

POLICY ANALYSIS

The Democratic-Led 110th Congress: Implications for Asia

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EXECUTIVE SUMMARY

This essay assesses why and how the 110th Congress is likely to change U.S. policy toward Asia.

MAIN FINDINGS

Despite many forecasts of stronger emphasis, tougher conditions, and major change regarding trade, human rights, and other U.S. policies, factors of power, priorities, politics, and personalities dilute the push in the 110th Congress for substantial change in U.S. policy in Asia. Close examination shows that the Democratic-led Congress has insufficient power and that Democratic members are insufficiently motivated and united to force a major shift in the course of U.S. relations with the region. Prevailing circumstances argue for only modest change in U.S. policy toward Asia as a result of the Democratic victory in 2006.

POLICY IMPLICATIONS

- The anticipated lapse of Trade Promotion Authority places pending free trade agreements in Asia in jeopardy. Such a turn of events could seriously hamper the Bush administration's efforts to use free trade agreements to advance U.S. relations with Asian countries.
- China's massive trade and foreign exchange surpluses and perceived unfair currency and trading practices will generate legislation and other actions that will apply pressure on the Bush administration to toughen the U.S. approach to China. Such pressure probably will fall short, however, of forcing significant protectionist measures against China.
- The failure to halt North Korea's nuclear weapons program will prompt congressional oversight that presses for greater flexibility in U.S. negotiations with Pyongyang but offers no formula for changing the grim reality of a nuclear North Korea.
- Major congressional concerns in South Asia include anticipated votes to approve the U.S.-India nuclear cooperation agreement and large aid programs in Pakistan and Afghanistan. The Democratic victory could bolster resistance to Bush administration policies, though congressional positions will be heavily affected by developments in the region.
- Human rights concerns will deepen congressional antipathy to the military regime in Burma and could complicate Bush administration efforts to beef up relations with Indonesia, Kazakhstan, and other Asian states.

The strong victory of the Democratic Party in the November 7, 2006 congressional elections underlined a broad desire of the U.S. electorate for change in the policies and priorities of the George W. Bush administration. In the House of Representatives, the Democratic Party moved from a deficit position of 30 seats vis-à-vis the Republican majority to an advantage of 30 seats over the Republicans, and in the Senate erased the Republican Party's 10 seat advantage, gaining a 1 seat majority.¹

The impact of the Democratic victory for U.S. policy in Asia seems serious and troubling for smooth U.S. relations with Asia. The Democratic majority of the 110th Congress is led by what many from both parties view as opinionated and often confrontational leaders, Representative Nancy Pelosi and Senator Harry Reid. Both have strong records of opposition to perceived unfair trading practices, human rights violations, and other policies and behavior by Asian countries and governments, notably China.²

Pelosi and Reid are in the Democratic vanguard that is pressing for many changes in U.S. policies and practices amid a partisan atmosphere charged by preparations for the U.S. presidential election of 2008. For over a decade these Democratic representatives have been on the receiving end of the hard-edged policies and practices of the Republican congressional leadership. The Democratic leaders are expected to pursue their agenda using the kinds of tough, partisan, and sometimes confrontational tactics that have prevailed on Capitol Hill and in congressional-executive relations for much of the post-Cold War period. Many credit House Republican leader and later House Speaker Newt Gingrich and his close aides including former Representative Tom Delay with developing provocative and often offensive means that proved effective in helping bring about the Republican landslide in the 1994 congressional elections, means that prompted acrimonious congressional-executive relations during the Clinton administration.³

Now that the tables have turned in the 2006 elections, many believe that it will be "pay-back time." The Democratic majority is expected to employ the kinds of tactics used against them since the 1990s and also to take aim at the opposing party's leader in the White House, seeking to discredit his

¹ Sidney Weintraub, "The U.S. Midterm Elections and Globalization," Center for Strategic and International Studies; Issues in International Political Economy, no. 83 (November 2006).

² P. Parameswaran, "China to Come Under Tougher Scrutiny by New Congress," *Agence France Presse*, November 11, 2006  <http://www.taiwansecurity.org>.

³ Author's consultations with and off-the-record remarks by a career congressional support agency specialist at a retreat for members of the 110th Congress, January 7, 2007. Consultations and interviews with ten congressional support agency specialists and congressional staff members reinforced the findings of this essay which, wherever possible, are supported by published materials highlighted in the source-notes.

rule in anticipation of electing a Democratic candidate for president in 2008. It appears to be no accident that House Speaker Pelosi's "100 Hour Agenda" at the start of the 110th Congress recalls the "Contract with America" used by newly installed House Speaker Gingrich at the start of his leadership in Congress in 1995.⁴

This essay is organized as follows:

- ≈ pp. 128–131 reviews the findings of recent commentaries and assessments that predict major changes in U.S. policy in Asia as a result of the Democratic victory in the 2006 congressional elections
- ≈ pp. 131–140 demonstrates how four factors make significant change much less likely to occur:
 - Congress's limited power in foreign affairs
 - disagreement and uncertainty among congressional Democrats over the priority to assign to Asian issues, particularly at a time when these topics generally receive secondary consideration in light of the broad U.S. preoccupation with the war in Iraq and domestic issues
 - disunity among Democrats in Congress over which leaders should lead in which policy areas
 - disagreements among important Democratic congressional leaders and among the rank-and-file members about priority issues in Asia
- ≈ pp. 140–150 shows that on balance the impact of the Democratic-led Congress under prevailing conditions is likely to be limited and highlights where that impact will likely be most important

TROUBLING IMPLICATIONS FOR U.S.-ASIAN RELATIONS?

What the above-noted changes and partisanship mean for Asia and U.S. relations with Asia is that the new Democratic majority is widely forecast to pursue strong trade and economic measures that, if successful, will seriously disrupt U.S. economic relations with the region and the free trade emphasis of the Bush administration. U.S. trade and economic disputes with China and other Asian countries often become emotional and partisan. Mainstream commentator Thomas Friedman has predicted a "civil war" in American politics over the massive U.S. trade deficit and related economic issues with China.⁵ At the same time, Democratic leaders and others in the trade debate see fundamental inequities negatively affecting U.S. jobs and economic well-

⁴ David Espo, "Pelosi Says She Would Drain GOP 'Swamp,'" *Washington Post*, October 6, 2006 ≈ <http://www.washingtonpost.com>.

