

# THE CENTURY FOUNDATION

## Luncheon to Discuss *The Conservatives Have No Clothes: Why Right-Wing Ideas Keep Failing*

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### EVENT TRANSCRIPT

RICHARD C. LEONE: – I'm going to be very brief and introduce all three of the panelists so that they can just follow right on one another. You have their bios. Greg Anrig is an indispensable member of this place. I'm glad he did and we're happy to host this event.

Rik Hertzberg and Eric Alterman need little or no introduction from me. They're two of the most important writers and thinkers about these issues. And we're delighted that they're here to comment on Greg's book.

GREG ANRIG: Thanks very much, Dick, as well as to Rik and Eric for reading the book and coming here to talk about it.

The argument in my book is simple. It's that conservatism is failing as a philosophy for governing. There's no question that the conservative movement has won the war of ideas ever since I've been here in the early 1990s, in terms of dominating debate over a wide range of issues domestically and internationally. But what my book does is look at the consequences of those ideas after they've been implemented by conservative policy makers. And really, without exception, all of them have failed to deliver on the promises made by the conservative movement, and in many cases, have made conditions demonstrably worse.

One of the things that's been going on in recent months is that the conservative movement has been distancing itself from President Bush saying he's not one of us, he's not really a true conservative. Bruce Bartlett, for example, wrote a book called *Imposter: How George W. Bush Betrayed the Reagan Legacy*. And one of the arguments I try to make as carefully as I can in the book is to demonstrate that George Bush in realm after realm governed precisely in the ways the conservative

movement has said he should govern and that those actions have led to his most recognized failures.

For example, in the wake of Hurricane Katrina, everybody recognized that FEMA failed abysmally to do its job of helping people to respond to that disaster. Well, FEMA was a model agency and became a model agency in the 1990s under President Clinton. It reverted to its former state as, basically, a turkey farm, by adhering to the approach the Heritage Foundation said government agencies ought to adhere to, which is by appointing more political appointees throughout the government so as to gain control of the civil service.

Indeed, the Right for many, many years has pounded a drumbeat about the incompetence of people who work for government as careers, and that manifests itself in terms of how agencies ought to be governed, by saying that what we need are more political appointees so that we can privatize services, let the private sector do things that the government's done in the past because the private sector is inherently more effective than government. We should devolve activities to the states. We should cut programs that the government does. And that's exactly what happened to FEMA very early on, even before Brownie took over under Joseph Albaugh, and that very directly led to the failures of FEMA. People left the agency. The people at the highest level were political appointees, who knew nothing about responding to emergencies..

And the Heritage Foundation – several months before Katrina hit, there was an article in the *National Journal* about politicization of government -- and one of Heritage's chief staff people said about that whole approach to governing, they're doing exactly what we told them to do, and he seemed happy about that. He was pleasantly surprised. So that's FEMA. That's one example.

Another example is the invasion of Iraq, which really followed the game plan of the *Weekly Standard*, and the Project for a New American Century, right down the line. The concept, the underlying philosophy, which was dubbed by Bill Kristol "benevolent hegemony," was a strategy that basically said other countries will recognize that it's in their best interest for the United States to exert its own best interests, unilaterally, if need be, to deal with problems that the U.S. perceives as creating difficulties. Well, that philosophy had a great deal to do with building support during the course of the buildup to the war. The conservative movement was very enthusiastic every step of the way. There was no hesitation about whether we should do that and no questioning of any of the premises underlying it.

I should mention, too, by the way, Heritage, the Project for a New American Century, all these institutions that support the ideas that we're talking about, are all funded by the same handful of families, people like the Scaife family, the Bradley Foundation, the Olin Foundation, the Koch Foundation. These families all have the premise that government is bad. They are mainly libertarians. They're people who have made a lot of wealth, deeply hostile to taxes, extremely hostile to regulations.

They created these institutions not because they believed in good government. They created them because they wanted to roll back government. And what happened over the course of recent decades is those institutions were enormously creative in figuring out how to sell ideas that would have that impact of rolling back government without saying that's what we're doing. So you have Social Security privatization, things like health savings accounts. Obviously the politicization of government fits into that. There are a number of other examples.

Quickly, I had a couple more examples about the Bush administration. Abu Ghraib directly is an outgrowth of an approach to thinking about the executive branch that was developed in the Federalist Society, which is a networking organization for lawyers that was funded by the same group of conservative funders. Obviously the idea of tax cuts under pretty much any scenario you can think of is an idea that was supported uniformly by all the conservative think tanks, even though that meant scrapping the previously successful policy of constraining government spending – pay-as-you-go limits were dropped with dispatch beginning in 2001 and thereafter. This was under a conservative Republican Congress as well. And that too contributed mightily to the significant increase in the deficit as well as economic results that never lived up to any of the promises that were made about how the economy would benefit and how average families would benefit from the tax cuts.

Each of the chapters in my book focuses on a particular idea. It looks at its history, looks at its impact, and also tries to assess the arguments made by conservatives in the aftermath of those consequences to really try to highlight the extent to which they are behind the failures that have arisen.

I want to focus briefly on one idea that you may not know all that much about but that's been very important at the state level. It's something called the Taxpayer's Bill of Rights. It's a Constitutional amendment that was passed in Colorado in 1992, and since then it's been latched onto by Grover Norquist. He calls it the holy grail of what he hopes to achieve at the state level throughout the country. And his group, Americans for Tax Reform, funded by the same institutions and foundations that I mentioned earlier, has pushed in states throughout the country to try to get similar amendments or statutes enacted in those states.

Last year, 16 states around the country at least seriously considered TABOR-like either amendments or laws. It went before referenda in three of those states. It was defeated in those three, although in Ohio, it was adopted as a statute, which is a somewhat less restrictive version of it than Colorado has.

What TABOR says basically is that the state budget in Colorado in any given year can't exceed the level of the previous year plus that year's level of inflation plus population growth. And in the event of a recession, the standard for the following year is a lower income, lower level of revenue that's collected during the recessionary year. That part of it's called the ratchet effect. The idea here is that this will make government more efficient. You just have a threshold that you can't

pass. Anything that comes in above that threshold has to be refunded back to the taxpayers.

