Edited Transcript

Hudson Institute’s Bradley Center for Philanthropy and Civic Renewal presents a discussion entitled

Osawatomie: Then and Now

December 22, 2011, 12:00–2:00pm

Program and Panel

12:00 p.m. Welcome by Hudson Institute's William Schambra
12:10 Panel discussion
James Ceaser, Harry F. Byrd Professor of Politics at the University of Virginia
E.J. Dionne, Columnist for the Washington Post (co-moderator)
John Halpin, Senior Fellow at the Center for American Progress
Sidney Milkis, White Burkett Miller Professor of Politics at the University of Virginia
William Schambra, Hudson Institute Senior Fellow (co-moderator)
Matthew Spalding, Vice President of American Studies at The Heritage Foundation

1:10 Question-and-answer session
2:00 Adjournment

Hudson Institute
WILLIAM SCHAMBRA: This is a good crowd for three days before Christmas. Thank you all for coming. I'm Bill Schambra, director of Hudson Institute's Bradley Center for Philanthropy and Civic Renewal. Kristen McIntyre and I welcome you to today's panel discussion entitled, “Osawatomie: Then and Now.” A special welcome to those of you who are viewing this on C-SPAN and on Ustream.

Now the title of today's panel, “Osawatomie: Then and Now”, I confess may be a bit misleading if you're expecting a civic pageant with our panelists re-enacting scenes from the history of Osawatomie, Kansas. I'm afraid you're going to be disappointed. I tried to talk them into it and it was just a no go. [LAUGHTER] But that town in eastern Kansas certainly does have a storied past. Just a little over a hundred years ago on August 31, 1910, former President Theodore Roosevelt mounted a kitchen table on the grounds of the 22 acre state park he was helping to dedicate in Osawatomie—John Brown State Park—and delivered what has gone down in history as his New Nationalism speech.

It certainly wouldn't have gone down in history as his John Brown speech, since the fiery abolitionist who had battled pro-slavery raiders on that spot in the days of Bloody Kansas snagged only two cursory mentions in TR's speech. Much to the relief of his advisors, I should add, who knew that TR was one of those politicians who also regarded himself as something of an historian, although the corporations of his days weren't about to pay him for his historical advice. [LAUGHTER]

The New Nationalism speech would be described by one of TR's many biographers, George Mallory, as “the most radical speech ever given by an ex-president. His concepts of the extent to which a powerful federal government could regulate and use private property in the interest of the whole, and his declarations about labor, when been viewed with the eyes of 1910, were nothing short of revolutionary.”

On December 6th, 2011, President Barack Obama returned to Osawatomie, and standing on a platform somewhat more secure than a kitchen table, explicitly embraced the underlying philosophy of TR's New Nationalism. Why a Democrat, a member of a party which customarily refers to the other Roosevelt, especially in hard times, should in this instance have embraced the Republican Roosevelt will no doubt be explored today among many other issues in this discussion we are about to hear.

And we have a terrific panel for that discussion, composed of prominent political analysts who know a great deal about both the Progressive Era and contemporary politics. I'll introduce first my co-moderator for the day, E.J. Dionne, Washington Post columnist, who will later make some introductory remarks and then comment on the presentations after they've been made.

Then we'll hear from a couple of University of Virginia professors. Sid Milkis, author of a wonderful book on Progressive politics entitled, Theodore Roosevelt, the Progressive Party, and the Transformation of American Democracy. And Jim Ceaser, a professor of politics at UVA.

Next we'll hear from John Halpin, senior fellow at the Center for American Progress. And finally Matt Spalding, vice president for American studies at the Heritage Foundation. Now to E.J.
E.J. DIONNE: First it is great to see so many people here. Happy holidays and to those who celebrate, Merry Christmas and Happy Hanukkah. I want to thank my friend Bill Schambra for putting together what is a genuinely fair and balanced event, which doesn't always happen in Washington. [LAUGHTER] Bill and I have been agreeing for about a quarter century on the importance of community and disagreeing about what Progressives make of the idea of community for about that long. And it's just great to be with him.

I just want to say something about each of the panelists. Sid Milkis's book on the 1912 election absolutely everyone should read. On the way over here, I was remembering this series of books. Some of you may be old enough to remember them. They were history books for kids called Landmark Books that I think Random House put together. And for some reason a blurb on the back always stayed in my head, “Anyone who has not feasted upon them has been cheated.” Anyone who has not feasted upon Sid's book about the 1912 election has been cheated. So you when you hear what he has to say you'll know why you must go out and buy it.

Jim Ceaser is absolutely brilliant and I find myself disagreeing with Jim, but it is highly risky because he's so damned smart. Forgive the damn on C-SPAN. And yet I try to live dangerously, but it's a real honor to be with Sid.