⁵ Thomas Friedman, "Will Congress View China as Scapegoat or Sputnik?" *New York Times*, November 10, 2006 ≈ <http://www.taiwansecurity.org>.

being in the free trade emphasis of the Bush administration. These leaders are determined to take action to remedy those inequities, even if the result is disruption and change in U.S. trade and economic relations with Asia. Democrats pushing both more activist negotiating approaches toward North Korea and human rights and environmental initiatives add to the anticipation of serious complications in U.S. relations with Asia. The impact of the top-priority Democratic effort to cut back the U.S. military presence in Iraq is worrisome to many leaders in Asia. Asian leaders place a high priority on economic development, depend heavily on oil and gas supplies from the Persian Gulf countries, and have deep concerns about worsening stability in Iraq and neighboring areas.⁶

Media in Asia, the United States, and elsewhere make clear that the most immediate concern over the new Congress focuses on trade and economic relations. The massive U.S. trade deficit with China (\$205 billion in 2005) is forecast to grow to \$240 billion in 2006. This growth comes amid a U.S. trade deficit with the Asian region of about \$400 billion and an overall U.S. trade deficit of well over \$700 billion. China, Japan, and other Asian economic powers rack up massive foreign exchange surpluses that are invested in U.S. securities and allow their respective currencies to remain low in value relative to the U.S. dollar—a practice widely seen by Democratic congressional representatives and many others as an unfair trading practice. China is in the lead in this regard, holding over one trillion dollars in foreign exchange reserves by the end of 2006. China has invested \$345 billion in U.S. Treasury certificates and a comparable amount in the form of other U.S.-dollar based fixed-income investments. Prevailing conditions also result in large-scale losses of U.S. jobs to competition with and outsourcing to Asian countries like China and India.⁷

Mainstream commentators in the United States and abroad see this mix of economic trends adverse to U.S. interests as being a direct cause of the Democratic victory in November. The *Economist* pointed out that skepticism about the benefits of free trade is spreading widely on Capitol Hill, beyond the active “industry-based protectionists” (i.e., people and their congressional representatives wanting support for specific products like textiles, steel, or autos). Increasingly, the new Democratic majority in Congress has been seen

⁶ In off-the-record discussions, officials in Washington, D.C. in December 2006 confirmed that Singapore leader Lee Kwan Yew had recently visited with U.S. officials in the U.S. capital and had urged the United States to “stay the course” in Iraq. Author’s interview, December 18, 2006.

⁷ Stephen S. Roach, “China and the U.S.: Who’s Subsidizing Whom?” *Globalist*, December 19, 2006
~ <http://www.theglobalist.com>.

as “dubious about free trade on all fronts”—skepticism that was rising “in the party’s upper ranks.” The article added that in the recent past there was “lots of protectionist rhetoric, but little action,” taking note that in 2005 and 2006 Senators Charles Schumer and Lindsey Graham pushed for large tariffs if China did not revalue its currency but ultimately withdrew their bill. The magazine forecast more serious challenges to free trade from the Democratic-controlled 110th Congress.⁸

Chinese commentators warily recalled Representative Pelosi’s prominent role after the Tiananmen crackdown of 1989 in leading congressional efforts throughout the 1990s to link China’s access to U.S. markets to Chinese human rights practices. According to Chinese officials and commentators, the tougher stance on differences with China taken by Bush administration economic officials—such as Treasury Secretary Henry Paulsen and U.S. Trade Representative Susan Schwab—is influenced by pressures coming from the Democratic majority in Congress. Offering a wrap-up assessment of the “strategic economic dialogue” held in Beijing in December (led on the U.S. side by Secretary Paulsen and included Schwab and several other cabinet members as well as the Chairman of the Federal Reserve), the *People’s Daily*, the official newspaper of the Chinese Communist Party, said that “at present, the United States is intensifying meddling at all levels in China’s financial opening, economic growth, and other deep-seated, systemic issues, and this is rattling the smooth development of trade and economic ties.” The paper added that the newly elected Congress is pushing the Bush administration further along this path, “bringing new uncertainties to Sino-U.S. relations.”⁹

Further evidence of congressional pressure for tougher U.S. policy toward Asia came in the annual report of the U.S.-China Economic and Security Review Commission that was released at the time of the November 2006 congressional election.¹⁰ The report urged a series of actions designed to protect the United States from negative implications of rising Chinese power and influence in world affairs. In December the commission, which is funded and appointed by Congress, elected a new chairperson, Carolyn Bartholomew, who served for many years as a senior aide to Representative

⁸ “Slow Track—A More Democratic Congress Would Not Help the Cause of Free Trade,” *Economist* November 2, 2006.

⁹ “China Sees Worries in U.S. Trade Ties-Paper,” *Reuters*, December 21, 2006 ≈ <http://www.taiwansecurity.org>.

¹⁰ This commission was established by Congress in 2000 and monitors, among other issues, the national security implications of the U.S.-China bilateral trade and economic relationship. Congress also established that year the Congressional-Executive Commission on China with a mandate to monitor human rights and the development of the rule of law in China.

Pelosi. Bartholomew said that the commission's work in 2007 would focus on assessing China's WTO compliance, the impact of trade with China on the U.S. economy, and security challenges presented by China's military modernization.¹¹

Among other issues in Asia, the incoming chairman of the trade subcommittee of the House Ways and Means Committee, Representative Sander Levin, voiced strong support for efforts to protect the U.S. auto and auto parts industries from unfair competition from Japan and China. House and Senate members of foreign policy and armed services committees criticized Bush administration policy and negotiating efforts regarding North Korea's nuclear weapons program, stressing the need for greater flexibility and effectiveness in U.S. policy. The failure of the House in November to pass a bill granting Permanent Normal Trade treatment to Vietnam was seen as a reflection of the greater skepticism in Congress regarding free trade—though the deal was passed in a later vote.¹²

ATTENUATING FACTORS AND TRENDS

In contrast with such dire warnings of serious trouble in U.S.-Asian relations caused by the election of the Democratic majority in the 110th Congress, however, factors of power, priorities, politics, and personalities dilute the push for substantial change in U.S. policy in Asia. Taking these factors into account results in a more balanced forecast regarding what the Democratic-led Congress can actually accomplish in changing U.S. policies and practices in regard to Asia. On the one hand, that forecast anticipates a wide range of congressional efforts and frequent episodes of congressional proposals, postures, and maneuvers in terms of U.S. policies and practices regarding Asia. On the other hand, such a more nuanced approach also shows that the impact of these congressional actions seems unlikely to change the course of U.S. relations with the region in major ways, at least during the term of the 110th Congress. It is important to note that the longer-term importance of these efforts and actions could be more significant; this is particularly the case if they assist in the election of a U.S. president or large congressional

¹¹ U.S. China Economic and Security Review Commission, Press Release, December 14, 2006, "U.S.-China Commission Elects New Chairman and Vice Chairman to Lead Its Fifth Year" ~ <http://www.uscc.gov>.