The author of the amendment is a guy named Douglas Bruce, who is sort of Colorado's counterpart to Howard Jarvis. He was a cantankerous real estate investor. He had run-ins with the IRS. In drafting what ultimately became TABOR, he had done versions of it every couple of years beginning in 1986 – that differed wildly from each other. He basically sat at a typewriter back then and wrote 1500-word amendments to the Constitution that he then got on the ballot and he fought for, and when they lost one year, he would do the same thing two years down the road. Sometimes he'd throw in property taxes, sometimes not.

In any case, in 1992, he did finally pass the amendment. It was the year Ross Perot was running for President. Perot did better in Colorado than just about any other state. It is a conservative state, generally speaking, and in the old style version of conservatism, but their taxes weren't unusually high. This wasn't analogous to the Proposition 13 situation where you really did have this big run-up in real estate values coupled with very high increases in property taxes. Colorado wasn't confronting anything unusual.

In any case, this thing passed, and over the course of the 1990s, conditions couldn't have been much better in Colorado. The economy continued to grow as it had been before TABOR took effect. A lot of people were flowing into the state so that helped to raise the threshold higher than one might have expected. Inflation was relatively high in the state because real estate values were increasing so much. But even under those conditions, Colorado's rankings, according to just about any measure you want to look at in government performance, whether with respect to healthcare or education, began to decline fairly significantly.

And then in 2001 there was the recession, which hit with a vengeance under TABOR, and both Democrats and Republicans in the state widely agreed that TABOR was responsible for severe cutbacks that would have to be implemented there.

I'm going to tick off a few little statistics here so you can get a sense of it. By 2005 – by the way, Colorado is the 10<sup>th</sup> wealthiest state by median income. By 2005, Colorado dropped below at least 45 other states in the following categories: the share of low income residents covered by Medicaid, the portion of low income children lacking health coverage, the percentage of low income adults under 65 without health insurance. Colorado's national ranking in access to prenatal care declined from 23<sup>rd</sup> in 1990 to 48<sup>th</sup> in 2004.

Student-teacher ratios in Colorado are worse than in all but eight states. The ratio of teacher salaries to private sector salaries is the lowest in Colorado among the 50 states. The state's higher education system has declined to the point where legislators were wondering if we were going to just get rid of our higher education

system, we should have voted on that as a separate matter rather than just having it deteriorate to the point that it deteriorated.

What do those rankings mean? Colorado ranks sixth worst among the states in deliveries of low birth weight babies. When the state tried to create a prenatal plus program to deal with that problem, it had to shut it down because they didn't have enough funds to pay for it.

Colorado has the worst level of whooping cough in the country, and up until the end of the 1990s, it was in the upper half of –

AUDIENCE MEMBER:      Sounds like Mississippi.

ANRIG: Exactly. Again and again, you see these analogies to Mississippi being made about Colorado, and it's all because of TABOR. In the whooping cough case, there was a shortage of vaccinations in the 2001-2002 period around the country. Most states decided to spend more to be able to get the extra vaccinations, but Colorado decided it couldn't do that. And very directly, that led to this increase in whooping cough, which is actually a fatal disease for children under six months old.

Many of the schools are in severe disrepair. There's a school that was written about in the *Denver Post* that had sewage going through the hallways. It had temperatures in some rooms of 80 to 90 degrees because of the lack of ventilation. A Republican state legislator there said the fact is the state doesn't have any money. We can't do anything about it.

This is the holy grail that Grover Norquist continues to go around the country, as does his network, pushing as a model for how government ought to function. And I think it speaks for itself as to what the conservative movement has become. It is primarily about in one way or another, not necessarily openly but indirectly trying to convince people that they need to significantly curtail or weaken the government, and the consequences in Colorado don't bother them.

I'm going to briefly finish up by saying that there are patterns throughout the book that you can recognize among the different ideas and why they failed. One of those patterns is in almost every case you can trace the idea to an inventor who was an ideologue who didn't base the idea on research or theory, but rather on what sounded like it might work.

Douglas Bruce is an extreme example of that, but I would say the same thing about Milton Friedman and school vouchers. Friedman in 1955 made arguments that we shouldn't have a public school system at all. If you give families vouchers and let the market work, it will produce better educational outcomes and will generally be more effective than the public school system could be with all its bureaucracy and inefficiencies. And he continued to say that up until the time of his death even

though there was all kinds of evidence mounting that nothing was working out the way that he had said it would work. He continued to say the same kind of thing.

So the same kind of ideological origination applies as well to the early supply-siders who favor tax cuts. Peter Ferrara, the Harvard law student who came up with Social Security privatization – these are all ideas that are not based on a reality. They're based on something in somebody's head.

The next commonality is that the conservative movement latches onto those ideas in one way or another, and they peddle them, they sell them, because they recognize the potential they have in the political world to sound plausible, to sound appealing, even though they are really based at root on the same thin, flimsy evidence that the originators came up with.

But you can't get very far in politics by saying, we're going to cut Social Security. We're going to just get rid of all the taxes if we could, but we can't get away with that. We're going to try to get rid of the public school system. You can't get very far that way, so you need these ideas that they've very effectively sold, like vouchers, like Social Security privatization, like tax cuts and the supply-side theories behind it, and market those ideas. And they've been enormously effective at that.

And one of the ways that they've been effective is in selling those ideas, they attack the status quo in a way that creates a sense of crisis. So Social Security is going bankrupt. That was a drumbeat that we heard again and again and again for many years, to the point where a large number of people in the population began to believe it. It's wrong. It's not true. Factually, it's demonstrably not even close to accurate, but their effectiveness at creating – fertilizing the soil for privatization and trying to undermine Social Security was based on that kind of drumbeat.

The entire public education system is a disaster. Not just urban schools. Public education generally, because the bureaucracies make it inefficient, and we do much worse, they say, than other countries, which is more than an exaggeration, particularly if you look outside of urban school settings.

