not a constituency that cares about the deficit meaningfully, right. I think whoever is out of power cares about the deficit, because it would oppose whatever spending, or tax (inaudible) expenditure, that you want to put in place, but there's not actually a large quantity of Americans who care deeply about our deficit, I think. At least certainly not as a primary issue --

MR. CASSELMAN: On this building I'd say. And probably one down the street.

MS. WILLIAMSON: Yes. Every single one of them is in this room right now, which means that's (inaudible) to their political powers as a building block. But, yeah, I mean, the other piece on that of course is that we saw in the early 2000s a Republican willingness to go with the plan that we are just going send in 10 years.

So, I think that legislators right now, if they are going to the most recollection of what did major tax change look like, it's not the breaking reforms at all, it's quite a long time ago, first of all, but it's the Bush tax cuts, right? And so I think that that's probably the model most people are operating with when they are thinking about what tax changes can be or should be.

MR. WALLACH: I just have a couple of thoughts on that. I mean, how we've changed since like 2010 to the political situation around fiscal policy, you know, I do think part of it also is that Obama came through on his promise not to raise taxes on the middleclass. So the distance between the two parties on these issues for the average American, I think actually feels less than it used to, and you know, on entitlement reform, they used to be very clearly differentiated.

And now with Trump having done what he did in 2016, it's again, just kind of, I find it very confusing, sort of. Is there a future for entitlement reform at all, well right now it doesn't really look that way. So, something would have to change, and probably, yeah, it would probably

have to be interest rates going way up, like in the 1980s, that then create a coalition for really sharpening deficits.

MS. WILLIAMSON: If I could just jump in there, more time?

MR. CASSELMAN: Yes.

MS. WILLIAMSON: I think that's such a brilliant point. The other thing that occurred to me, is if you are talking about doing something that addresses the issue of deficit, is it makes the winners and losers so much more obviously, right. It makes health -- or tax reform looks more like health care reform did. Where, okay you're going -- these people are getting these benefits, and these people know they are going to lose something; right? And so I think that's one of the real challenges.

If it were in the system right now where, having there be any obvious losers, there's not a lot of trust in the system, or trust the next time around will fix for other people what's going on. There's very zero-sum game approach, I think you are seeing that on entitlements, too.

MR. CASSELMAN: Since you mentioned health care, and there's just been this debate about whether the failure of health care reform; unless it rises again this week, how that affects the tax debate. And there's sort of an argument that makes it significantly more difficult because they didn't repeal the Obamacare taxes as part of that, and if they want to do so, now they have to do it as part of a tax reform package. I've also seen arguments on the other side saying, you could just not repeal the Obamacare taxes.

How do you see failure of health care playing out in the tax debate? Louise, do you know?

MS. SHEINER: Yes. So, I think that, you know, people who say it makes it hardest, because you had some revenue there. I mean you had space, right, which means that you are going to cut Medicaid, and some other benefits, but also cut Medicaid, the growth of Medicaid over time, and that gave you money that you could then use to pay for these repeals of the higher income, investment taxes in Obamacare.

So that's probably kind of off the table, so the question is, of course it makes it harder to get a very big tax cut, right, you can't use that money. And so to the extent there's any

kind of limit on how much you want to increase the deficit that's going to make it smaller. I think politically, I think I said before it obviously makes it more likely that they'll get some kind of tax cut just because they lost so, you know, obviously on a major campaign promise, that I think they need something.

And that might make them more likely to find something that they can all agree on, but that's a political argument, and you know -- so what do I know.

MS. WILLIAMSON: Yes. I mean, I think you mentioned the politics of it cutting both ways; on the one hand there might be a little more interest, politically-speaking in finding something we can all agree on so that we get something done. On the other hand, people might feel that, well, our leadership couldn't get it together, and I think they've been saying they were going to do for seven years, so I've got to watch for me, and I'm not doing much for the party right now, and you could see it going either way.

But I think that it's certainly not positioned that if, you know, were in Congress -- this is not a position I want my party to be in when I'm trying to make these judgments; at all.

MR. CASSELMAN: I'm curious as to, whether any of you see the likelihood of a policy change that moves truly in sort of this more populist direction that we heard on the campaign. Are there any policies you would point to likely to be put in place that move in that direction?

MR. WALLACH: Well, I do think that the -- like the President really does seem to care about this American jobs thing. A lot of his personal attention seems to have been devoted to that in these early months. And so I think the question to ask about that is whether it will amount to a big systematic policy with far-reaching consequences, or whether it just tends to be a photo opportunities sort of lined up in a way that allows you to sort of craft a populist rhetoric without necessarily having a shift to the fundamentals.

So, I think right now the ladder of those two possibilities seems much more likely to me, but we'll see, you know. And there is always the question of, if the President started really shopping for democratic allies, and putting together a more populist coalition across parties, you

know, that sounds hard to fathom in the current moment. But, you know, on November 9th, it probably was not such a crazy thing to think about.

So, you know, I think that possibility remains out there if he feels like he's just totally spending his wheels trying to work with an increasingly internally-divided Republican Coalition, maybe he'll try to sort go in a completely new direction.

MS. SHEINER: So, I think health reform debate makes that harder because, you know, Trump showed that he was willing to go against his campaign promises, do things that would hurt his constituencies in terms of raising their premiums, you know, not insuring the health care, cutting Medicaid.

And I think that makes him, first of all, a very untrustworthy -- I mean apart from everything else -- a very untrustworthy partner for a Democrat to go and decide to go against their party right now, and sort of go to this populist -- you know, proposals where I think he's shown that that's just not that important to him, fundamentally. And so I think that that's unlikely. But, you know, you never know.

MS. WILLIAMSON: Yes. I think I basically agree. You know, I think there's likely to be things, kind of like the Carrier deal, you know, where it's got some photo opportunities attached to it. It has a negligible impact, systemically speaking, and it works via a large (inaudible) going to, you know, business owners. I think those are elements that I'd expect to see again.

MR. CASSELMAN: Sorry, go ahead.

MR. WALLACH: I mean, infrastructure is a big one, you know, and it's worth tossing out as the one that people were most eagerly expecting. It could sort of do something with big consequences for American jobs; it could have a real populist emphasis on, I think. You know, I think there were some of us who thought that that could be priority number one in reshuffling American politics. Today it's kind of nowhere to be seen. But we'll keep looking out for it.

MR. CASSELMAN: Vanessa, one of the implications from some of research though has been that loopholes, in particular, are sort of very high tailed in (inaudible). People are aware of those in a way that maybe they don't understand marginal rights, and sort of the tax system more generally. So, I wonder about at tax reform that repealing a couple of specific sort of

unpopular loopholes is then able to be sold in a way, as being populist, even if -- sort of all of us who were sitting here, sort of pointing to the models saying it's not.

MS. WILLIAMSON: Right. I mean, I think that there is this sort of fundamental challenge in terms of people being able to assess tax reform as it's happening, because there's such an interest in -- you know, among politicians to present their plans in the best possible light. And the media people receive on these issues, it's so polarized, I think it's very hard for people to actually get accurate information.

There's some good research on the Bush era tax cuts, suggesting that people really had fundamentally misunderstood a lot of those policies. I think you're absolutely right that it's likely that closing a few loopholes, drawing attention to a few loopholes could become sort of a major story that overrides a larger (inaudible) systemic application or implications of a tax package.

But I think, you know, fundamentally there's this huge gap between what public opinion would suggest would be the popular policies, and what policies actually get implemented, that's not just true in tax reform, that's true across the board.