¹² Glenn Kessler, "Democrats Blast Bush Policy on N. Korea," *Washington Post*, November 16, 2006, A21; and David Rogers, "Bush Won't Bring Vietnam Deal to Asia Summit," *Wall Street Journal*, November 15, 2006, A4.

majorities in 2008 that would steer U.S. policy in directions favored by the current Democratic leadership of the House and the Senate.

The “Inside Game” and the “Outside Game”

One way to understand the seeming contradiction—that the 110th Congress is unlikely to change U.S. policy toward Asia much in the short term but could possibly have a serious effect in the longer term—is to use the division prevalent on Capitol Hill between what is roughly called the “inside game” and the “outside game.”¹³ The inside game refers to efforts and maneuvers that actually lead to legislation or other congressional actions that pass Congress or otherwise meet with congressional approval and compel changes in U.S. government policies and practices. These efforts and actions are sometimes public and sometimes not. They often involve legislative drafting, deliberations, mark-up, voting, and various decision points along the way. Consultation, compromise, and deal-making are common occurrences in this process. As explained below, factors of power, priorities, politics, and personalities suggest that the Democratic-led 110th Congress is unlikely to prompt major changes in U.S. policies and practices in Asia under prevailing circumstances.

The “outside game” refers to usually well-publicized congressional actions seeking to create broad shifts in public and political thinking about controversial issues. These actions can involve legislation, congressional communications, special speaking opportunities or debates in the House or Senate, and special hearings or other public events. Using television and other media, or actually engaging large numbers of citizens or interest groups in participating in public events, the congressional proponents of these efforts seek to focus favorable attention to their side of the debate on controversial issues, while putting their opponents in an unfavorable light.

Because of several factors—notably those related to divided government and the power of the executive branch controlled by a determined leader of the opposing party—the Democratic Party congressional proponents of change in U.S. policies and practices regarding Asia in the 110th Congress seem to have insufficient power to prevail in the “inside game” of passing legislation or prompting congressional action on controversial issues. Nevertheless, at the same time these proponents may be successful in pursuing the “outside game” of having their party, their leaders, and themselves appear increasingly

¹³ Author’s discussion with Walter Oleszek, Congressional Research Service Senior Specialist on Congressional Affairs and American Government, January 7, 2007.

positive to the public and concerned interest groups, while the opposing party and its leaders and members suffer rising disapproval from the public and interest groups on these controversial issues.

For example, one of the motives of Democratic Party proponents in Congress of a tougher U.S. trade policy seems to focus on mobilizing ever-greater public support for their position while casting the free trade policies of the Bush administration in an unfavorable light. Even though having insufficient power and influence to pass legislation that can compel change in Bush administration policies and practices, the Democratic proponents place the Bush administration policies and practices on the defensive in the court of public opinion and among important interest groups. In the short term, this could prompt the Bush administration to shift to somewhat more restrictive trade policies. Looking to the 2008 election, such a shift could compel candidates of both the Democratic Party and the Republican Party to adopt trade platforms notably more restrictive than the free trade policies and practices of the Bush administration.

Power \approx The U.S. Constitution gives the Executive the leading role in foreign affairs. During the long period of national security crisis throughout the Cold War, the Congress generally followed an elitist pattern of foreign policy decisionmaking that supported the Executive's leading role in making foreign policy and included the following characteristics:

- domination of the foreign policymaking process by the executive branch, particularly by the White House, the State Department, and the Pentagon
- presidential consultations with a bipartisan leadership in Congress and mobilization through them of broad congressional support for the administration's foreign policies
- parallel consultations with a relatively small group of elites outside government, some of whom were specialists on the particular issue under consideration and others of whom had a more general interest in foreign policy as a whole
- mobilization of public support through the major newspapers and television programs, other media outlets, and civic organizations¹⁴

The collapse of the Soviet Union and the threat posed by international communism transformed U.S. foreign policy decisionmaking in ways that

¹⁴ Harry Harding, "Public Engagement in American Foreign Policy," The American Assembly, Columbia University, New York, February 23–25, 1995, 8–9.

saw Congress play a much more prominent and powerful role. For over a decade, post–Cold War U.S. foreign policy decisionmaking reflected much more pluralistic features including a greater role for Congress. There were a number of salient characteristics:

- a much greater range of agencies within the executive branch were involved in foreign policy, with the rise of the economic agencies and departments (Commerce, Treasury, and U.S. Trade Representative) being of particular importance
- a seeming reallocation of power within government, away from the executive branch and toward Congress
- much greater participation by non-government organizations and lobbying groups, which attempted to use access to government, especially to the Congress, to shape foreign policy to conform with their interests
- much less consensus within Congress, and within the broader public, over foreign policy¹⁵

The September 11, 2001 terrorist attack on the United States and the resulting U.S. war on terrorism, including U.S.-led military operations in both Afghanistan and Iraq, created the greatest national security crisis in the United States since the Cold War. Congressional scholars argue that Congress's role and influence relative to that of the executive in foreign policymaking declines during major national security crises. John Tierney and others assess that presidential dominance and “national interest” considerations prevail during periods of national security crises.¹⁶

This pattern seemed to be followed during the several years following September 11. President Bush and his national security team, backed by strong Republican majorities in both houses of Congress, dominated foreign policy decisionmaking along the lines of the elitist model that prevailed during the Cold War. In the past two years, however, congressional opposition to the war in Iraq and other Bush administration foreign policies has grown. The Democratic victory in the November 2006 congressional elections was widely seen as a reflection of growing popular opposition to Bush administration foreign policies, notably in Iraq. The result has been the mixed picture seen today of continued efforts by the executive branch to dominate the foreign

¹⁵ Harding, “Public Engagement in American Foreign Policy,” 9.

¹⁶ John T. Tierney, “Interest Group Involvement in Congressional Foreign and Defense Policy,” in *Congress Resurgent*, ed. Randall Ripley and James L. Lindsay (Ann Arbor, Mich: University of Michigan Press, 1993).


policy decisionmaking process—efforts that are increasingly challenged by congressional opponents.¹⁷

What this seems to mean for U.S. policy in Asia during the 110th Congress is that, in the face of a determined President like George W. Bush, the Democratic-led Congress appears to have only a few levers and limited power to force change in areas regarding U.S. relations with Asia.