High taxes and excessive regulation are destroying the economy. We've heard that over and over and over again to the point where a large number of people believe that. There's no evidence for it, but they believe that, and so that becomes the prerequisite for the agenda that the Right has been pushing.

And of course, obviously, the drumbeat to the Iraq war. Saddam Hussein was behind 9/11. They have weapons of mass destruction. It's analogous. It's the same kind of drumbeat of fear that they are extremely effective at getting out there, and then that lays the groundwork politically for the ideas that they've wanted to put forward.

And then finally, after the failures happen, after all evidence points in the directions of what they said wasn't true, they continue to blow smoke. The same network of institutions tries to create confusion about what's actually happened. In my debate with Grover Norquist last week, he came back with a graph that showed economic growth in Colorado from 1992 to the present day is slightly higher than the national average, and therefore, TABOR is a good thing. Well, it's true. It also was higher than the national average before TABOR was enacted. But actually, relative to the other Rocky Mountain states, it was lower. And most importantly of all, from 2000 to 2005, the period when this recession hit that I talked about, Colorado's economic growth rate was fourth-worst in the country. He didn't mention that because he's not out to try to provide facts and explain things. He's out to try to convince people of something other than that.

So that's the mission of my book, and I think that I just would conclude by saying, the politicians who are running as conservatives now can be expected to follow these same sets of ideas that have already failed. They have the same platform, the same think tanks are feeding proposals into their agenda. And I would hope that people who are concerned about their approach to governing would be able to recognize and connect the dots to explain to people that conservatism now is the problem in this country. That's what we need to deal with because they're the ones that are behind the failures that we've been experiencing.

LEONE: Thank you, Greg. We're going to turn now to Rik Hertzberg.

HENRICK HERTZBERG: Well, I don't have a hell of a lot to add to that. It's a wonderful book and it fills a gap that's been crying out to be filled. We all know in a vague way that the conservatives have wounded themselves, but we still needed somebody to come along and shoot the wounded.

(laughter)

HERTZBERG: And that's what Greg has done very expertly with terrific aim.

HERTZBERG: It's a very satisfying book to read if you start out with the prejudices of a liberal. And I think that it will be an important factor in the coming campaign. Greg is a good-looking guy with a nice well-modulated voice.

ANRIG: Wow. I had no idea you felt that way!

HERTZBERG: And I hope that the book will be a platform for him to go out and confront the conservatives on their own turf. I'm anxious to hear him on Hannity & Colmes and every Fox station he can get on and maybe warm up on some regional Right-wing talk shows.

Running through the book there are I guess a couple of populist threads, and I want to ask Greg to talk about them. He didn't stress them particularly in the

presentation he just made. He did talk about one of them, which is that the financing for all of these think tanks can be traced to the same four or five foundations. So there's a populist thread there of Right-wing think tanks that are doing the bidding of – that are the puppets of these big rich families and that that is the motivation, essentially the motivation. This is the other part of the thread. Their motivation isn't so much to make government smaller as to make very rich people richer, seemingly. And if they could do that by making government larger, no doubt they would.

So I guess I just congratulate Greg on building a sort of a death machine for conservatives. This is a tank just bristling with guns. And this whole idea, this whole ethos that's been built around the war of ideas and the notion that conservative ideas are where the action is and the liberals have none, this is a tremendous counterattack on that idea, on that notion, that whole picture of where we are and where we've come from.

But I'd like to know the bumper stickers. When you're on – I wonder if you've thought about what happens when you do get on these Right-wing venues and they start shouting, and then you're going to need one-liners. You're going to need a handgun as opposed to these howitzers that you're firing in the book.

ANRIG: You've been listening to conservatives. I can tell by your rhetoric there.

LEONE: Eric.

ERIC ALTERMAN: I've got to say, Greg, today ought to be a big day in your life. It's one thing to write a really fine book, but to be called handsome by Rik Hertzberg –

ANRIG: We go way back.

ALTERMAN: I don't know. I would never aspire to so lofty a – everybody's coming out now.

(laughter)

ALTERMAN: A few thoughts. First of all, I want to say that it's a pleasure to have a chance to talk about a book that's so well done, so solidly researched, and also so nicely published. There have been a lot of changes in liberalism and progressivism in terms of the institutional oomph that we've put behind our projects over the past seven years. There was a recognition around 2000 that it wasn't enough just to be right, but we had to be strong and right. And I think books like this are a very important component to that.

We've always written good books, but we've never – it's been important that they be done well and they be done as part of a larger project that is in some important respects coordinated, and I think that this book is part of an effort by Wiley and

other publishers to do that. And it also looks really good. I just got it today. I had the galleys. It's a handsome thing, like our author and our commenter.

Now, the thing I like best about this book – the thing I like worst about it actually is that it's being published now. I just completed a book. It closed today, actually, and I got a lot of help from The Century Foundation and many of the people at this lunch in important aspects of it, to which I'm grateful. But I would have rather – not rather, but it would have helped also if I had had this book when I wrote it because there's a lot here I could have used.

The thing I like best about it is the following. I teach a class at the new CUNY graduate school of journalism called the Journalism of Ideas where I try to trace the role of certain ideas as they originate – they start out as ideas as somebody said, but then they get written about either by the person who has them or the person who – or a journalist who's covering them, and they permeate in the public discourse and they come out as something very different than they went in as, in most cases. And the effects are almost always unpredictable.

And it's actually something that I think liberalism has been very weak about in the past. I think there's a lot of good ideas in liberalism, but people don't pay nearly as much attention to the implementation as they need to, and so ideas don't turn out the way you expect they would and then everybody says, well, how dare you attack me? I'm for integration or I'm for women's rights or whatever, ignoring the fact that in the real world, that's not the way people see things.

So the idea, as Rik and Greg were both talking about, that conservatives have won the battle of ideas, is kind of a given in our discourse, because it's sort of something that's taken for granted by your average political reporter. But in fact, what Greg does is he shows the relationship between the failure of the implementation and the idea itself. It's not that the Iraq war was badly implemented, it's that it was a bad idea. And there's a reluctance on the part of our political class and on the part of our media to look at these ideas too carefully. It's almost enough to have an idea. We live in a society, believe it or not, where Newt Gingrich is considered a man of ideas. What does that say? Take a look at these ideas.