John Halpin has done exceptional work at the Center for American Progress (CAP). Liberals, not surprisingly, are not nearly as good as conservatives are in remembering, honoring, and thinking about their own traditions. I think by their very nature conservatives are more inclined to think about what a tradition means. What John has done at CAP on Progressivism I think is truly important and I also want to salute his colleague Rudy deLeon.

And finally Matthew Spalding and I have also had a running argument for many years over the social gospel movement back at the turn of century. He has done some great work on that, even though we don't always agree.

So what you have here are a whole lot of people obsessed with America in 1912. And we will try to show how that is entirely related to America in 2012. It is the centennial of that great election, and this election may be as important as that one was.

So I want to thank everyone and I think that Sid is going to start.

SIDNEY MILKIS: Good afternoon everyone. Thank you so much for coming. Bill, thank you for having me. It is an honor to be here. God bless you for shouting out about my book. A feast? That might be a little hyperbole, but I'll take the compliment.

I have to say that I was not surprised to see President Obama channeling Theodore Roosevelt in Osawatomie, Kansas. In the last chapter of my book, which was published in 2009 on TR's Progressive Party crusade, which began with the New Nationalism speech, I suggested that the election of America's first African American president revealed that the principles and practices championed by the Bull Moose campaign, as TR famously called it, had become a powerful and enduring force in American life. I went so far as to claim that Obama and his campaign marked
the apotheosis of progressive democracy. Now I have to confess I wasn't quite sure what I meant by that, but it sort of sounded right. [LAUGHTER]

It seemed that after three decades dominated by the strain of Ronald Reagan's refrain that government was no longer the solution but now the problem, Obama brought back into full relief the promise and the peril of a powerful strain of Progressivism launched by TR in Kansas. Like TR, Obama identified with Lincoln's measured but radical pursuit of emancipation. Like TR, too, Obama presented himself as a transcendent leader; as Roosevelt famously put it in Osawatomie as the steward of the public welfare who could rise above polarizing economic conflict of his time. As a representative who could rise above special interests to serve the interests of the whole people.

And just as TR sought to navigate a purposeful third way between socialism and capitalism, so Obama promised to be a post-partisan leader who would heal the rancorous Democratic and Republican struggles over the welfare and national security states. Of course, many of the audacious hopes of Obama's campaign have been bitterly disappointed during his first term. The attacks from the Left have hardly been less condemning than those from the Right.

He has often seemed to be a hollowed out performer. He has embodied a hollowed out form of Progressivism often times, revealing the soulless pragmatism that Randolph Bourne criticized in his brilliant 1917 essay, “Twilight of the Idols.” Bourne warned that Progressives celebrated an executive centered administrative state that exulted means over ends. That talked to subordinate the truth of first principles, the truth of the Declaration. Indeed all doctrine and partisan dispute, the democratic experimentation, as FDR would later put it, to bold persistent experimentation.

Disappointed with their support of Wilson's war to make the world safe for democracy; a vague nostrum that Bourne argued did not live up to its promise abroad and was badly betrayed at home. Bourne attacked intellectuals like John Dewey and Herbert Croly, who was the intellectual godfather of New Nationalism. He attacked them as being immersed in what he called, “pragmatic dispensation.” That made them, he said, “immensely ready for the executive ordering of events, pitifully unprepared for the intellectual interpretation or the idealistic focusing on ends.”

Now had he been around in 2009, Bourne might have lodged a similar criticism against President Obama—dogged but rhetorically empty leadership in the fight over national healthcare reform. A battle he rightfully pointed out that began with the Progressive Party campaign. The president tended to eschew exalted moral principles. For example, the claim of TR that healthcare was a human right, not a privilege. For dubious promises of greater efficiency and cost cutting.

The highest rhetorical and programmatic aspiration of the healthcare fight was the public option. It seemed to me that you couldn't come up with a worse term. My colleague Jacob Hacker came up with that term. It testifies, I think, to contemporary Progressives' rhetorical challenge. Can you imagine Jim Ceaser and I calling the University of Virginia the public option? That sort of reveals the problem.
Although it is serious, and I think in some respects a very impressive effort to revive the high moral calling of Progressive democracy, Obama's Osawatomie speech also reflects the twilight of reform in some ways that Bourne feared. The most effective parts of the address drew parallels to Roosevelt's claim of massive disruptions in society and the economy. That the unleashing of powerful commercial forces, embodied by giant corporations, required that the national government, Roosevelt had the audacity to call it the “national state”, had new responsibilities to protect equality of opportunity.

Obama observed that Roosevelt believed that the free market is the greatest force for economic progress in human history. It has led to a prosperity and a standard of living unmatched by the rest of the world. But Roosevelt also knew, he continued, that the free market has never been a free license to take whatever you can from whomever you can. “Our country,” he quoted from TR's address, “means nothing unless it means the triumph of an economic system under which each man shall be guaranteed the opportunity to show the best that is in him.”