Congress does play a direct role in any decision to extend the president's Trade Promotion Authority (TPA), which allows expedited congressional consideration of free trade agreements (FTAs), including those now being negotiated with South Korea, Thailand, and Malaysia. Without this authority, which is set to end in mid-2007, neither congressional approval of these FTAs nor Bush administration consideration of additional FTAs in Asia or elsewhere is as likely.

Congress also controls government spending—the “power of purse.” This can be used to block, redirect, or tailor administration requests for U.S. government spending and U.S. foreign assistance in Asia. Congress has been reluctant to hold back support for the administration's large military spending requests for U.S. service personnel on the front lines in the war on terrorism and related deployments.

Congressional opposition can hold up and possibly halt administration personnel appointments or policy initiatives needing congressional approval. Bush does not appear to anticipate any major or controversial personnel changes in Asia policy or substantial policy initiatives requiring congressional action taking place in the last years of his administration. Congressional oversight involving hearings, investigations, and reports promises to be much more active with the Democrats in control, but such oversight usually exerts only limited power to steer the course of U.S. policy.

Priorities  Democratic leaders in the House and Senate have voiced varied priorities. They tend to focus on such domestic issues as raising the minimum wage, insuring congressional ethics, improving the environment, controlling government spending deficits, strengthening job security for U.S. workers, preserving Social Security, and providing limited tax relief for middle class taxpayers. Finding ways to change the adverse course of the U.S.-led war in Iraq dominates the foreign policy agenda.

The emphasis that Democratic priorities receive changes with circumstances. House Democrats began the congressional session with an

¹⁷ Thom Shanker and David Cloud, “Bush's Plan for Iraq Runs into Opposition in Congress,” *New York Times*, January 12, 2007, A1.

emphasis on domestic issues, seen notably in their “100 Hour Agenda” but were forced to shift focus to the war in Iraq as a result of President Bush’s new strategy and troop increase that were announced in a speech to the nation on January 10.¹⁸ Democratic Party leaders in Congress also are far from unified even on seeming central priorities in the Democratic agenda. Senate Finance Committee Chairman Max Baucus created controversy when he voiced reservations about the Democratic push to raise the minimum wage.¹⁹ House Energy and Commerce Committee Chairman John Dingell reportedly remained opposed to imposing tougher mileage standards on the many U.S. automakers in his district as a means of improving the U.S. environment.²⁰

Against this background, most issues affecting Asia receive lower priority. Heading the list of salient issues is finding ways to deal more effectively with the massive U.S. trade deficits and perceived unfair trade and economic policies regarding countries in Asia, notably China but also including Japan—though the Democratic leaders and rank and file members seem divided on what course of action to take. Though having been outspoken critics of the Bush administration’s approach toward the North Korean nuclear weapons program, Democratic leaders of foreign and defense policy committees have few concrete recommendations for a change in course other than to argue for more U.S. flexibility in negotiating directly with Pyongyang. Some Democratic leaders and members favor strong emphasis on human rights, labor conditions, and environmental concerns in governing U.S. policy to concerned Asian countries, but others do not.²¹

Politics ∼ The bruising fight among House Democrats leading to the selection of Representative Steny Hoyer as House Majority Leader over the wishes of Speaker designate Nancy Pelosi was a reminder that the Democrats will not follow their leaders in lock-step as Republicans did under Speaker Newt Gingrich following the Republican landslide victory of 1994. Even if Speaker Pelosi wanted to push House Democrats to follow her past tendency toward being tough in relations with China and on other Asian issues regarding human rights and trade, the make-up of the Democratic caucus and likely committee leadership strongly suggests less than uniform support. Conservative Democratic members have increased in number as a result of

¹⁸ Sheryl Gay Stroberg, “Bush’s New Strategy for Iraq Risks Confrontations on Many Fronts,” *New York Times*, January 11, 2006, A19.

¹⁹ Steven Pearlstein, “Minimum Wage, Minimum Myth,” *Washington Post*, January 10, 2007, D1.

²⁰ Carl Hulse, “Leadership Tries to Restrain Fiefs in New Congress,” *New York Times*, January 7, 2007, A1.

²¹ Robert Sutter, “Democratic Victory in Congress,” *Brookings Northeast Asia Commentary*, December 2006 ∼ <http://www.brook.edu>.

the 2006 election and are expected to be reluctant to press too hard on human rights, environment, and other issues when important U.S. business and security interests are at stake. Many Democratic members support free trade and resist what they see as protectionist measures of Democratic colleagues against China, Japan, and other Asian trading partners.²² Their viewpoint is backed by recent polling data of the Chicago Council on Global Affairs showing that Americans are fairly comfortable with the economic rise of China.²³

Among key sources of political tension weakening the leadership of the Democratic congressional leadership is the role of veteran lawmakers chairing key committees and subcommittees. During the so-called “Republican revolution” begun in 1995, Republican House leaders under Gingrich’s speakership exerted extraordinary discipline over committee and subcommittee chairs and rank-and-file Republican members in pursuing their legislative agenda. Due to Senate rules and traditions, Republican leaders were less able to impose discipline in the Senate.

The Democratic committee and subcommittee chairs of the 110th Congress chafed for a decade under often highly partisan and restrictive rules and procedures. The veterans among them recall earlier congressional practices that emphasized both the important roles and jurisdiction of committees and subcommittees in formulating legislation and the prominent role played by the respective chairs of those committees and subcommittees. As the *New York Times* reported in a recent front-page assessment, one of the key challenges for the Democrats in Congress will be “finding a way to keep the overarching goals of the party from clashing with the objectives of the independent chairmen” of congressional committees and subcommittees.²⁴

Personalities ∞ Given that Democratic leadership control is looser than the tight Republican congressional leadership exercised over the past decade, the actions of individual members in key committee and subcommittee assignments will be of particular importance in the Democratic-led Congress and its approach to Asian issues. Differing among themselves on key issues, these members are likely to have difficulty coming up with united positions in pressing for meaningful change in Bush administration policies regarding Asia.

²² Stephen Labaton and Steven Weisman, “Talking about Common Ground,” *New York Times*, November 9, 2006, C1.

²³ “Global Views 2006: The United States and the Rise of China and India,” Chicago Council of Global Affairs, October 11, 2006 ∞ <http://www.thechicagocouncil.org/userfiles/file/globalviews06final.pdf>.

²⁴ Carl Hulse, “Leadership Tries to Restrain Fiefs in New Congress.”