I think that most of the ideas that led us into Iraq were fundamentally flawed on the face of them. If you asked any – they were talking about the ease with which the occupation would undergo. But if you talked to anyone who knew anything about any kind of occupation, either the historians of the occupation of Germany and Japan, or the people who had been working on the problem, like James Dobbins in the Balkans, they could have told you very easily that you needed four to five times the number of troops that we had, like General Shinseki testified. And yet, that Shinseki testimony, where the issue should have been aired, was a one-day story. It disappeared.

And so what Greg has done is demonstrated that the ideas under which we have been ruled are not – it's not that these people are incompetent – which they are, but that's not the problem. The problem is that their ideas are fundamentally flawed, A, and B, no one has called them on that. And I think that B is just as important, because we used to have a bipartisan political class, or a nonpartisan political class whose job it was to keep such ideas out of the government, really.

And beginning, I would say, with supply-side economics, which was not aired in any of the refereed economic journals. The only journal it appeared in was the *Public Interest*, and Jude Wanniski, when he came up with that idea, when he – George Gilder and Jude Wanniski – it was actually Gilder's idea – he came up with it on the basis of about four inputs into the economy as opposed to the hundreds of inputs that any respectable economist would have used. And again, it was kind of obvious if you took the time to address it. You could say the same thing about Charles Murray's ideas. You could say the same thing about most of the ideas in detail that he discussed.

And yet, there's been a sort of a diminution in responsibility on the part of the people our society has always depended on, upon the elite itself. I think societies need elites, and in this respect, I'm not an anti-elitist at all, but I think our elite has failed us and that's in a significant measure why this has taken place, how this has been able to take place. Because we've always had people who believed such things, but they've never been in power.

The final point I want to make is one about which I have mixed feelings, and that's the idea of attacking conservatism the way that the Right has and these families have invested so much money into attacking liberalism. My next book is actually an attempt to revive the word liberalism, and it's called *Why We're Liberals*, so I'm very much invested in this. But I'm not comfortable with attacking the word conservative, in part because I kind of like the word. I feel myself to be a conservative in many ways. I think historically, liberals have had a healthy – have had respect for conservatives. There's a lot in our society that's worth conserving, which is one reason George Bush and his people are so offensive.

But the second thing is that as a political matter, conservatism is not the problem and the American people don't see it as the problem. The problem is this peculiar form of extremism. And for some reason, liberals have been unable – and the media have been unable – to pick up on this point.

Naomi Wolf has a book I guess that was just published where she talks about fascists. I don't think they're fascists, and I don't think that's a useful historical analogy. But there's something new here, something new and dangerous and scary that has succeeded in part because we can't name it.

Conservatism – I share some of its tenets. Not all of them. But these people don't practice conservatism. There's no argument that – they've increased the size of the

government by almost 30%. And they're not about small – ask Terri Schiavo if she could speak if that's what a small government would be doing. You could go over and over and over in all examples where these people are not conservatives. And yet they've hid behind the word conservative and the media in its addiction to he-said-she-said and A versus B or this binary argument has allowed them to cloak themselves in an admirable and respectable tradition for which I think we all should have some respect.

So I think that one place that we as liberals have failed is in pointing out that there is something very new and different going on here, that it's not conservatism – and that you may or may not like liberals. The reason that liberalism has been so easy to demonize is because it's so hard to define. At least that's one reason. Liberalism, Lionel Trilling said, is a tendency rather than a philosophy, and I think that's true. I think most people who support large government programs as liberals would be just as happy to support small government programs if those were to be able to succeed for the same aims.

Whereas conservatism really is a philosophy that says small government is better regardless of the consequences, as you described.

So I think we need to spend a little more time, and Greg, I wonder if you've given this any thought. Maybe you think that we just have to go after conservative and fight that uphill battle, but it's a long uphill battle. They spent decades on this. They spend decades and billions of dollars on their success. So I just wonder if we've given any thought to how we can name them in such a way that we're not A, guilty of the same kind of intellectual dishonesty that they've practiced, because I prefer not to go there, but B, if we can do it in such a way that we don't have all of these obvious roadblocks that have been set up. Because if you attack them on this way, they'll just say, oh, there you go again, you liberal media types are not giving us a fair shake, and that dog still hunts, as they might say.

OK. Thanks. I appreciate the opportunity and thank you for writing the book.

ANRIG: Thank you.

LEONE: Greg.

ANRIG: Eric's point about conservatism and its meaning and also how the word resonates with the public I think is very important. Barry Goldwater once defined conservatism as the social, economic, and political practices built on the successes of the past. And today's version of conservatism or movement conservatism or Right-wing thinking is the inverse of that. And I'd argue that people like us who – whatever we call ourselves, whether it's liberals or progressives – are very much oriented on building on the successes of the past.

That's what we people in progressive think tanks do. We look at evidence and data. If an initiative didn't work, don't do it. Try something else. If something works, let's try to extend the idea somewhere more broadly.

Social Security is an enormously effective program. It's been around for a long time, but it works beautifully by all accounts. Poverty used to be above 35% before, among the elderly, before 1960. Thanks to improvements in Social Security and the advent of Medicare, it's below 10% now, even under the Bush administration. Those are the success of the past that need to be preserved, not phased out as the Right would do. So it presents an enormous challenge because I think a lot of people call themselves conservative because they believe in the kind of thing that Goldwater was talking about at some level. At least some people do, people more or less in what used to be sort of the moderate realm of the Republican Party. But now, these other people have, in essence, hijacked the word. I don't know what to call it. I think movement conservatism helps a little bit in clarifying it because it's the conservatism that has evolved from these families.

Everything that's gone wrong you can trace back to people who hate the government and funded this process that has come up with these ideas. It starts in 1973. You can pinpoint it with the founding of The Heritage Foundation, and it's continued since then. Conservatism before 1973 doesn't look – they don't look anything like what people who call themselves conservatives now believe in or argue for.