You were mentioning infrastructure, by far, this is a bipartisan -- the popular thing with Americans. Americans believe we should be investing in roads and schools, and things like that, and bridges, and sort of rebuilding our infrastructure, this something that you get overwhelming -- almost consensus-level support for the American public.

And at the same time if you asked like, what bothers people most about taxes, their top two concerns are that corporations and the wealthy aren't paying their share. So, if you were to look at public opinion, and it gets (inaudible) and naïvely what our policies were going to look like, you'd imagine a very, very different political moment from the one we are in, so I think that -- so, yeah, I think that -- Well, I think it's crucially important to understand what most people think, I do not think it is the best guide to -- unfortunately guessing what legislators will do.

MR. CASSELMAN: I'd actually love to unpack that slight, and I'd love to get all three of you to weigh on this quickly. This is selfish on one level, because I write about this for the public, but I suspect a lot of people here in one form or another, communicated these ideas to the public. If some of your findings, or the sort of facts to affect people's opinions on this; how do we

do a better job of talking about these issues to a public that is understandably not going to sit here and delve into distribution tables in any kind of deep way?

MS. WILLIAMSON: Yeah. I mean, it think that's a critically important question for trying to build -- if we are talking about building a political system that is not -- just have this huge uncertainty and polarization, you know, you have to be able to talk to most people, and the problem is that most people don't -- Well, the real problem is that most people don't receive their news from Brookings, or they would be getting it right. Do you know what I mean?

But people have sort of self-selected into media that really reinforce what they think, so it's very, very hard to break through the echo chambers that people exist in when it comes to giving people policy information. Now, I think in some places you can really make a difference.

One thing that I've found is that talking to people about taxes paid by low-income people, which tend to be forgotten, some things like sales taxes and payroll taxes, it's very expensive for low-income and working people. When people are reminded of those taxes that low-income people pay, they are much more supportive of government spending on lower-income and working families, because they see those people as chipping in a way that they've kind of forgotten what we all focus on, the top end of the federal income tax. Right?

So, I think there are places for that. But then there are also places where facts kind of bounce off, right, and unfortunately one those places tends to be, for instance, attitudes about immigration, immigration and immigrants. So there's a widely belief that immigrants don't pay taxes, and undocumented immigrants aren't doing their share; and of course actually undocumented immigrants are propping up Social Security and Medicare, because they are paying in money that they don't currently have the right to receive.

So, I think that on some issues you can make headway, but sometimes you are hitting up against sort of symbolic attitudes and, you know, very deeply-held stereotypes, and that I think -- you know, that's a place where just bringing some facts and the pie chart to the table, are not going to get the job done, unfortunately.

MS. SHEINER: Yeah. I mean, I think it's, you know, you have a hard job right, because I read a lot of research recently, you know, you are reading about it, how the facts can

backfire, right, that just keep on explaining how people are wrong and that they are not thinking about something just hardens their position. And I think what Vanessa said, though, I think it's to the extent, you know, people say how do you communicate; if you can tell a story. You can personalize, humanize, that is way of getting through, where people going through, you know, trying to do the math, because you are not going to win on that.

But people are just feeling some kind of kinship, right, and that I think has the possibility. But I think it's a hugely difficult problem, especially with the polarization of the media sources. You know, but what will be interesting is to see if there is a tax plan that starts to come, is how, you know, a Fox News will talk about it. And I don't know what the answer to that will be, right, and I think that will matter.

MR. CASSELMAN: We have some time or questions from the audience, I think there are folks with microphones walking around. Let's start here in the front.

SPEAKER: Yes. Good morning. Thank you very much. We have a President who as a candidate, when asked about releasing his tax returns, and the prospect that he paid no taxes, it was said paying taxes is for losers, and he was proud of it. So, although your work Ms. Williamson suggested that the specific responsibility that Americans have, in fact our President is the poster child for not feeling that sense of civic responsibility.

So, even with that -- and I'm getting to a question -- even though something like 55 percent of the people say they'd like to see its tax returns, it appears to be mostly like prurient interest, because 95 percent of the people who voted for him, say they will vote for him again. And 15 percent of the people who voted for Hilary Clinton say they wouldn't vote for her again.

So, my question is, is it acceptable that the rich actually don't pay taxes because that's actually what he stands for. So, don't you all have to flip the coin and accept the fact that people will, in fact, support rich people not to paying the taxes?

MR. CASSELMAN: Vanessa, I'll start with you. I'm interested particularly in one piece of that especially, right, which is this sort of faith in the American tax system if we now have a President who was able to game the system to some degree, and also of course where we don't have many details on it.

SPEAKER: That they supported him. He won. Gaming the system (crosstalk) --

MS. WILLIAMSON: So, I think there are a couple of interesting things here. First of all it's important to recognize that that rhetoric from Donald Trump is genuinely quite different from the traditional Republican rhetoric, Republican elite rhetoric about taxes. Yes, certainly it's been the standing position of the Republican Party that taxes should go down, and the tax issues are bad, and holding an anti-tax position is the position to hold to be Republican. Yes, that was always different from demonstrating that you'd paid your own taxes, and you could remember just looking back to Mitt Romney, who made a very good point, he had always paid 13 percent, at least 13 percent.

And that was what he said over and over again, as he was -- you know, his tax returns were coming out, or had just come out anyway. The point he wanted to make was that he had at least paid this much, and that was what he stood on. So, it's actually a really striking change, instead of demonstrating it's one of the ways in which Trump's public rhetoric really does differ from the Republican standard position.

So I'm interested to see. So, the American consensus that paying your taxes is a civic duty, and it's something that has held steady for 40 years, taxes -- polls on taxes tend to be done in April, which means that those polls are just coming out now. And I'm very interested to see whether you see a switch on the Republican side.

It has been traditionally been the case that Republicans are more likely than Democrats to describe tax-paying as a moral obligation. It will be interesting to see whether that changes this year but, you know, the level of public commitment to that has been so very high, we are talking 80 or 90 percent agreement, that even if there is a partisan divide I'd expect it's relatively small.

On the sort of politics of it, I had expected that one of the sort of unifying -- one of the sort of unifying phrase that the Democrats would use to simply oppose tax reforms from the Republicans (inaudible) was this question of whether any tax reform would benefit the Trump administration. And I think we've begun to see some that rhetoric coming out of Schumer's office.

So I think that it does actually make for a slightly different set of political dynamics, this particular question.

MR. WALLACH: I see it a bit differently than the questioner's framing does. You know, I see this as sort of part of the cult of the entrepreneur that Donald Trump has promoted about himself, to say that: I'm not just a normal person; I'm a dynamic business person of the kind that really makes the economy go.

And his position was not that taxes are for losers, but that his own dynamic efforts were so complicated and generated so many things that he was able to legally not pay taxes. He certainly never -- he never portrayed himself as a tax evader who had somehow broken the law -- but he had of course served his own interest as this dynamic businessman, because he assumes that you, like him, believe that such entrepreneurs really are what make America great, and need to be given free reign. So, I think, you know, that is something the Republicans have -- I think that's been a part of the Republican mindset for a while.

I agree with Trump, that's all the focus, and sort of normal patriotic duty of regular people to pay taxes doesn't get any recognition at all. But I do see it's something that -- You know, and I think the American electorate who put Trump in the White House, obviously, just accepted his view of himself to some -- at least enough to vote him into office.

So I think it doesn't necessarily mean that they they've totally shifted their views on what's normal conduct for your normal average Joe.