The public positions of House leader Pelosi and Senate leader Reid are tough on trade and related economic and human rights issues regarding China. The chairman of the subcommittee on trade in the House Ways and Means Committee, Representative Sander Levin, and some other members of that and other economic policy committees also favor a tougher U.S. stance on trade issues, especially with China, and on trade issues with Japan that affect key U.S. industries, notably autos. Representative John Dingell, Chairman of the House Energy and Commerce Committee, is a strong defender of the U.S. auto industry, which is fending off growing challenges from Japanese automakers in the U.S. market. These congressional proponents of a tougher U.S. trade policy toward Asia are offset, however, by committee moderates headed by Ways and Means Committee Chairman Charles Rangel. In the Senate, the leading Democrat on the Finance Committee, Max Baucus, also holds moderate views and is supported by others that eschew protectionism on the committee.²⁵

Senate foreign policy and defense policy leaders Joseph Biden, Carl Levin, and John Kerry are expected to push for greater congressional involvement in policy toward North Korea and for direct U.S. talks with Pyongyang. This activity would build on the record of the 109th Congress, which in September 2006 called both for the appointment of a special U.S. coordinator on policy toward North Korea and for reports to the Congress dealing with the North Korean nuclear program. Now that North Korea has conducted a nuclear weapons test, it is unclear what concrete measures the Democrats can offer that would significantly change the reality of a nuclear North Korea. At the same time, these same Democratic leaders seem likely for some time to remain focused on and preoccupied with efforts to counter President Bush's new strategy and troop increase in Iraq. Senate Democrats plan a barrage of hearings on the Iraq conflict in the early weeks of the 110th Congress. Due to pending legislation and possible restrictions on Bush administration budget requests for the Iraq war, congressional pressures for change on North Korean policy are likely to be pushed into the background, at least for a while.²⁶

Thomas Lantos, Chairman of the House Committee on Foreign Affairs, has a long record of vocal opposition to human rights violations, notably those by China's authoritarian administration. This stance meshes well with the views of Representative Pelosi but is at odds with the large number of

²⁵ Robin Toner, "After Many Years, Now It's His Turn at the Helm," *New York Times*, January 8, 2007, A1; and Labaton and Weisman, "Talking about Common Ground."

²⁶ David Broder, "After Elections, a Democratic Push," *Washington Post*, October 22, 2006, B7; and Stolberg, "Bush's New Strategy for Iraq Risks Confrontations on Many Fronts."

Democratic members who have joined various working groups designed to foster pragmatic exchanges with and more informed and effective U.S. policy toward China. A number of those groups are listed below:²⁷

- *The House U.S.-China Inter-Parliamentary Exchange Program* ∼ Launched in 1999, this program has organized several congressional delegations to China and several Chinese legislative delegations to the United States. Rep. Donald Manzullo (R-IL) has been a leading proponent, noting that the exchanges provide an opportunity to “engage and challenge China’s leaders directly on issues of concern... including fair trade, piracy, human rights violations, Taiwan, and North Korea.” House Foreign Affairs Committee Chairman Lantos for several years participated actively in the exchanges, actions that appeared to balance his strong public posture against China’s authoritarian political system.
- *The Senate U.S.-China Inter-Parliamentary Exchange Program* ∼ This program was established in 2004 with the aim of exchanging views on Sino-U.S. relations, the Taiwan issue, trade, energy, and other regional and international issues of common concern. The bipartisan chairs of the program, Ted Stevens (R-AK) and Daniel Inouye (D-HI), led delegations to China in 2004 and 2006.
- *The U.S.-China Senate Working Group* ∼ As part of the Senate U.S.-China Inter-Parliamentary Exchange program, the U.S.-China Senate Working Group initiated by Senator Norm Coleman (R-MN) and Senator Barack Obama (D-IL) was formed in 2006 in order to deepen understanding and develop “a working relationship” with China.
- *The Congressional China Caucus* ∼ Established in 2005, by 2006 this caucus had a bipartisan leadership headed by Rep. Randy Forbes (R-VA) and Ike Skelton (D-MO) and 34 members from both parties. The caucus’s goal is to educate members on China-related issues regarding defense, trade, intellectual property rights, energy, and human rights and religious freedom.
- *The U.S.-China Congressional Working Group* ∼ This group was established in 2005 and by 2006 had a bipartisan leadership of Rep. Mark Kirk (R-IL.) and Rep. Rick Larsen (D-WA) and a membership of 40 members. The group studies China-related issues and seeks to increase dialogue and engage in “a working relationship with the Chinese.”

²⁷ Bates Gill and Melissa Murphy, “Meeting the Challenge and Opportunities of China’s Rise,” Center for Strategic and International Studies, Washington, D.C., October 10, 2006.

On balance, these congressional groups have moderated the widespread congressional tendency seen in the 1990s to be harshly critical of the policies and practices of the Chinese administration. These groups have focused on the challenges as well as the opportunities in the U.S. relationship with China and have sought to deepen understanding through exchanges and dialogue in order to formulate more effective U.S. policy. Their deliberative and considered approaches have dampened enthusiasm in Congress for the kind of “China bashing” that prevailed in congressional discourse on China in the decade following the Tiananmen crackdown of 1989. Though formed during Republican control of Congress, the groups have remained bipartisan and have thus far continued to function in the Democratic-led 110th Congress.

OUTLOOK

The strong imperatives for change coming from the Democratic-controlled 110th Congress mix with the many limitations noted above on Congress’s ability to force change in U.S. policies and practices in Asia. This confluence leads to a forecast of only modest change in U.S. policies and practices toward the region as a result of the 2006 congressional elections. This forecast depends on several key variables that could change in ways that could lead to substantial change in U.S. policy toward Asia. A serious U.S. economic recession almost certainly would strengthen congressional efforts to protect U.S. jobs from perceived unfair competition from China, Japan, India, and other Asian economic powers. An egregious political crackdown, military confrontation, or other major unanticipated development in Asia could substantially change U.S. policy. Meanwhile, if the stand-off between congressional Democrats and the Bush administration over policy in Iraq deepens amid worsening crisis and carnage in that country, congressional attention to Asian issues would presumably be reduced.