ALTERMAN: Can I pick up on – I think there's some value in redefining conservatism as Greg has done as part of this larger project of rehabilitating liberalism. Conservatism, partly because of the retreat of liberals, the rhetorical retreat, conservatism now means to people a sort of vague – to many people – a kind of vague notion of freedom and strength. That's conservatism, freedom and strength. Liberalism, that's regulation and weakness.

And by defining conservatism as a series of specific ideas, specific programs that have actually been tried, that are not just ideas out there, they've been tried and found wanting, that's a service. It would be very nice to get back to a point where there were conservatives and there were liberals and we had a more or less civil debate about whose programs in a democratic republic are going to work better rather than the kind of apocalyptic Armageddon that we've been living with all these years.

So I hope that by doing that, by narrowing the definition of conservatism, it will clear the rhetorical atmosphere.

LEONE: Just on this same theme, I think old-fashioned conservatism was skeptical about new ideas, new programs, new things. New conservatism is not skeptical. It's skeptical – it's negative about some things, but it's quite forceful about the desirability of other sharp changes and discontinuities with past practice and policy.

That, to me, has always been the inherent difference, is that we have new conservatism mobilizes true believers of every stripe, believers in libertarian economic ideas, believers in fundamentalist religious ideas. It's not a skeptical process at all. It builds on the skepticism the public still feels about government and other things, but it's actually quite bold and even dangerously bold in places like Iraq in believing in whatever it is the idea that's adopted by the group becomes.

And I think if this administration, for example, had been more skeptical and expected more things to go wrong in more places, it would have caused a lot less difficulty for the country and for itself, as it turns out. Skepticism is a good idea both from the left and right. It keeps government in line, among other things.

LEONE: Jeff Madrick.

JEFF MADRICK: Two questions that may be related and may not be. One is it's not only kooky ideas, or maybe they're kooky ideas, but Milton Friedman's economics did seriously influence self-proclaimed serious economists, as ones far left as at MIT. So it's not just kooky ill-formed ideas that gain. He said you need real crisis to get change and then people just pick up the ideas "lying around." So it wasn't – he didn't even believe in the persuasiveness of his own ideas. He believed in a certain kind of opportunism. So it wasn't just kooky ideas that were ill-founded, though I actually do believe Friedman's economics are pretty ill-founded, and the mainstream has given him way more credit than he deserves. But he did get that credit from serious economists at mainstream universities.

And second – and you've touched on this. To what extent did you – the fact is Friedmanite ideas and other conservative ideas were very useful to wealthy people, to the corporate structure. You touch on this a little bit when you talked about foundations. They had the support of a – the Depression created a market for ideas in favor of government and the control of business. I think probably the inflationary period in the 1970s created a market for business interests and the natural proclivity of the wealthy to protect themselves and aggrandize themselves. To what extent were these ideas helped because they serve the rich?

ANRIG: Well, that's right. I have a chapter in the book on a subject called smart regulation, which is a label that a fellow named John Graham applied to his approach to regulatory policy. Graham played a lead role in the White House as part of the OMB. He was responsible for reviewing all the regulations that are put forward by the various agencies and departments, and – a brilliant guy. He was the son of a steel industry executive in the 1960s who hated regulations. He even talked around the family table about how regulations were killing the country. But he was clever enough to recognize that – and he became – he was at a young age at Harvard when he created a center called the Center for Risk Analysis at Harvard.

Got a lot of funding from Union Carbide, cigarette companies, all the polluters you can imagine. Got a lot of money. Situated at Harvard and developed a set of strategies and ideas about regulation that highlighted in his work what he perceived to be enormous economic costs associated with them.

And he recognized – he was actually at a seminar at Heritage where some of the business executives there were talking about getting rid of the burden of excessive regulations. He said, we can't talk about regulations in those terms. We need to call it smart regulations, good regulations. So he got it. He understood this whole idea of selling, how to transform policy. But what his policies are, as they manifested themselves in the Bush administration, is in one way after another basically shutting down the entire regulatory system.

This has gone on to a much greater extent, I think, than people recognize. In fact, probably the most significant success story of the Bush administration has been its effectiveness at really stopping the writing of new rules, stopping the implementation of existing rules and enforcing them. In one example after the other, if you talk about the EPA, highway safety – I have a particular example in the book about air pressure detectors and how they very methodically try to prevent cars from having to have air pressure detectors put in them that would prevent accidents.

It's a very subtle set of strategies. The media doesn't care. They don't understand cost-benefit analysis, how that kind of thing works. But it's all geared toward what may be the most important subject of all to a lot of these business executives which is the regulations that they have to confront in running their businesses, even though those regulations in the past have demonstrably made conditions in the country better in the environment, public safety, and so forth.

So it's all intertwined, the connection between – and Rik had alluded to this as well – to the interests of people who are wealthy, business executives, and then these strategies that evolve that in one way or another make it through the political process and then do enormous damage that either is noticed or not noticed.

LEONE: Lot of hands up. Let's go.

Q: Yeah. I want to take it a little bit to the election. Going back to the point about all these conservatives who disavow Bush and saying, well, he misappropriated conservatism. It is – I think you're right – sort of ridiculous. First of all, some of them who disavow him are kind of more moderate Republicans. Some are far Right, Richard Viguerie. So they're all disavowing him from different sides. And with a Republican House and Republican Senate and Republican federal courts, Republican media, was it liberals who put in place the policies of the last seven years?

But now it does seem that Giuliani and Romney and Thompson, McCain, are all getting away with that again. That is, they – I heard I think it was Roger Simon on some talk show saying, well, Giuliani, the Republican base doesn't agree with him on anything, abortion, guns. And set aside what he has said his healthcare plan would be, which is sink or swim.

It does seem to me that conservatism, as you said at the end of your remarks, is going to remain the guiding ideology of probably any of these men who's likely to get the Republican nomination. And yet it seems like the way has been cleared for them to get a free pass on not being Bush, being something fresh, being something more moderate. How do you join that battle? How do you rebut that perception that's now forming, that frame that's now forming?