Obama continued, and if you watch the video at this point, he made a knowing gesture. “For this,” he said, “Roosevelt was called a radical, a socialist, and even a communist. But today, we are a richer nation and a stronger democracy because of what he fought for in his last campaign.” And then the president listed Roosevelt's leading proposals that have become an important part of American politics. “An eight hour work day and a minimum wage for women; insurance for the unemployed, the elderly, and those with disabilities; political reform and a progressive income tax.”

I think intentionally Obama did not invoke FDR. Obama claimed that his reform program aspired to deploy a more effective national government in the service of fair play that is neither socialist or capitalist. That is neither Democratic or Republican. That serves neither the Tea Party or Occupy Wall Street. He summed up by saying that the Progressive principles have now been interwoven into the fabric of American life.

That is all good stuff, but I'm not sure that Obama's own reform aspirations live up to that billing. They seem somewhat tepid in comparison to TR's New Nationalism. Obama called for an extension of the payroll tax in the short run and more generally for a fairer tax code. These are important measures to be sure, but he did not offer a strategic vision of old Progressive initiatives for a new political order as TR did. Nor did he explain how the landmark healthcare and financial reform legislation enacted in 2010, really important pieces of legislation, were the building blocks of a new foundation. The New Foundation was a term tried out early in the Obama presidency but he did not revisit it, strangely, in Osawatomie.

It is odd, one of my more sober colleagues said it was astonishing, that the president did not even mention healthcare reform in Kansas. And it's particularly odd and astonishing because it is the signature achievement of his first term. This is the Holy Grail of Progressive democracy since TR's Bull Moose campaign.

“True to his ruthless pragmatism”, as one journalist put it, “Obama's address states no high moral purpose. In this sense, it resembles more a rear guard than apotheosis of Progressivism.” Now in contrast, Roosevelt's Osawatomie utterances were a political call to arms. TR's speech was much
more comprehensive, speaking not just to economics, but also to citizenship, conservation, and America's role in the world.

Furthermore, whereas Obama's speech avoided what Jim Ceaser called, “foundational concept”, TR framed his call for ambitious reform as all consequential American reformers have, in the fundamental principles of the Declaration, the Constitution, and the connection between them.

The 1910 speech was delivered at the dedication, as Bill mentioned, of the John Brown battlefield. TR condemned the violent tactics of Brown's fight in Kansas. He compared that fight to the socialists of his own time. But he acknowledged that that fight was aroused by the country's rank hypocrisy. He said in name we had the Declaration of Independence in 1776, but we gave the lie by our acts to the words of the Declaration of Independence until 1865, with the enactment of the 13th Amendment.

So Roosevelt argued that the industrial revolution, a crisis no less great than the Civil War, he insisted, required a fundamental realignment of the Declaration of Independence and the Constitution. Indeed, a more fundamental redefinition of the social contract, especially a rethinking of the right to property.

As he put in his New Nationalism speech, “The man who wrongly holds that every human right is secondary to his profit must now give way to the advocate of human welfare, who rightly maintains that every man holds his property subject to the general right of the community to regulate its use to whatever degree the public welfare may require it.” This subordination of property to human welfare was not just a defense of the welfare state or the regulatory state or attack on big business. TR's assault on property was joined to Progressives' hope for a moral awakening where Americans might be emancipated from their obsession with, he also called it a fetish for, rights. Emancipated from an obsession with the slavish pursuit of selfish materialism and become more committed to a sense of responsibility.

He championed things like conservation and the righteous use of force in the world, especially because TR believed these objectives would strengthen the fabric of American society. It would help Americans transcend themselves in a way that would make for a great nation. Righteousness, Roosevelt proclaimed, E.J. told me to pound the podium but I have a sore hand so I'm not going to do that, but Roosevelt would have. [LAUGHTER] Righteousness, Roosevelt proclaimed in the final sentence of the longer version of the New Nationalism speech, which was published a few days later in the Outlook. In that longer speech he said, “Righteousness exalteth the nation.” This invocation of Proverb in the King James Version of the Bible reveals how Progressivism at its founding was infused with the social gospel; a religiosity that for better and worse Obama and contemporary Progressives usually avoid.

Now let me make one final point that goes back to the beginning of my remarks. Perhaps as Bourne feared the hollowing out of Progressivism, if I can put it that way, was a logical outcome of its faith in national administration. The faith of this Progressive creed, the creed that human rights must take precedence over property rights, was to rest on the shoulders of the steward of the public welfare. That is a really beguiling phrase that I still struggle to understand.
Matt's suggested that this commitment to an executive-centered democracy showed a commitment to expertise, but I'm not so sure of that. Knowing that such a modern executive presupposed, as Croly put it, “administrative aggrandizement”, a kind of statism that Americans had long shunned and feared, TR insisted paradoxically that the new state had to be connected vitally to public opinion.