Trade Promotion Authority and Free Trade Agreements

Congressional attitudes toward and action on a renewal of the president’s TPA arguably will have more far-reaching consequences for Asia than other possible congressional changes or initiatives. TPA is the authority that Congress has delegated to the president to negotiate reciprocal trade agreements that receive expedited congressional consideration (i.e., limited debate and no amendments). Under this authority, the Bush administration completed and the Congress approved free trade agreements with Chile, Singapore, Australia,

Morocco, the Dominican Republic, Central American countries, Bahrain, and Oman. The administration also signed agreements with Colombia and Peru and announced it would send implementing legislation for these agreements for congressional approval under the TPA provisions.²⁸

The TPA is scheduled to expire on July 1, 2007. If the president requests renewal of TPA, Congress would face a decision on whether to accede to his request and, if so, on what form the new authority should take. The core provisions of the TPA (formerly fast-track) legislative procedures have remained virtually unchanged since they were first enacted in 1974, although Congress has expanded trade negotiation objectives, oversight, and presidential notification requirements. While early versions of fast track/TPA received broad bipartisan support, renewal efforts became increasingly controversial over time as fears mounted over the perceived negative effects of trade and as the trade debate became more partisan in nature. Congress last renewed TPA in the Trade Act of 2002 following a pitched debate and largely partisan vote. Two key issues dominated: one was the treatment of labor and environmental provisions and the other was the assurance of a bipartisan congressional role in trade policymaking.

As the debate over TPA renewal emerges in 2007, these two issues are still at center stage, flanked by a handful of other trade policy concerns. Congressional decision on TPA will have an important impact on whether or not the WTO Doha Round can be brought to agreement. Depending on what is agreed to, the Doha Round will have important implications for the Asian economies and U.S.-Asian economic relations. In Asia, the Bush administration has an active agenda, with free trade agreements under negotiation with South Korea, Malaysia, and Thailand, though the latter is in abeyance because of recent political uncertainty in Bangkok. Others are under consideration, and Taiwan is actively seeking a free trade agreement with the United States. Under TPA, the president must give a 90-day notification to Congress of his intent to sign an FTA. Thus, time is running short for consideration of FTAs under current TPA, meaning that FTAs in Asia may be contingent on congressional renewal of TPA in 2007.

²⁸ J.F. Hornbeck, "Renewal of Trade Promotion Authority," in *Congressional Research Service Report RL33760: Foreign Affairs, Defense and Trade: Key Issues for the 110th Congress* (Washington, D.C., December 20, 2006), 68.

Relations with China and Taiwan

The 110th Congress is expected to focus more on U.S.-China trade relations, which have grown increasingly strained in recent years. Key issues congressional members are likely to address are listed below:

- the large and growing U.S. trade deficit with China (\$202 billion in 2005 and estimated at \$240 billion in 2006)
- China's policy of pegging its currency to the dollar and refusal to adopt a floating currency, which is widely seen in the United States as unfairly making imports from China cheaper and U.S. exports to China more expensive
- China's poor record of protecting U.S. intellectual property rights
- China's failure to implement fully its WTO commitments
- China's use of a number of unfair trade practices (such as use of subsidies and dumping) that many perceive as negatively affecting U.S. manufacturers²⁹

The 109th Congress saw many bills addressing these issues, and the Democratic leadership of the 110th Congress has given these issues greater prominence. In July 2005, the House passed H.R. 3283 to apply U.S. countervailing duties against subsidized imports from non-market economies (such as China), establish a comprehensive monitoring system to track China's compliance with specific WTO commitments and other trade pledges to the United States, and boost funding for U.S. trade compliance agencies. In addition, a bill introduced by Senator Schumer (S. 295) that sought to impose a 27.5% ad-valorem increase in U.S. import tariffs on Chinese goods gained significant bipartisan support.

Taiwan remains the most serious issue in U.S.-China relations. While publicly emphasizing China's interest in peaceful relations in world affairs and a peaceful resolution of the Taiwan issue, China has undertaken a major military buildup opposite Taiwan as part of Beijing's incentives both to halt the Taiwan administration's moves toward greater political separation from China and to move Taiwan toward eventual reunification with China on terms acceptable to Beijing. The buildup anticipates possible U.S. military intervention in a Taiwan conflict, and China is thus acquiring forces geared to confront the United States in a Taiwan contingency. China's controversial test

²⁹ Kerry Dumbaugh and Wayne Morrison, "People's Republic of China and Taiwan," in *Congressional Research Service Report RL33760*, 14-16.

of an anti-satellite weapon in January 2007 was seen as part of preparations of weapons to potentially use against U.S. forces in the event of a conflict over Taiwan.³⁰ The Bush administration, with support in Congress, has pledged to help Taiwan to defend itself against possible Chinese attack. The administration has been building U.S. forces in the western Pacific that would be geared toward a possible conflict in Taiwan, has been working quietly to advise Taiwan on defensive strategies, and has offered a range of weapons systems to upgrade Taiwan defense capabilities. Political divisions in Taiwan have for years prevented Taipei from purchasing the major U.S. arms that the Bush administration approved for sale in 2001. Meanwhile, the Bush administration remains wary of efforts by the independence-minded Taiwan government to pursue political changes emphasizing Taiwan's separation and independence from China, moves that Beijing has warned would be a cause of war.

Long-favorable sentiment toward Taiwan has led Congress to seek ways to support Taiwan's interests even as Congress registers growing frustrations over Taiwan's political gridlock and lagging defense spending. Congressional supporters of Taiwan in the 110th Congress are likely to seek support for a FTA with Taiwan—one of the Taiwan government's top priorities. As in the recent past, congressional supporters of Taiwan probably will pursue legislation both to relax restrictions on the contact that U.S. government officials can have with Taiwan and to assist Taiwan in gaining both observer status in the World Health Organization and recognition in other international bodies despite opposition from China.

The November 2006 annual report of the U.S.-China Economic and Security Review Commission listed a dozen recommendations on how the United States should respond to the challenges that the commission perceived as resulting from China's more active and prominent role in Asian and world affairs.³¹ In deliberations and debate, the 109th Congress registered concerns about many of these issues, concerns that are likely to be repeated by the 110th Congress. In particular, China's strong need to acquire energy and other resources abroad to feed its rapidly growing economy has helped lead to strengthening Chinese relations with Iran, Sudan, Venezuela, and other administrations that the U.S. government considers as "rogue" or disruptive regimes. Chinese oil purchases and economic ties with governments in

³⁰ Joseph Kahn, "U.S. Dominance in Space Challenged by China's Test," *New York Times*, January 19, 2007, A1.

³¹ U.S.-China Economic and Security Review Commission, *2006 Report to Congress*, December 15, 2006  <http://www.uscc.gov>.