ANRIG: Right. I think this is all part of the reason why we've been losing these fights for a long period of time, because you need to fight above the level of individual Republican policymakers and politicians. Conservatism is the ideology that produces government failure. If you call yourself a conservative and you're willing to adhere to the policies promoted by these same people who have failed in the past, they're going to fail, too.

In much the same way, I think it's analogous that the neoconservatives did a very effective job at discrediting liberalism back in the 1960s and early 1970s – in some cases on legitimate grounds. There were actual serious government failures that took place under liberals and they pounded away at those. They talked about the failures of the welfare systems, busing didn't work out. There were a lot of problems, particularly in cities, that were legitimate failures and they pounded away at them and said the reason for these failures is liberal government.

And I don't understand – I understand, but I think it's a mistake not to connect the dots for people and say this is – these people are all adhering to the same agenda. They're part of the same team. They supported the same policies and – conservatism – Republican politicians who say they're conservative will fail just the same as George W. Bush did. Now, I'm not a political guy and I don't do polls. There's not one single poll in this book. But that's my feeling.

HERTZBERG: It does seem as if what you might call think tank conservatism regards those issues like abortion and gay marriage as not central, they aren't really – that's why these guys are all – that's where they're weak, from a conservative point of view. But if they were equally weak and equally flip-floppy on the core beliefs of think tank conservatism, then they'd really get hosed.

ALTERMAN: Yeah. I think this is a problem of definitional terms that we suffer – as liberals suffer from, and it's hard to figure out exactly what to do about it.

I agree with Greg about his diagnosis of 1960s, and I actually sort of agree with the diagnosis. I think liberals did fail in the 1960s. I think a lot of those programs

were well-intentioned and turned out awful, and then the response from people who didn't want their kids bused two hours into worse school districts or didn't want their housing values destroyed were called racist, and I think those politicians deserved to be defeated.

But to pick up on Rik's last point, he's absolutely right. The definition that David quoted about conservatism is peripheral. It's the peripheral issues that Giuliani is to the left on. Abortion isn't going to be changed by the President. Gay marriage is not something that the President can constrict. Gun control is not particularly a presidential issue. The presidential issues are primarily economic and foreign policy, and in those respects – in foreign policy, Giuliani's probably worse than Bush. Amazing that I can utter those words, but it's true. And if you take a look at economics which I wrote a column about recently, it's just damned infuriating. Mitt Romney is worth \$350 million, according to his own filings. Rudy Giuliani made \$16 million last year. And yet, John Edwards is on the defensive for proposing plans that would help poor people. Why? Because he's rich.

There is something fundamentally that requires definition. And if you ask the editors of the *Washington Post*, which people have done in chat, saying, why in the world is this a front page story that John Edwards sold his house? Why did you write a 1220-word story after the man had a haircut tracking down the guy who cut his hair? Seriously. So he works at a hedge fund. The idea – we live in a country that doesn't fund its elections. Our elections are funded privately so you have to raise money from the people who have it to run for President. If you don't raise it from rich people, if you're not living in the universe of the wealthy, you can't run for President.

So the upshot of the assumption that somehow John Edwards requires an explanation for caring about poor people is that poor people are not entitled to a voice at all because the only people who can represent poor people without being called ipso facto hypocritical are poor people, and they're not invited to the party.

Now, how in the world did we get in this situation? We got in this situation because we've allowed the discourse to be defined in these nonsensical terms. They're nonsensical if you spend five minutes scrutinizing them.

And yet, not only Sean Hannity, not only Bill O'Reilly is saying it, but the editors of the *New York Times* and the *Washington Post* are allowing these notions to inform their coverage. I can give you quotes off the top of my head from all of those places with regard to this particular issue. To me, this is a product of decades of intimidation by the Right of the media and of liberal wimpiness in fighting back. And again, I'm pleased with books like this and all these other institutions that are giving us the means with which to fight back, but we still have to fight back intelligently.

LEONE: I'd just add one other thing. It's also a consequence – because you asked about presidential politics – the fact that our presidential politics increasingly are about discrediting the other candidate. Not the other candidate's ideas, the other candidate as a person, as a hypocrite or a liar or a philanderer or insert whatever you want to insert. And I think a receptive press, because that kind of story about people is the kind of story we normally get on other things. It's page six stuff, and so it's much more interesting than policy discussions. Jim Hoge?

JIM HOGE: Yeah. Public opinion surveys – I know you're not dealing with them – but tend to suggest the following scenario, that the American public is prepared to reject Bush and to a great extent on the grounds of total incompetency, whether it be Katrina or whether it be the war or other things. But then when asked about their own feelings, the majority seems to come down slightly right of center. In other words, they're not prepared to leave – at least by their definition – conservative ranks.

One way to attack this problem is what you have done, Greg, which is to show the supreme inadequacies of their ideas and the implementation of it. But the second half is what have you got to offer in its place. And what I'd ask is do you see any glimmerings either among the politicians or in the progressive think tanks of an exuberant and effective set of – if you want – liberal or progressive policies to be proposed?

Victor's right. The campaign is going to be a lot about personalities, but it's not going to just be about that. And the risk we're running is the Democrats may win the elections on the basis of just the defensive game and not be prepared really to enact a different approach to government and to society, which is I think quite evidently sorely needed.

ANRIG: I guess I'd answer that by saying that I'm somewhat encouraged that all three of the major Democratic candidates have proposed a major healthcare reform, because that really is I think the central domestic issue now that needs to be addressed from a policy standpoint. And there's been so much fear about it from a political standpoint, largely because of the kinds of attacks that Mitt Romney used that you made fun of in your recent column, Rik – that this is just crazy European socialism. That sounds ridiculous now and it didn't sound ridiculous as recently as a few years before.

And if you remember during the previous debate in the 1993-1994 period, Bill Kristol was telling Republicans in Congress we should reject the healthcare proposal sight unseen. This is something that we should not be supportive of, because he recognized what an important wedge that would be into their philosophy that government needs to be shrunk and otherwise discredited.

So if this presidential election is fought on nothing but healthcare and Iraq, I think in and of itself, that would be very favorable to progressives and people who care

about good government and in reversing the course of the past what will be eight years.