MR. CASSELMAN: Another question here, in the back here?

SPEAKER: Thank you. I was wondering if you all could talk about the future financial regulations, particularly given the difficulty pinning down cost when doing traditional benefit cost analyses on them, as well as the recent guidelines on the Two-for-One Rule, focusing on cost as the major indicator, and the administration's kind of just general attitude towards financial regulations. Thank you.

MR. CASSELMAN: Phillip?

MR. WALLACH: You know, obviously Dodd-Frank is a big target. The Republican rhetoric on Dodd-Frank has always been, it's 100 percent bad, which, given that it's such a

complex law with so many moving parts has always been a little confusing to me. I don't think there's a lot of potential for actual full, whole-scale Dodd-Frank repeal, but I do think there's a lot of sections of it that look vulnerable, and that you could possibly count up to 60 votes on.

You know, giving regulatory relieve to community banks would certainly be one of those. Maybe the Volcker Rule would be another. So there are areas where I think some kind of legislative change is likely.

In terms of your other question about Two-for-One; I think it gets right at the point. I don't think it's actually so unique to financial regulation. I mean in a lot of areas of regulation, of understanding exactly what the cost and benefits of a rule in place, it's very difficult.

The guidance that the White House has put out to this point, says that you should not just use cost-benefit analyses made at the time of promulgation of the rule; so, it's really a big, looming question of how (inaudible) would go about doing these cost exercises. I don't have answers yet, so that's one of the big question marks on that policy.

MR. CASSELMAN: And back here?

SPEAKER: Thank you. I'm Jordan Steltz. I'm a student at Howard University. And my question is exactly about taxation without representation. So, there is the campaign that was started, Occupy Wall Street, or whatever. In previous administration they've had to deal with that same campaign. How was that going to play into this current administration?

MR. CASSELMAN: Louise?

MS. SHEINER: I don't think it's likely to be more successful in this administration than the previous administration, I think it's less likely to be something that people care about. The MDC is a democratic construct, so I don't see much action on that.

MS. WILLIAMSON: Yeah. I think that there's a lot of public concern about Wall Street, and about the sort of power of the wealthy over our political system, and I think there is more of that now in this current administration, I think we are seeing a really striking uptick in the sort of popular mobilization on the left. I think the question, looking forward, is whether that energy gets channeled into, for instance, electoral success, or other forms of organizing that have sustainability.

And I think that that is an open question. I don't think it's at all resolved yet, but I think one of important things -- perhaps the most obvious take-away from the last election is: having more people on your side does not mean that you'll win. And when it comes to political mobilization that's absolutely the case, so I think that one of the most interesting things that as a political scientist I'm interested in watching over the next four years, is whether the very widespread and initial response to the Trump administration in terms of popular opposition, becomes a sustainable movement that actually results in political power.

SPEAKER: I am Laura Saarikoski, a reporter from a Finnish newspaper, Helsingin Sanomien. I have a more general question about the future of the United States. I've been traveling to 48 states now, and talking to people from all political sides, and I'm really worried about the future of the United States.

That is, I'm wondering whether there exists anymore, any kind of discussion or dialogue between, for example, you and your more conservative colleagues. Because you know, I go to these events and I listen to the Democratic side, I listen to the Republican side, and both sort of talk only to each other.

And now when Trump is in the White House, and he's not a traditional conservative, I was wondering if there would be more room maybe for some kind of a dialogue between -- let's put it this way -- the establishment of the elite of both parties and think tanks, because you could actually reach a little bit more of a common ground, since the President is not only from another party. How do you see the sort of the future of the political debate on tax issue, but also on other political issues in the U.S.?

MS. SHEINER: I'm not sure that it's that we don't talk to other people, in fact, you know, Kevin Hassett has just been named the Head of the Council of Economic Advisors, and he works next door, and we talk to Kevin all the time. And, you know, I used to work Kevin at the Fed.

So I think among sort of the -- you know, among the economists and stuff, you know, there is debate, but as we said the kind of conversations that we have are really very different from the conversations that are in the political sphere. You know, we talk about whether

or not the exchange rate is going to adjust to the (inaudible) -- We talk about technical stuff, and of course we have no problem talking that way.

So I think you get back to this question that we had before which is, you know, how do our discussions matter for the politics? You know, is there a way that common ground that economists might have, or political scientists might have, can somehow translate into common ground among voters. And I think we are all kind of stymied on that question, frankly. It's very hard to know when the kinds of discussions we have don't seem to matter for voters.

MR. CASSELMAN: And on that note of servitude and optimism, we will end things. We are out of time. Thank you, all, so much for being here, and thanks to our panel.
(Applause)

(Recess)

MS. TUMULTY: Hi. I'm Karen Tumulty, and I cover politics at The Washington Post. And for those of you who have not been following Twitter while you've been sitting in here, president of the United States has just said he plans to have a man on Mars by the end of his presidency, preferably in the first term (Laughter)

SPEAKER: He might want to talk to some scientists (crosstalk).

MS. TUMULTY: There is no word yet on how he's going to get Martians to pay for it. (Laughter)

SPEAKER: Is it true that he's --

MS. TUMULTY: It's probably a joke on his part, but he did say that. I just want to make sure everybody is up to speed on the lyrics.

Anyway thank you so much for being here. We have a terrific panel here, to talk about the question of public management in the first 100 days of this administration and beyond.

To my immediate left we have Elaine Kamarck whose current job is as the founding director of the Center for Effective Public Management here, but Elaine, along with Bill Galston, was one of the founders of the New Democratic Movement, back when it was new.

MR. GALSTON: When we were young.

MS. TUMULTY: When we were young. And also oversaw Reinventing Government, that big project for Al Gore. To her left is Bill Galston who is the senior fellow in Governance stories here -- I mean studies here -- I said story, government stories to --

MR. GALSTON: You had it right the first time.

MS. TUMULTY: That's a Freudian slip on my part, because so often I will call up Bill.

MR. GALSTON: Remember that.

MS. TUMULTY: Well, I will call him up and say, I've got this half-formed idea for a story, where is it taking me?

And then to his left we have Nicol Turner-Lee, a fellow at the Center for Technology Innovation in Governance Studies. She is also a specialist who has done a lot of research on the question of technology issues and how they affect African-Americans and other people of color. And then all the way to the left we have John Hudak, the deputy director of the Center for Effective Public Management here. And we are probably not going to have any time to discuss his latest book, "Marijuana: A Short History." (Laughter)

But the first question I think I -- and we will have time at the end for questions from all of you, but the first question I'd like to put to all of you is, we are coming to the end of this first 100 days on the brink of a government shutdown. What does that tell you is the takeaway from these 100 days, and what does that suggest about the second 100 days?

MS. KAMARCK: I'll say very briefly, this has been amateur hour at the White House. We have elected the least experienced person ever to hold the office of the presidency. I looked at this from presidents from 1900 on, and the average years of experience before becoming a President, or a major party nominee has been 12, and the median has been 12. This is the first person we have ever elected who has zero years of public sector experience.

Now if you think about professional sports teams. When the Red Skins hire a coach, right, they look for somebody who played football. When you go to a neurosurgeon, you look for someone who is Board Certified. When a university hires somebody to teach, they look for

someone who has publications that have been peer-reviewed. Politics is the only area where suddenly, in the 21st century, no experience is required.