Angola and Nigeria are seen to undermine U.S.-backed efforts to restrict economic contacts with these states in the interest of forcing them to govern with less corruption and more competence. China's rising influence in Asian multilateral organizations that exclude the United States comes at a time when the U.S. government not only is unpopular among Asian elite and in local popular opinion but also is seen as running the risk of marginalizing the United States in the region. Through hearings, funding for U.S. diplomatic programs, and other means, the 110th Congress is anticipated to prompt the U.S. administration to endeavor to counter these adverse trends.

Meanwhile, congressional concerns over human rights conditions in China remain active. The Democratic leadership of the 110th Congress has a strong record in this regard that is shared by such prominent committee chairs as Thomas Lantos. Specific congressional actions probably will depend both on developments in China and on the distraction of other international crises. The administration releases annual reports on international human rights and religious freedom that prompt congressional attention. In recent years, congressional initiatives have focused on persecution of Christian groups in China and on the status of the estimated tens of thousands of North Koreans living illegally in China.

N. Korea's Nuclear Weapons Program and U.S. Relations with S. Korea

Democratic congressional leaders and some Republicans in Congress have long criticized the Bush administration's lack of sufficient flexibility and effectiveness in negotiations trying to halt North Korea's nuclear weapons development. Several members repeated these charges following North Korea's nuclear weapons test of October 9, 2006. Nevertheless, the congressional critics of Bush administration policy toward North Korea have had a hard time coming up with a specific mix of negotiations, incentives, and pressures that would succeed in reversing North Korea's nuclear weapons development.

For now, congressional attention in the 110th Congress appears likely to focus on how the Bush administration implements legislation passed late in the 109th Congress. In particular, the John Warner National Defense Authorization Act for FY 2007 (P.L. 109-364) enacted on October 17, 2006 requires the President to appoint by December 17, 2006 a Policy Coordinator for North Korea who was to have reported to the president and the Congress with recommendations by January 17, 2007. The act also requires the executive branch to report to Congress every 180 days in fiscal years 2007

and 2008 on the status of North Korea's nuclear and missile programs. Many in Congress had supported the efforts in the late 1990s of former Defense Secretary William Perry who, as a special coordinator on U.S. policy toward North Korea, came up with a series of recommendations on how to deal with the North Korean nuclear program. Congressional frustration with the Bush administration on this issue is likely to grow given that the administration has delayed compliance and has missed the legislated deadlines for appointing the policy coordinator and the coordinator's report.³²

Regarding U.S. relations with South Korea, Congress presumably will be called upon to examine and vote on a proposed FTA under negotiation between the United States and South Korea.³³ This agreement would be the second-largest FTA the United States has entered into; only the North American Free Trade Agreement (NAFTA) would be larger. Members in the 109th Congress issued recommendations and warnings over how the two sides should deal with certain trade issues in the talks. Difficult issues in the negotiations involve access into the South Korean market to U.S. rice, autos, and pharmaceuticals as well as U.S. restrictions on South Korean textiles and U.S. anti-dumping regulations.

There is continuing frustration in Congress regarding South Korea's "sunshine policy" involving continued aid and other asymmetrical engagement with North Korea despite North Korea's provocative missile tests and nuclear weapons development. South Korea has taken a negative attitude toward the sanctions on North Korea both that the Bush administration imposed in 2005 in response to North Korea's counterfeit exports and that the United Nations imposed in 2006 over North Korea's nuclear and missile tests. U.S.-South Korea differences on how to deal with North Korea have become more prominent, and have resulted in more criticism of the South Korean government in the U.S. media and in Congress—criticism that seems likely to continue in 2007.

Meanwhile, congressional committees with jurisdiction and others in Congress have been following the often difficult negotiations between the U.S. and South Korean governments regarding reduction and redeployment of U.S. forces in South Korea, changing the command structure of U.S. and South Korea forces on the peninsula, and South Korean payment to support the cost of U.S. forces in Korea. U.S.-South Korea differences over these sensitive subjects periodically come into prominent public view, and there is

³² Emma Chanlett-Avery, "North Korea," in *Congressional Research Service Report RL33760*, 20–21.

³³ Troy Stangarone, "FTA Update," *Korea Insight* 8, no. 12, Korea Economic Institute, December 2006, 2; and Larry Nixsch, "South Korea," in *Congressional Research Service Report RL33760*, 35–36.

a good chance these differences will again surface during the 110th Congress, prompting congressional reactions.

Issues in South and Central Asia

The growing “strategic partnership” between the United States and India is based on shared values of democracy, multi-culturalism, and the rule of law as well as increasing cooperation in counter-terrorism, joint military exercises, high technology trade, and numerous economic, security, and global initiatives. An agreement on “full civilian nuclear cooperation” launched by President Bush in 2005 received endorsement late in the 109th Congress. The vote reflected bipartisan support. Specialists warn of possible “backsliding” by India on implementing understandings surrounding the U.S.-India nuclear accord that likely would prompt congressional criticism. Democrats in Congress may be more inclined to oppose the Bush administration initiative to India under those circumstances. This shift would affect congressional attitudes as Congress must vote on a U.S.-India nuclear cooperation agreement (now being negotiated) before the “civilian nuclear cooperation” agreement approved at the end of the 109th Congress goes into effect. Also, if key lawmakers (including leading Democrats and others) do not find India sufficiently helpful on issues pertaining to the Iranian nuclear weapons program, their dissatisfaction with New Delhi could make legislative approval of the bilateral nuclear cooperation agreement with India more difficult. Meanwhile, the issue of anticipated major U.S. arms sales to India and what these sales mean for U.S. relations with nearby powers, Pakistan and China in particular, appear likely to concern the 110th Congress. Congress, notably leading Democrats, continues to be concerned with violations of human rights, including both women’s rights and religious freedom in India, and with outsourcing of U.S. jobs to that country.³⁴

Neighboring Pakistan is the locus of three central U.S. foreign policy concerns: terrorism, Weapons of Mass Destruction (WMD) proliferation, and democratization. The congressional role in shaping U.S. policy to Pakistan is large, particularly as Congress reviews and approves foreign assistance to that country. Pakistan is among the world’s largest recipients of U.S. aid—obtaining more than \$3.5 billion in direct assistance for FY2002–FY2006, including \$1.5 billion in security related aid. Pakistan also has received billions of dollars

³⁴ Pramit Mitra and Teresita Schaffer, “Nuclear Cooperation with India: Storms in India,” CSIS Pacific Forum *PACNET* 60, December 19, 2006; and K. Alan Kronstadt, “South Asia,” in *Congressional Research Service Report RL33760*, 36.

in reimbursement for its support of U.S.-led counterterrorism operations. In general, the Congress joins with the administration in the often difficult balancing of an acute interest in Pakistan's continued counterterrorism cooperation (especially in regard to Afghanistan stabilization and the capture of Al Qaeda leadership) against concurrent concerns about weapons proliferation and perceived need to encourage development of a more democratic and moderate Pakistani state administration.