There are other issues, obviously, but all of them fit under the guise – the theme that I – everybody has their themes for progressives. To me, the one, the simple one that follows logically from what's gone wrong is that progressives support policies aimed at promoting security and opportunity, building on successful ideas of the past. That you build on successes. That's the conservative idea that we used to talk about, but that's what we believe in, that's what we look to. We look to European healthcare plans because they work. We like Social Security because it works better than Chile's system or the UK's.

But I think again, I think healthcare is a very important development. Even when I was writing this book, at that point I didn't expect that the Democrats would be supporting universal coverage in any guise.

LEONE: Somebody over here? Maggie.

MAGGIE MAHAR: The Democratic candidates all have substantive healthcare plans and that, at the level of ideas, gives people something to talk about in this election.

But I'd really like to go back to what you said about very few families being behind these conservative think tanks, families who are interested in basically preserving their wealth. And that seems to me a common theme in conservatism going all the way back. Conservatives have always been about conserving, preserving, and protecting the wealth of a very small percentage of people. Conservatives were against the New Deal. They were against Social Security. They were against the Civil Rights movement in the '60s, which, by the way, I think was a huge accomplishment of the '60s. Whatever little individual programs didn't work out that well, you had civil rights, you had women's rights. That meant a larger number of people having more opportunities that might threaten that conservation and preservation of wealth in a very few hands.

And the neocons have been all about trying to keep that preservation of wealth. Inheritance tax, if you could do away with it, against healthcare programs that would basically redistribute healthcare for everyone. Right now, some very wealthy people in particular are overtreated. Others are undertreated. Healthcare reform is about getting the right care to everyone at the right time.

So I think that there is something about the conservative movement, traditionally as well as now, that we should object to that's not egalitarian. It's about liberty always, and that's the freedom to accumulate a fortune and protect it, which means no government regulation, no taxes, no sharing.

ANRIG: Right. I think what happened in the '70s, because I think that's largely true, although the fellow who founded this place was a rich businessman who believed in progressive ideas, so they weren't all like that.

LEONE: Rich Republican.

ANRIG: A rich Republican businessman. What happened in the '70s is they really – that group really got on offense. Instead of just sort of supporting Republicans, they said we've got to really rethink everything about this American consensus about how governing works here because they just – they didn't like – particularly with the regulatory system. That was what was going on. Nixon was in office and OSHA was created, EPA. A lot of the big regulatory agencies were created during that period and that really was a catalyst for these particular individuals to start saying we got to do something about this, and just sort of hoping Republicans are going to stop it, since Nixon was the one who signed all this stuff, isn't going to work. We have to really aggressively totally transform the way these discussions happen.

So I think you're right. Conservatives have always gotten their support is from the business community, but these people really, really were much more aggressive and much more strategic in thinking about the changes that ought to take place.

HERTZBERG: Can I just follow up on something that – a thought that I had from David's question before? We're always seeing a kind of breakup of a conservative movement because of after six years of conservative rule, we have gays getting married in several states. We've got porn on cable TV. The conservatives have more or less delivered – or the think tank conservatives have more or less delivered for their rich clients, but they have not delivered for the social conservatives. And hard as it may be, hard as it is for me to imagine this, there seem to be people out there for whom things like gay marriage are the core issues and that this other stuff about tax cuts for the rich is strictly peripheral.

So we may be – and as Eric points out, these issues actually are not really political issues. They don't lend themselves really to a federal solution anyway, and so we'll probably – so that by running candidates – by limiting themselves to candidates who have an average of two or three marriages apiece and who only recently discovered the joys of heterosexuality and all that, the Republicans are more or less admitting that they've just been taking these social conservatives for a ride. And I think we might see them drifting back into a political quiescence a little bit over the next couple of years, and that would be a welcome development.

LEONE: Gordon.

GORDON MACINNESS: This is very helpful. I'm interested that Greg is being asked or is being touted for killing the battlefield wounded, which is something that I've thought Democrats needed to get a lot better at than they've been, and also asked to

not to be too hard on the attack on conservatism because there actually is a lot that is very good about conservatism, and I agree with that.

But it seems to me that the big government/little government issue is one that we can never win, that instinctively people are against big government, but that if healthcare is going to be a dominant issue in 2008 – and it may not be – the fact is that our readiness to concede that we made big mistakes in the '60s is actually overwhelmed by the number of things that worked from the '60s – Medicare being the most obvious example, civil rights being another example.

But the fact is that we still have the Higher Education Assistance Act, which has permitted us to enroll 46% of all the people between the ages of 18 and 25 in college. We still have the Public Transportation Act. We still have the Elementary and Secondary Education Act. None of that was in place before. Some of it has worked exceedingly well, and some of it hasn't worked out so well, but the idea that we lost in the '60s in terms of those basic things just isn't supported by the record. And as I said, Medicare is the prime example of that.

But I think that the problem is not to ask too much of people who write books, because I think killing the battlefield wounded is really important. And I think that we're not going to be able to avoid the personalization of presidential and other politics. And you do need people who are out looking for those examples of hypocrisy, because one of the things that wasn't mentioned is that the attack on liberal ideas was accompanied by an attack on the most prominent spokespeople for liberal ideas. And the fact that Ted Kennedy wanted to do certain things in education while he sent his kids in chauffeured cars to private schools became very important. Just as the fact that Chelsea chose not to go to a District of Columbia public high school, the same kind of thing occurred. And whether we like it or not, that's a part of campaigns these days. We need to be doing more of that.

But most of all, what we need to be doing is taking this failure, this abject failure, and reminding people now that Romney, Giuliani, Thompson, McCain, are loudly proclaiming their fealty to these ideas now because they will all – whoever wins it will switch. And we've been caught three times in a row now by candidates and a party that failed to confirm what was going on during the Republican primary season. And tacking George Bush and tacking his father and down to the Right side of the spectrum where most people are not comfortable.

And I think we need all of this, not just great attacks on the failure of their ideas.