We used to actually require experience in politics, and that was because we had a different nominating system. This is the first time, however, that actually, the nominating system has yielded someone with no experience in government. So, even if you are sympathetic many of Donald Trump's objectives, public policy objectives, you have to look at this first 100 days and say, he doesn't know what he's doing. And therefore the possibility that he will actually fulfill his campaign promises is pretty low.

MR. GALSTON: Well, as they say sometimes, in the Congress, I associate myself with my colleagues' brighter remarks --

MS. TUMULTY: You'd better.

MR. GALSTON: Yeah. Thirty years of experience associating myself with remarks.

MS. TUMULTY: Thirty years, yes.

MR. GALSTON: But two additional points. Point number one, is that the prospect of a government shutdown, I think reflects the difficulty that the President is having integrating the views of his base and of himself on the one hand with the views of his congressional Republican majority, and the majority of the American people.

His base wants the wall. The majority of the American people do not want the wall. Enthusiasm among Republicans in Congress for the wall is minimal. And so he is trying to insert a minority agenda into a majority party, and it's not working very well.

Here is the second point; the Art of the Deal presupposes that everything is negotiable. It's a matter of more or less, but not all political disputes are of that character. And we've already seen him flummox during the health care negotiations by the intransigence of the Freedom Caucus in the face of an offer that anybody on the other side of a real estate deal would have accepted.

And similarly, in the case of a government shutdown, the President had what he thought must have been a splendid idea that he would offer to fund on a dollar-for-dollar basis, the insurance security fund for Obamacare in return for that funding for the wall.

And guess what? Not a single Democrat is willing to take him up on that, because they are not convertible currencies. For Democrats it's a total non-starter, no deal. So, what does Mr. Art of the Deal do, when he's confronted with the politics of no deal?

MS. TUMULTY: But Nicol, it's also true that he has probably uniquely among presidents has not a honeymoon because his base is still with him. It looks like there's nothing that can move them off of their support for him, but he doesn't seem to have made any inroads in people who didn't support him.

MS. TURNER-LEE: Yeah, that's the interesting thing about him. I mean, I echo my colleagues in terms of their sentiment, so I want to put that on record that I agree. Without saying it again and again and again, right? But I think you are right, I think part of the poll that just recently came out about his approval ratings suggests that he's got this low approval rating among everybody, but the (inaudible), the people who voted for him still think he's a strong leader.

And so it makes you sit back and wonder: what is actually going on here in these 100 days, and is the confusion actually real? And what I find to be interesting on the government shutdown, Chuck Schumer tweeted out this morning, we could actually get a deal done if he wasn't in the room, which is very different than what we've heard over the past in the terms of the partisanship between, you know, the shutdown and Obama was usually a partisanship issue.

Here they are like: if you go away we'll actually work together. And that's actually really scary, right? Because you've got a hundred days where's sort of been this: put every Postit-note up there, just push this minority agenda, stay with my base, so when he's not necessarily, you know, messing and mucking up government, he's out in the streets appealing back to the base.

But yet at the same time you feel majority of people in this country, you know, discredited, and alienated from the political process. Which I think is interesting because if you look at how most people feel who have been disenfranchised here, the first 100 days indicate the type of chaos and turmoil we will be in civil society if we continue down this pathway.

The same token, if you spin it a little differently, I think what the first 100 days has also taught us, that people have conviction about they care about. This is a President since inauguration has had a protest happen every week. And so we are beginning to see people who had concerns that were not necessarily played at the ballot box, coming to the street, post-inauguration during the presidency, trying to put their word out.

Again, the question becomes: will we be heard? And I think that's where this whole mismanagement of governance, this institutional decline, and this new normalcy is really confusing.

MR. GALSTON: Over to you, John.

MS. TUMULTY: John, amateur hour. It's not that people -- I mean it turned out that expertise and experience was actually something voters seemed to be running away from.

MR. HUDAK: Yes. Voters were running away from experience. They had a choice between, as Elaine said, the least-experienced candidate to run for President in the 20th or 21st Century, up against someone with a lot of experience. Whether you liked Hillary Clinton's performance as First Lady, as Senator, as Secretary of State, it was a résumé that was quite long.

So, yeah, obviously voters ran away from that kind of experience. The problem is getting elected and governing are two very different things. And so the least experience President in American history came to office and surrounded himself by people who lacked experience in federal public management, federal policymaking, federal law-making.

And so that creates a perfect storm for Mr. Trump. His lack of experience, I would argue, is not a recipe for automatic failure, but when you put yourself in a mix of individuals who don't complement the weaknesses that you have, then you get the situation that you have.

Reince Priebus, the Chief of Staff is seen as this Washington insider. He came to town six years ago, he never ran the Republican Party when it had total control of government he oversaw a party that had no requirement to govern. This idea that he is this party insider, who is the adult in the room, is foolish. He lacks experience as much as Jared Kushner does, as much as Ivanka Trump does, as much as a lot of the people in that White House do.

The best thing that the President could do is have an Apprentice episode in the White House, (laughter) and just start firing people and bringing in those insiders that don't have to be in front of cameras every day, who don't need to be the public image that those voters who despise that kind of insiderness. What he needs is to bring those people in, get things done behind the scenes, shake him when he needs to be shaken, and tell him no when he needs to be told no, and then let function of government continue. Until he does that, this is going to be a repeat cycle for him.

MS. TUMULTY: Okay. So, you guys have been around for the first 100 days of an administration and, you know, I think that nobody thought Bill Clinton's first 100 days were such a great example of success either, and it set the pace for a really disastrous mid-term election. Ultimately, though, I think people think Bill Clinton did learn. Could you talk a little bit about the learning curve, and whether you are seeing any sign that there is such a thing going on now?

MS. KAMARCK: That's really a good question. And I'm been amused to watch you guys in the press go through iterations of trying to explain Donald Trump, right? And to your credit, you've given him the benefit of the doubt. You've said, oh, well, these tweets, at first everybody was saying, the tweets are designed, they are really part of a strategy to draw attention away from acts that's going wrong. And isn't that smart, right? And that was sort of explanation number one.

And then people kind dropped it. Because what Donald Trump, and I want to say this, presidents get the staffs that they want, right, and they tend to find staff members that don't contradict them, that reinforce them. And Donald Trump is really not a person who learns. Okay? He's got severe narcissistic qualities, there is no indication that he's interested in learning, everything we know about him is that his news source is cable television, and you've been on it, and I've been, we've all been on it.

So we like cable television, but come on, you know, it isn't exactly a briefing book. There isn't much indication that he can learn or wants to learn. And I think that's what makes him different from Bill Clinton. God knows Bill Clinton's first 100 days were no great shakes, right, but Clinton was constantly learning. And Clinton came in with expertise in some areas.

And that would be my final point. Most modern presidents they don't know the whole job, nobody does, but they come in knowing something. George Bush really knew education policy. Bill Clinton -- Bill and I can attest to this -- you went in with fear if you tried to brief Bill Clinton on Medicaid or welfare policy because he always knew more than you did.

To come in knowing nothing, nothing, is a really big, big, problem, and it creates a learning curve that's overwhelming. And if you add to that a personality that's used sort of flying by the seat of his pants, and using his instincts, this is a disaster. I don't think he has shown any ability to learn.

MS. TUMULTY: What do you guys think? Any signs of --

MR. GALSTON: Well, a couple of things. First of all, there is a huge distinction between the domestic policy team and the foreign policy team. And the foreign policy team is functioning reasonably well, the united voice of that has gotten the President to walk back a number of his more extreme statements, and American foreign policy is now within in healing distance, for the most part, of where it has been traditionally.