Pakistan faces important national elections later this year, which will almost certainly trigger congressional interest and action. Moreover, if the military situation in Afghanistan continues to deteriorate, Pakistan will likely be the target of angry legislators. The Democratic-led Congress will be more inclined than the previous Republican-led Congress to raise objections if U.S. interests in the region suffer because of adverse developments.

The continued conflict and instability in Afghanistan has prompted a major increase in U.S. assistance by the Bush administration.³⁵ Amid strong Democratic criticism of the administration's handling of the war in Iraq and the broader war on terrorism, the request almost certainly will result in strong congressional oversight and possible modification.

Balancing U.S. commitments to democracy and human rights with pragmatic and strategic needs to cooperate with authoritarian Central Asia states also will receive some attention in the 110th Congress. Congress oversees modest U.S. aid efforts and military exchanges with such authoritarian governments as Kazakhstan, which has received top-level Bush administration attention on account of its strategic location, cooperation in the war on terrorism, and major oil and gas reserves.³⁶

Issues with Japan

Larger U.S. trade disputes with China are likely to overshadow ongoing congressional concerns over trade issues with Japan involving a substantial U.S. trade deficit; complaints over Japanese currency practices that keep the value of the Japanese yen low relative to the U.S. dollar; competition with U.S. auto industries; and off-again, on-again Japanese restrictions on U.S. beef imports. During the Bush administration, U.S.-Japan ties have flourished. Converging U.S. and Japanese objectives in confronting North Korea's nuclear

³⁵ Helene Cooper and David S. Cloud, "Bush to Seek More Aid for Afghanistan as Taliban Regroups," *New York Times*, January 26, 2007, A6.

³⁶ Jim Nichol, "Central Asia: Regional Developments and Implications for U.S. Interests" in *Congressional Research Service Report RL33458* (Washington, D.C., January 10, 2007).

and missile programs and Japan's participation in U.S.-led operations in Iraq and Afghanistan have reinforced the notion of the U.S.-Japan alliance both as one of the central partnerships in U.S. foreign policy and as the lynchpin of the U.S. strategic presence in Asia. Recent U.S.-Japan bilateral initiatives have reinforced a new and expanded commitment to security cooperation by establishing common strategic objectives, outlining command changes, redeploying U.S. forces, arranging burden sharing, and working together on theater missile defense and other areas.

Some congressional concern in the 109th Congress over Japan's treatment of issues from World War II that has exacerbated historical tensions in Japan's relations with China and South Korea was reduced when incoming Prime Minister Shinzo Abe traveled to Beijing and Seoul in October 2006 in order to repair Japan's strained relations with its neighbors.³⁷

Issues in Southeast Asia

The end of the president's existing TPA in mid-2007 adds urgency to ongoing U.S. FTA negotiations with Malaysia and further dims prospects for stalled U.S. negotiations with Thailand on a free trade agreement. Elsewhere in Southeast Asia, the strong human rights concerns of the Democratic congressional leadership likely will deepen congressional antipathy to the military regime in Burma.³⁸ Indonesia is the largest recipient of U.S. assistance in Southeast Asia and, on account of the country's size and strategic location, appears to be the focus of Bush administration leadership attention and diplomacy. Longstanding congressional concerns over the often brutal and authoritarian practices of the Indonesia military in the past remain, even though sanctions against U.S. military assistance were lifted in 2005. Congressional review of Bush administration foreign assistance requests and other initiatives could complicate Bush administration efforts to beef up foreign assistance, military exchanges, and other support for Indonesia, which is emerging, sometimes slowly and haltingly, from authoritarianism to democracy.

³⁷ "Abe and Bush Agree to Speed Up Ballistic Missile Shield," *Japan Times*, November 19, 2006 ~ <http://www.taiwansecurity.org>; and Emma Chanlett-Avery, "Japan," in *Congressional Research Service Report RL33760*, 35.

³⁸ Thomas Lum, "Southeast Asia," in *Congressional Research Service Report RL33760*, 38–9.

Other Issues

Backed by its funding and oversight powers, the 110th Congress also will assess overall U.S. diplomacy and foreign assistance programs as they relate to Asia. Congress likely will focus particularly on the State Department's reorganization under the rubric of "transformational diplomacy" and its "transformational development" initiative designed to carry out a Strategic Framework for Foreign Assistance. The trend in recent years has seen Congress pare foreign operations budgets proposed by the administration—a trend likely to continue given government funding concerns in the 110th Congress.³⁹

Longer-term Implications—the "Outside Game"

Available evidence in early 2007 strongly suggests that the Democratic leadership and many rank and file Democratic members in the 110th Congress will continue to devote heavy attention to trade and economic issues involving the United States and China as well as Japan, India, and other Asian states. As noted above, there is not much likelihood that the 110th Congress will succeed under prevailing circumstances in passing legislation or adopting other measures that would force the Bush administration to change in major ways its free trade orientation. Nevertheless continued strong congressional attention to the trade and economic issues in Asia through hearings, legislation, and other activities could have a significant effect on U.S. policy over the longer term.

As explained above, one of the motives of Democratic proponents in Congress of a tougher U.S. trade policy seems to relate to the so-called "outside game" of congressional politics and to focus in particular on mobilizing ever-greater public support for their position, while casting the free trade policies of the Bush administration in an unfavorable light. Even though the Democratic proponents have insufficient power and influence to pass legislation that can compel major change in Bush administration policies and practices, their actions place the Bush administration policies and practices on the defensive in the court of public opinion and among important interest groups. In the short term, this development could prompt the Bush administration to shift to somewhat more restrictive trade policies. Looking to the 2008 election, such a change could compel candidates of both the Democratic Party and

³⁹ Connie Veillette, "Transformational Development and Foreign Aid Restructuring," in *Congressional Research Service Report RL33760*, 23–24.

the Republican Party to adopt trade platforms notably more restrictive than the current free trade policies and practices of the Bush administration. Such shifts would profoundly affect U.S. relations with many of Asia's export-oriented economies and their governments, which depend on exports and economic growth to sustain their political standing and legitimacy.