ANRIG: Yeah, I think that's right. One point I'd make is this trap that the Right has set up very effectively related to limited government. That's a banality that appears in every single mission statement and of every Right-wing think tank everywhere. And of course, again, the facts are, in terms of government size, it's escalated over the course of Republican administrations of late. It declined over Clinton's. But much more importantly than that is how is the money spent? Is it spent on FEMA

in the 1990s or is it spent on FEMA after Joe Albaugh got a hold of it and Brownie?

It's getting bang for your buck. It's effectiveness. People expect – OK, I'm paying taxes, but what am I getting for them? Am I getting what I expect is happening with environmental regulation, or are these guys letting the environment deteriorate, which is what's happening with lakes and rivers, the doubling of warnings that we have had of late.

It's what is it that government's supposed to be doing for your tax dollar and are we delivering or not delivering, and we'll be open about demonstrating that we're delivering, which is in contrast to the conservative side, which has been spending like crazy and all that money's going out to these contractors who aren't being supervised at all.

The story about the Coast Guard repairs that was in the *Times* maybe like six months ago. They basically turned over this whole project of renovating the Coast Guard's fleet to Grumman and Northrup, two companies. And all the hulls are cracking. None of the stuff works. They keep escalating the cost. There's been no supervision, next to no supervision in the private sector. That's exactly what the conservative movement said ought to be the way things go because the private sector will do things more efficiently.

To me, when I hear the big government mantra, I think of value. Are you getting something for what you're spending as opposed to dollar amounts, because dollar amounts don't tell you anything other than that in this case, the conservatives are wasting a lot of money.

LEONE: Eric, do you want to make a comment?

ALTERMAN: Well, quickly or as quickly as I can. I still think that the fundamental problem that we face and we continue to face is their ability to define the terms. It's true, if you look at the '60s, an awful lot happened. A lot of it was good. Some of it was bad. But the way that it's understood is this time of libertine lack of limits that has made it impossible for honest people to live a good religious life today.

I have a fundamental disagreement with what Jim Hoge said. My reading of the polls is that on 90% of the issues, 90% of significant issues, that the American people are to the left of the Democratic Party today. That if you look at the progression of the Pew Center polls, there's been a definite leftward progression and that on economic issues, on healthcare issues, on virtually every significant issue, the consensus of the American people is deep in the territory of the Democratic Party, what I would call liberal.

The problem is that the Right has been able to define the terms. It's not true of every issue. It's not true of security issues, which is maybe a big part of the

problem, because security issues and issues like abortion, which is also very complicated and, again, is a slight outlier on this point, these are considered threshold issues so that John Kerry could lose that election on the security issues even though the country agreed with him basically across the board on everything else.

And the reason this matters aside from the losing of elections is that we never get to the position. We never get to the point where we're discussing the facts or the effectiveness of any program.

On the day that General Petraeus testified, nine American soldiers were killed, and we have no idea how many Iraqis were killed because there's no count. But nine American soldiers a day is 3000 a year. It's a lot. It's a lot more than anybody expected or planned. Now, if you could compare the amount of coverage that those nine soldiers received to the MoveOn ad, to the degree of discussion that was devoted in the Senate to this advertisement that offended some people, there'd be no comparison whatsoever. It's kind of the same comparison to how many stories were written about John Edwards's haircut compared to how many stories were written about John Edwards's healthcare plan. Thousands of stories about the haircut and maybe a dozen about the healthcare plan.

And the fact is is that the MoveOn ad is silly. You can say it was dumb, but it's a silly issue. It's not something that the Senate of the United States should be discussing in the first place. And yet, it dominated the coverage. It dominated the debate. And the fact that even General Patraeus couldn't say that we're any safer on Iraq and that none of the independent agencies who've investigated the surge have come out with statistics that remotely testify continuing it is lost.

So we have all the facts, but the facts don't matter. So until we can make – until we can intervene in the debate or set the terms of the debate in such a way that our facts matter, we're just not going to be heard. And I think that's the fundamental problem. It's very difficult to solve. It's kind of difficult to talk about, but it's unavoidable.

HERTZBERG: And who said the other day that there's a tremendous danger that debate over the where to go next in Iraq might distract from the discussion of the MoveOn ad?

(laughter)

LEONE: We're going to have one last question from Steve Schlesinger.

STEVE SCHLESINGER: I agree with Eric that the atmospherics the Republicans can blow into the media din are very effective. I don't know if you recall, but when that bridge collapsed in Minneapolis, somehow they were able to convince many people that immigrants had been working on that bridge and that was the reason

why it had – and that was of course the liberals had let those immigrants in. They do this all the time. The '60s has been great because they've been able to transform it from a golden age into the most tawdry period in our history. So I'm curious whether your book addresses the issues of how when their particular programs fail, how they always manage to blame the liberals for their own failures.

ANRIG: Yeah. Again, taking that example in Colorado, I actually go through in detail. There were a number of reports that these groups based in Colorado – again, funded by the same foundations, The Freedom Foundation, Independence Institute, The Heartland Institute. They came out with all these reports talking about how the legislature in Colorado is just – they just are spending like crazy. They call it “the spending lobby,” which they say is allowing all this waste to go on. And then their own reports try to say, well, here's how they should be cutting things, and they list a bunch of items. The first dollar amounts they use in each one say, minus 10% to 15% for each budget item because of the usual waste, fraud, and abuse. And then they go on from there to specific suggestions which then it turns out in every single example were either misunderstandings of the state law or misunderstanding what they had already done because they had already done those cuts and so on. But it doesn't matter. They keep throwing it out there. The waste, fraud, and abuse is there and it's just because politicians like to spend money.

That goes on pretty much in every one of these examples. David Brooks and the people at CATO said that the miserable response to Katrina only proved they were right all along that government can't do anything right. They're very sophisticated, relentless, and don't concede anything, and our side doesn't – we just don't do that. We don't know how to play that game. There are all kinds of reasons for it but we're positive thinkers, I guess.

AUDIENCE MEMBER: We are about to be blamed for having lost the war in Iraq.

ANRIG: Yeah.

LEONE: Any last comments? Rik, Eric? Thank you all very much. Thanks, Greg.

ANRIG: Thank you.

(applause)