So, in that respect, an important piece of learning took place when General Flynn was fired and replaced by General McMaster. And I guess a takeaway from that episode is that you can lie to the country, but don't dare lie to the Vice President. And so that's point number one.

Point number two is that it is very difficult for presidents to avoid early stumbles. Presidents who avoid early stumbles are the exceptions, and not the rule. I am plenty old enough to remember the Bay of Pigs, which occurred in JFK's first 100 days, and that wasn't a political catastrophe, that was a catastrophe on every front.

Lots of people died, lots of people ended up in prison for years. America's credibility throughout the hemisphere was severely impaired on both the right, which accused him of insufficiently backing the Cuban exiles. And on the left, which rightly accused him of having gone along with a plot to overthrow a government. But JFK, a young man, learned from that experience. Bill Clinton, also a young man, learned from his early stumbles.

And I think in many respects, Jimmy Carter, who got off to a very bad start, learned through experience, for example, that if you try to send everything to Congress and expect them to get it done all at once, you'll end up getting nothing done.

Carter didn't have a lot of national political experience, to put it mildly, but he was not, you know, despite some rigidities of personality, he was not incapable of learning. I can think of three presidents who have gotten off to a really good start -- well, maybe four. Wilson did, FDR did, Reagan did, and Obama did. Right, as a matter of fact I would say that first six months were his finest hours on many, many fronts, and it wasn't uphill from there. In many respects it was downhill from there.

But one, I think, should be cautious about drawing a straight line from the data points: day 1 of trump, day 100 of Trump, all the way down to the bottom, because in the last analysis, I think Trump's desire to be a winner may, in fact, overcome all of his other instincts. And we shall see. There is going to be a tussle between most of his instincts on the one hand, and his desire to be regarded as a winner on the other.

MS. TUMULTY: But President Obama, among others, started with a really cohesive team, and having covered that White House, you know, the amount of leaking, the amount of discipline was extraordinary. You not only have a lot of tension that is spilling out into the public view in this White House, that you look at the agencies, and a lot of the sort of second and third-tier jobs are empty, and the bureaucracy, source of a lot of the expertise has been labeled the Deep State. So, where does this take us?

MS. TURNER-LEE: I mean, I was going to say now, say, with the Agency is; one of the challenges that we are experiencing now is even though you have the Executive Office, particularly in the area that I work of media and telecom, you've always had some level of independence when it comes to regulatory front.

But it appears what we are seeing across the board, which we think many of us in this room estimated would just happen at the Executive Office, is this repeal and not replace mentality that's sort of gone into every agency across the board, which is somewhat challenging for many of us who expected, despite his lack of experience that there would be people in the

cabinets, you know, secretaries of agencies, and others that would still try to develop and autonomous agenda.

We are not seeing that, right? What we are actually seeing is a build from the type of atmosphere that's actually been created, the political atmosphere, and we are seeing the partisanship actually pushed into some of the agencies. And it's been one of those areas like you said, where, you know, I would say that there's a part reservation of people who want to actually go work for the administration, just simply because expertise is not necessarily valued, it's more of, you know, your ability to be a yes person to the administration.

I think in this administration what's also different is, you know, just as we sit upon this panel today, there is a President who accidentally Trump -- Trump actively tweets, and he calls out people. So, you also have people who know, going into those positions have some level of repercussion if you are not necessarily, you know, on the right side, and that was evidence, what we saw for the first in the administration, where the shakeup, up until, you know, just a couple of weeks ago, where rumors of Bannon and other people leaving, were public knowledge.

I don't remember Obama, you know, as actually thinking like that. I mean the Obama administration like you said the discipline in terms of communication, the discipline in terms of filling those positions, the discipline in bringing experts. You know, from academia, industry, civil society together to think through who those positions are; the discipline of educating. You know, there were points when President Obama came into office and said, I don't know some of this stuff, let me bring in some of the smartest people who do, and as we look at his administration over eight years, there was turnover, but like this.

You know, there weren't stories in the press about problems that were almost like National Enquirer stories, right, coming out of the administration. And it think that's where most of us are sort of mourning this level of discipline when it comes to the administration. We don't want to read the tweets.

And if I can, just real quickly, with the Twitter piece, I think most of us had this promise after the joint sessions that we found a President, right, the tweets, the media was like, he

was on script, he's going to stay there. And you know, less than 48 hours of work that I do the tweet was about something totally erroneous and not related to the speech.

MS. TURNER-LEE: It has been one of those areas, like you said, where I would say there is a part reservation of people who wanted to actually go work for the Administration, just simply because expertise is not necessarily valued, it's more, you know, your ability to be a "yes" person to the Administration.

I think in this Administration what is also different is, you know, just as we sit up on this panel today, Trump actively Tweets, and he calls out people, so you also have people who know going into those positions have some level of repercussion if you're not necessarily on the right side, and that was evidence of what we saw for the first time in an Administration where the shake up, up until just a couple of weeks ago, where rumors of Bannon and other people leaving were public knowledge.

I don't remember Obama, you know, us ever actually thinking like that. The Obama Administration, like you said, the discipline in terms of communication, the discipline in terms of filling those positions, the discipline in bringing experts from academia, industry, civil society together to think through who those positions are, the discipline of educating.

There were points when President Obama came into office and said I don't know some of this stuff, let me bring in some of the smartest people who do, and as we look at his administration, over eight years, there was turnover but not like this. There weren't stories in the press about problems that were almost like National Inquirer stories, right, coming out of the Administration.

I think that is what most of us are sort of mourning, this level of discipline when it comes to the administration. We don't want to read the tweets.

If I can, just real quickly, with the Twitter piece, I think most of us have this promise after the joint sessions that we found a President, right, the Tweets, the media, like he was on script, he's going to stay there, you know, in less than 48 hours, the work that I do, the Tweet was about something totally erroneous and not related to the speech.

When you have that type of lack of discipline and no one can stop you, I don't know where you end up.

MR. HUDAK: Karen, I think your question touches on the biggest issue in terms of the President not learning from what is going on or learning from history. The President has come to office and a lot of people argue that he is looking to dismantle eight years of the Obama legacy. That's actually not right.

He's looking to dismantle about a half a century of public policy in the United States. There is not much that the Bush Administration did that the Trump base is going to be very pleased about. There is not much that Clinton did that the Trump base is going to be pleased about.

The promises that he has made during the campaign trail represent such a seismic shift in American public policy that the only way to get it done is to have (a) a remarkable legislative team in the White House, which he clearly lacks, at least by output, he lacks, and (b) to staff up the agencies as quickly and as powerfully as possible.

The number of vacancies across government is malpractice. Not malpractice generally. Malpractice to his own supporters. He is not positioning the Executive Branch of government to do anything to meet the challenges that lay before him. His supporters should be furious with this.

I think when the President came to office, that lack of experience and the lack of experience around him created a situation in which he didn't fully understand the size of the appointed Executive Branch, and the power of the appointees, and how critical they are not just to doing work within agencies, but getting a President from point A to point B.

His inability to do that is not showing yet because bureaucracy is slow, but a year from now, two years from now, when he looks out at regulatory reform that is stumbling, looking at base public policy, whether it's with immigration, whether it's with defense, whether it's in the State Department, he is going to ask himself why haven't we done better. Likely, he will ask why haven't you done better to Rex Tillerson or Jim Mattis or whomever, and the answer is going to rest with the President, that he has not filled the vast majority of appointments.

Granted, a President gets to make about 4,000 appointments. We can't expect all 4,000 to be filled in the first 100 days. When you have Cabinet members without deputies, when you have entire slates of undersecretaries and DEPSECs who are vacant, when you have a State Department that doesn't have a spokesperson.

That is unacceptable. That is behavior that is not only inexperienced but someone who is clearly not listening to the Cabinet secretaries, to outside advisors, to the Vice President, who has to understand from his own experience both as a Governor and as a member of Congress, the importance of these people being put into place.

That is what is going to hold up the President's agenda. As I said, that and not having a legislative team in place that frankly has to work with the Speaker of the House, who is wildly ineffective and overrated (Laughter) with what he is put to task to do.

MR. GALSTON: Tell us what you really think, John. (Laughter)

MR. HUDAK: In the absence of a failed speakership, presidential leadership has to fill that void. Right now, we have a failed Speaker and a failed President, and the Republican Party should be smashing their heads against the wall every day asking themselves how they have gotten themselves into this place, and how the hell you get out of it.

MS. KAMARCK: That goes back to Bill's point. The real question here is will something right the ship. Will there be a moment, whether it's the mid-term elections or something else, where Donald Trump says whoa, this is not working, I need to change what I've been doing.

You know, my gut says there is a personality problem to doing that. Bill points out there is the opposite. He is a winner. He loves winning. Maybe that will have him sort of wake up and say, oh, yeah, I've got to change what I'm doing.

That's the great unknown here, right?

MS. TUMULTY: Wait a minute. He declares everything a victory (Laughter) --

MR. GALSTON: The question is whether when he declares victory, the American people will believe that, and over time, I think presidential declarations of great leaps forward will tend to be devalued more and more if they don't correspond to the experience on the ground, at the grassroots level.

I mean there's a great scene in a Marx Brothers' picture where -- this is the kind of Marxism I instinctively gravitate towards (Laughter). Sorry, Shinwa. Where Chico is caught in bed with another guy's wife, and Chico pulls up the sheet, denies it. The guy gets angrier and angrier and finally says how can you deny it, I'm looking right at you, to which Chico responds, famously, well, who're you going to believe, me or your own eyes. (Laughter)

At some point, that gets to be the question for a presidency, if the President's understanding of what's going on becomes radically disconnected from what's actually going on.

MS. TURNER-LEE: I believe in this Administration that there are people who feel he's been effective for them, and the movement towards less regulation has actually satiated the desires and needs of people that did not necessarily vote for him but that are riding that ship, that they believe has actually begun to go the right way, even though it's at the detriment of the people.

I think part of the challenge that we have is we're seeing a society where different portions of the population are getting what they need. The challenge is a huge proportion of the people who are sort of the innocent bystanders of whatever is going to happen in his policies about climate change, you know, all of that, is going to be us coming back to visit that.

I have been in many conversations where there are people who are completely happy with the way things are going because of the fact that the marketplace --

MR. GALSTON: But if they're so happy, why is the share of the American people who think he's doing a good job substantially lower than the already small minority of the American people who voted for him.

In other words, he's not expanding from his base, he's shrinking his base.

MS. TURNER-LEE: I agree, he's shrinking his base.

MR. HUDAK: I agree with Bill that the long term prospects of this we won on everything has a real detriment to the Office of the Presidency. It certainly does.

I think in the short term, one of the most effective things that this President has done in 100 days is selling executive action to a group of people who are eating it up.

Now, I take your point, Bill, that his numbers are tanking, mostly with independents right now, but the people who he feels he needs to speak to, his base, believe everything that he

says, or almost everything that he says, and that short termism for the President will become a medium term and longer term problem when, like you said, eventually the bottom falls out.

This is a Minority President. This is someone who was elected with about 45 percent of the vote in a 60 percent turnout election, he has convinced himself, and I honestly believe he thinks this, that he did win by the largest margin in the 20th century, that he has tremendous support, that there were five million illegals who voted for Clinton --

MS. TUMULTY: He Tweeted yesterday that the polls show that he once again would win the popular vote.

MR. HUDAK: Yes, I think he truly believes this.

MR. GALSTON: By the way, your own publication provided some evidence for that proposition. (Laughter)

MR. HUDAK: The point is he's speaking to a group of people in this echo chamber, you know, that plant your flag in the sand approach works for them, so it works for him. He's not thinking about moderates. He's not thinking about independents. He's not thinking about moderate Democrats. He's thinking about his narrow base of let's say 25 to 30 percent of the American electorate.

When is consuming news that largely comes from that base or speaks to that base, it is just constantly telling him that he's doing the right thing, and these grand statements are the way forward, even in the face of victory.

MS. TUMULTY: I really want to get what is on your mind as well, so if anybody has any questions. Where is the microphone? Why don't we work from the back forward.

MR. SKINNER: Hi, I'm Richard Skinner with the NYU Washington Center. My standard line about Trump so far is he's turning out to be a surprisingly conventional Republican President who is just really, really bad at his job. (Laughter)

During the campaign, Trump was famously kind of all over the map on a lot of issues. Sometimes he sounded like a foreign policy non-interventionist. Sometimes he sounded like an economic populous. Sometimes he sounded like he really didn't care that much about social issues.

Instead, what we have gotten is a guy who on most issues, to the extent he has any coherent policy, just sounds like and is acting like a pretty conservative Republican. Immigration might be one exception, but it's not exactly shocking to see a conservative party go hard line on immigration. We're seeing that in Britain right now.

So, I'm wondering why, even as Trump has been so incompetent and unable to manage a government, is he pursuing policies that sound like a conventional Republican? That doesn't mean they are wildly popular policies. The HCA was much more a Republican bill than a Trump bill, and it was a disaster.

MS. TUMULTY: What would you say? Standard issue, Republicanism?

MR. GALSTON: Well, here is a way of looking at the Trump Administration, divided into three parts, for those of you who studied Latin in high school. There is first of all the part of the Trump Administration which like the Trump campaign entered into transactions with the established Republican Party.

So, the social conservatives got a blood oath on the Judiciary, which so far the President has honored. The limited government faction got a blood oath on tax cuts, and I'm convinced at the end of the day, this Administration won't deliver tax reform, but it will deliver big tax cuts because that is core to the DNA of the Republican Party, and the President is perfectly willing to go along with that.

So, there is the transactional part of the Trump agenda. Then there is the distinctively Trump part of the Trump agenda, which focuses on issues like immigration, trade, and an America first perspective on foreign policy.

Then there is the third part, which I think of as the Wild West, where the President doesn't have a lot of interest, and the Republican Party, except for very small interest groups, doesn't really care that much at all, so you end up with a Board-certified neurosurgeon in charge of HUD. (Laughter) Right?

MS. TURNER-LEE: And a fired Surgeon General.

MR. GALSTON: Go figure. I would say that in those areas where Candidate Trump entered into binding transactions with the existing base of the Republican Party, he has

been a conventional Republican, and in those areas that are distinctively Trumpish, he has not been.

For example, if you look at George W. Bush's policies on immigration, trade, and foreign policy, they are the polar opposites of Donald Trump's policies.

So, I will give you two stars out of four. (Laughter)

MS. TUMULTY: Yes, ma'am?

QUESTIONER: So, Donald Trump may like to win, but he's used to winning by bullying and pushing his point of view. There are some people in some places where there is a potential that they won't be bullied, so there is a question to me about how he learns at 71 that bullying might not work.

My other question is one of transparency, and the Administration so far has been on the one hand very un-transparent with who he calls on the phone and bla, bla, bla, and logs. On the other hand, he issues an Order that may potentially kill hundreds of thousands of people in a foreign place over chocolate cake in a public dining room.

MS. TUMULTY: But a really beautiful chocolate cake.

MR. GALSTON: Big beautiful chocolate cake.

QUESTIONER: My point is to comment that the impact of his style in deal making has been bullying, and how that plays out. The other is the transparency with sort of these odd boundaries, where he will do certain things in public that would have gotten Obama or a potential Clinton impeached.

MR. HUDAK: Let me take the first point. In presidential politics, there is actually a space for bullying. I think a president who doesn't do that is a weak president. I think there would probably be a lot of Democrats in Congress who would argue that if President Obama was a little more of a bully, it probably would have helped him out a little bit.

Then there is obviously an extreme. I don't know if the President is going to see the limitations of that type of behavior. In many ways, he took a very hands off approach to health care, and let the House screw it up for him. On the CR, he has reinserted himself, on the Continuing Resolution, just over the past weekend, and has blown up what was an agreement that

was really taking shape, and by all accounts, he's bullying about the wall and he's bullying about defense spending and a deal with health care subsidies.

That is not going to work for him, period. He is not going to get all three of those. My guess is he's not going to get any of those, in maybe additional defense spending, but I think for the President, each time that he tries this aggressive insertion of himself, often times at the wrong time in the process, he's going to come up short, and either he is going to -- as we said before -- learn from that and start to change his behaviors, or it is going to just be this continuous cycle of over bullying instead of proper bullying, I guess you would call it.

MS. TURNER-LEE: I agree with that, there's a certain political cadence that comes with asserting your point. I think what you're talking about, the type of bullying that we're seeing is a bullying that has larger repercussions for women, you know, for people of color.

There is this bullying, even if you go back over President George Bush's and others, there was somewhat of a style that they had, if this was not an issue they could deal with, somebody else in the Cabinet dealt with it. In his case, the bullying has become a dismissal of other people, and I think that's what rubs a lot of folks the wrong way.

I was going to say on the transparency piece just real quickly, it was very shocking when the President decided not to publish the visitor logs. That was something that for people who study open gov and the transparency movement that has occurred, it was another way of limiting the contact and concealing from the American public what is actually going on.

So, here you have a President that has, thanks to our great team on government studies, a lot of conflicts of interest, you know, there is a lot of people that are in the White House, a President who spends the least amount of time in this public place, that actually is found on the golf course, wink-wink, directing a lot of business, and then turns around and says I'm not going to publish the visitor logs.

That should make many people concerned that level of transparency in government is just not there. It's a new normal, an informal norm, that in turn had repercussions, I'm pointing to my colleagues, down the line when we begin to investigate further what that looks like.

The fact that the President didn't want to release his tax returns speaks to the type of transparency we were walking into.

Your question is really well said because for people, researchers that want to look at government or study government or understand what is actually happening in institutions, it's very hard to do that when you cannot get information or simple things are concealed.

MS. TUMULTY: I thought Barack Obama was the first President to sort of publish the logs as a matter of course. Bill Clinton published them only after he got in trouble on campaign finance issues in 1996.

MS. TURNER-LEE: That's right.

MS. KAMARCK: Let me just talk a little bit to your question. I think it goes back to his lack of depth. He has this idea that negotiation is somehow an innate skill, right, that people have.

I would not presume to negotiate a real estate deal. I don't know enough about real estate. I would never presume to negotiate that. I think when you see him bullying, it's because he's using that in place of the fact that he has no depth, and therefore, no ability to negotiate, so he has replaced actual negotiation with bullying.

We saw this with the health care deal. He didn't know what he was talking about. He really didn't know what he was doing substantively. My guess is that he is going to think he knows something about tax policy, because he's paid taxes and he knows real estate taxes --

QUESTIONER: Or hasn't paid taxes.

MS. KAMARCK: Well, yes, or he hasn't paid taxes, right. He knows something about taxes in real estate, and my guess is he's going to get really surprised as he was with health care at how complicated this is.

The point is people who are great negotiators are often great negotiators because they really understand the substance of what they're doing, and therefore, they can figure out options and they can figure out what the other side needs.

It goes back to the fact that he doesn't know anything about what he is supposed to do as President. That means he relies on sort of his campaign bullying as opposed to actual negotiation.

MR. GALSTON: But I can't believe I'm emerging as a Trump defender. (Laughter)
How the heck did that happen.

Going back to the learning curve issue, everything depends on what happens when instincts that have served you well, not only in your personal life, but in your campaign, cease to serve you as well as President.

So, on the Affordable Care Act repeal and replace, both he and Steve Bannon tried to bully the Freedom Caucus into voting for something that they didn't want to vote for, and electorally, the Freedom Caucus, and it failed.

On the other hand, and we will see what sorts of inferences he draws from that in phase two, but we have already seen an example of a shift of tactics away from bullying towards dialogue in the case of the People's Republic of China.

Just remember the way the President started even before, I think, he had taken the oath of office, where an effort to use a demarche to Taiwan, to use that as a club over President Xi, and when the Chinese indicated in the clearest possible terms that it didn't work that way, you know, that this was once again a non-negotiable item, and could not be used as part of a negotiation.

At that point he backed off bigly, as we might say, and has reaffirmed the traditional, you know, one China policy, and the discussion with President Xi is proceeding on a very different basis now, and apparently, possibly, we will see with North Korea, whether it turns out to be a more productive basis or not.

That shift from presidential fiat to an actual conversation with the leader of another important foreign government, I think is not wholly discouraging.

MS. TUMULTY: He also feels like, it seems, to have a real personal chemistry with him as well. For instance, that he does not seem to feel, for instance, with Angela Merkel.

MR. GALSTON: That goes to something, I think, that touches on the entire issue of management that this panel has been convened to discuss. I've often said, reflecting on my checkered political career, that the best preparation for the presidency is to be governor of a large state, and in many ways, the worse preparation is to be governor of a small state.

Why is that? If you're a governor of a small state, everything in your state is a personalized transaction. You can see the whole thing before you. You don't have this huge bureaucracy to deal with in Georgia or Arkansas, for example.

If you have an excessively personalized understanding of the Office of the Presidency, you think it's all one on one, you will not take seriously the sorts of things that Elaine, Nicole, and John have been talking about, about staffing the bureaucracy, managing it appropriately, et cetera.

That's really not in your skill set. It's not even on your radar screen, because you think it is a series of personal transactions.

The idea that foreign policy should be governed by chemistry rather than enduring national interests is going to be quite self-defeating.

MS. TURNER-LEE: What is interesting, you just made me remember, when President Obama came into office, people were very critical about his lack of experience, the whole beginning of his candidacy when his appointment was, he lacked the experience because he did not spend enough time in office, and what is interesting here is if you compare the two Administrations, what happened, what was done differently?

I think, again, when we are talking about the personality, the integrity, the longer term vision, I think is what drew people to Obama, to look past some of those faults after a while, to embrace him as somebody who was at least trying to make a difference, you know, essentially how he ended his career, he had a lot of hiccups, a lot of challenges, a lot of barriers, but he managed to solicit advice.

Again, I think it's very problematic when we do a transition of government -- from what the news has reported, that President Obama and Trump have only talked once, and that is

when he gave him the key to the White House, right, pretty much, and those types of transitions become really important to the collective memory of this country.

I think you're right, Bill, in terms of that, but when you were talking, I just thought about we were highly critical of Barack Obama, highly critical of him, but yet there was something about this lack of transactional capacity that maybe you're talking about, that allowed people to embrace him differently, and to surround himself with people that knew how to get the job done. Some of us were critical of that.

MS. TUMULTY: President Obama left office with high approval. He left office with some big achievements, both internationally and domestically, but he also left office with his party basically shattered. He was not able to sort of build the kind of enduring governing coalition. Is that important?

MR. HUDAK: It's extraordinarily important, I mean when you lose 1,000 state legislative seats and a dozen governorships and Majority control of both Chambers of Congress, yes, the Democratic Party is in a pretty tough spot.

What the President should do is look at President Obama's electoral legacy down ticket and learn from that, and what he's doing is a steroid ridden version of what Obama did in terms of destroying the down ticket Republican Party.

I think the special election in Kansas, the special election -- the first round in Georgia, really showed how much a Republican Party can fall, even though the Democrat came up short in Kansas, he shouldn't have come anywhere near that, and you have a Democrat in a pretty decent position in Georgia.

That is a problem that Trump needs to address. There are a lot of jobs that the President has to do, one of them is leader of the party. Barack Obama failed miserably at that over eight years. Donald Trump is positioning himself to fail miserably at that as well, and again, when your White House Chief of Staff is the former head of the Republican National Committee, this should be easy to be at the top of your agenda, and it's nowhere near the President's agenda.

MS. TUMULTY: I think we have time for one more question. Sir, you have been so patient.

MR. CHECCO: Larry Checco, Checco Communications. This is very interesting. I'd like to throw a little bit of a monkey wrench into this. We talked a lot about experience. I think experience has failed the ordinary person in this country. I mean we've had 16 years of Democrats, and if we go back as far as Ronald Reagan, we have had 20 years of Republicans, and these people have not gotten better.

I don't think we are looking at politics right now. I think we are looking at simple physics. You squeeze a balloon too hard and too long at one end, and it pops at the other, and that's what we're seeing in this country. That's the reason Donald Trump got here. People would have voted for Donald Duck versus an establishment politician, because the establishment has failed them, and we are seeing this in England, too, right now.

I guess my question is what's it going to take for Washington to rehabilitate itself and really focus on the real objective, and that is the people of this country, not fund raising for their own parties, not doing all the cocktail stuff, it's the people who need the attention. This city, I dare say, will fail until they refocus themselves, both parties. Thank you.

MS. TUMULTY: Good point. Make Washington great again? (Laughter)

MR. HUDAK: So, what I'll say is your point is well taken that both parties need to do quite a bit to rehabilitate themselves to connect better with not just middle America, not just blue collar America, but all corners of this country.

I think part of that is a refocus of the parties on what they can do better to provide for the citizenry. I think part of it, too, is selling the realities of public policy. There are a lot of Americans who have been failed by the establishment, and there are a lot of Americans who have been made damn better off by the establishment, and they refuse to accept it.

The number of people in Kentucky who are going to lose their health care if the Affordable Care Act is repealed is significant. I bet you a lot of those people voted for Donald Trump. They are much better off in terms of their health care now than they were seven years ago, and a lot of them fail to admit it.

That's not a defense of the establishment. It's a defense of policy realities that I think both the establishment in Washington and the average American needs to reset themselves on very seriously, because neither of them have it completely right.

It's not all the establishment's fault, and it's not all roses across America. I think part of that has to be an open and honest conversation starting in the White House and trickling through every single office of a member of Congress and a Senator to begin to have a dialogue with their constituents, to hear from them, what is going wrong and what is actually going right, and for those elected officials also to have that honest conversation about what is good.

When you have both parties politicizing every issue at every opportunity to defeat the other guy, that is how this skewed misguided perception of what public policy in America does, that is how it happens. Again, the establishment has failed a lot of Americans and the conversation about what policy is doing has also failed Americans, diluting them into thinking that all government is bad. All government isn't bad. Without it, we are just as failed as people believe we are with it.

MS. TURNER-LEE: I was going to say, when I reflect as a sociologist on how we got here, right, you can tell people the Bernie Sanders' conversation at the dinner table was the same conversation as the Trump conversation at the dinner table, it's just that one won out, right, because you had a party that focused more on the personality and then you had a person who focused on the issues, right?

We can go into a lot of great lengths in terms of the campaign and all this other stuff. The bottom line, and I'm looking at Darrell, mega change has come, right? We are seeing this spiral effect that is not only here but internationally, and I agree with John, I think part of it is this distrust of party politics, the other part is distrust of the establishment, "Washington," but I also think it's a distrust of who we are as a people.

What is it that we desire? The transfer of wealth to our kids. The ability to have health care. The stagnation of our own net assets, things that we never thought that we would actually not be able to transfer over. All that is factored in.

When I think about it, and even in this panel, we keep talking about "him" as a person, the return to government will require us to go back to this institutional framework of what

we desire government to be for people, you know, to have that conversation the way it is supposed to be had.

We should not be spending the oxygen in the room continuing to talk about this person, although it's important, and personality, but figuring out how to drive towards good policy making.

When I look at the Democratic Party today, you know, there is a conference going on right now, I think, or yesterday, where Bernie Sanders is talking to the Power to the People Conference, and Elizabeth Warner is out there doing her stuff, shout out on Twitter. The Democrats, they don't know what they want to do at this point, they can't figure out how this happened.

As I tell people, you have to move beyond that and think about what Trump did well, that he went to the heart of what people were thinking at that moment. There was something about losing a job, losing a pension, not having employment, that he spoke to, and until we as a country begin to speak to those policies that matter, I think we will actually go back into a state where, you know, we actually might become more moderate, I tell people, versus one or the other.

MS. TUMULTY: Yes, I do recall a presidential candidate who referred to that as "putting people first." (Laughter)

MR. GALSTON: I think we have to widen the frame here. The United States may be exceptional in some respects, but in its contemporary politics, it's anything but exceptional. The same problems are in every Western democracy, and for the same reason, and that is we are going through an economic transition, certainly comparable in speed, intensity, and scope to the transition from the agricultural economy of the 19th century to the industrial economy of the 20th century, as you may recall, that spawned a real populous movement as opposed to a full populous movement, and in many respects, we, and the Brits, and the French, and the Hungarians, and the Poles, just about everyone except the Germans, interestingly, are experiencing their version of this.

There is a reason for this, and that is no one has figured out how -- no one anywhere has figured out how to preserve what it was that a certain slice of the population most cherished about the industrial economy. No one.

I suspect in the end there is no answer to that question, in the same way that if someone had said how can we preserve a thriving agricultural sector in the 20th century with as many farmers as a share of the population as we had in 1890, the answer is it can't be done.

This is not a failure of governance to do what is clearly obvious and good, because of the influence of special interests. This is a much deeper challenge than that, and we may be in a very tumultuous political situation for the better part of a generation until we manage somehow to come out the other side.

MS. KAMARCK: I'll just end this with one short question for the audience, which is if Trumpism the beginning of something or is it the end of something? That's what we don't know. I could argue this both ways, following on Bill's comments.

This could be the end of something. There is a generational passage, a generation that remembers the old economy and is mad about it, and there is a different generation out there about to come into power, which is more globalized, more into the newer economy, what is this, right?

I think we can ask that for the European countries as well going through this, is this the beginning of something or the end of something. I, frankly, will say I don't know the answer to that.

MR. GALSTON: I think it's the beginning of the end. (Laughter)

MS. TUMULTY: Thank you all very much. (Applause)

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