Roosevelt's New Nationalism, his dedication to state building, distinguished him from his counterparts in Western Europe and Great Britain. He believed that state building had to go hand in hand, as he put it in the New Nationalism speech, with more direct action by the people in their own affairs. He said in Kansas that the direct primary would be a positive step in this direction. And during the 1912 campaign, he when engaged the incumbent president William Howard Taft in the first presidential primary campaign, Roosevelt defended a full throated “pure democracy”, as he called it, which included popular referenda on court decisions, an easier method to amend the Constitution, and the opportunity for the people to recall all public officials, including the president.

As Bill Schambra has pointed out, the stand of Taft and Elihu Root for Constitutional sobriety, combined with ruthless steamroller machine politics, deprived TR of the Republican nomination and most likely a third term in the White House during which he might have enacted his Constitutional program. But Roosevelt's third party crusade for the right of the people to be, “the ultimate makers of their Constitution,” as he put it, aroused considerable enthusiasm. He won nearly 30 percent of the vote.

And it is echoed throughout the 20th and 21st centuries. Most of the aspirations that underlay that program have been firmly rooted in custom, an unwritten law that presidents derive their authority directly from the people; directly from public opinion. And I would argue, and I'll let Jim make this argument more fully than I, that this is a strain of Progressivism—this notion that the president must be a steward of the public welfare that embodies the will of the people in programmatic efforts. I would argue that this has been embraced since FDR by Democratic and Republican presidents, by liberals and conservatives.

So having said that, let me finish with this. Although the legacy of Progressive democracy transcends the ideological battles of the moment in an important way, its pervasiveness raises profound questions. Can an executive-centered administrative state be compatible with an active and competent citizenry? Can the modern presidency, even with the tools of instant communication and social media, function as a truly democratic institution with meaningful links to the public? These were the fundamental questions that troubled the critics of TR's New Nationalism and they still haunt American democracy.

For all the important differences between President Obama, Newt Gingrich, and Mitt Romney, I would say that all three are committed to presidential leadership in the TR model. They all champion national administrative power, although for very different objectives. And they all claim that this power must be used in the name of the whole people. Thank you. [APPLAUSE]

JAMES CEASER: Thank you Bill and E.J. for the kind introduction. Barack Obama's most notable achievement before being elected president was a literary one. His fine personal memoir,
Dreams from My Father, recounts his agonizing search as a youth for a stable identity; a quest that concludes in his embrace of his absent father's race and his adoption of an African American persona.

Like his effort to secure a firm anchor in his private life, his public career seems to have followed a parallel search for stable political identity. Recall the launch of his presidential campaign in 2007 before the old state capitol in Springfield, Illinois. His speech was all about channeling Abraham Lincoln, whom Obama described as a tall, gangly, self-made Springfield lawyer. I think the tall and gangly was a reference to himself.

Following his successful 2008 campaign, Obama was likened to, and he never rejected the comparison, to the greatest Democratic leader, Franklin Roosevelt. As FDR had led his party out of the political wilderness and fashioned a political realignment for liberalism, so Barack Obama seemed destined to do the same for the Democrats of our day. That and even more.

Now in the latest stop on his modern political journey, Barack Obama has hit on his ultimate model in the unlikely figure of the wealthy, stocky, and pugnacious Teddy Roosevelt. Not the Teddy Roosevelt of his earlier Rough Rider phase, leading from ahead the charge up San Juan Hill; nor the Teddy Roosevelt in his last phase as a champion of nationalist eugenics.

[LAUGHTER] But the Teddy Roosevelt of the middle period, as the budding leader of the Progressives, which of course is the label that Barack Obama and other Democrats on the left have chosen for themselves today. All of which brought Barack Obama to his roots in the small town of Osawatomie, answering his political dream by rediscovering its paternity in that very place where Teddy Roosevelt had given one of his most famous speeches.

Obama's speech has been touted as the document that represents his program or vision for the nation today. It is the platform for the 2012 campaign and what a difference in tone from 2008, when Obama preached unity and slightly stretching Lincoln a bit, he spoke of a figure who called on a house divided on itself to stand together. That wasn't quite the Lincoln I remember.

But now in any case, with Teddy Roosevelt looking over his shoulder, Obama has made the line of division bright and clear, with malice towards the 1 percent and charity for the 99 percent.

[LAUGHTER] Obama's theme deliberately echoes the message of the more confrontational Occupy Wall Street movement and the effort of Obama's speech is to burnish that movement's recently tarnished reputation, by of all things, likening it to the democratic and populist spirit of the Tea Party. A movement that President Obama once disparaged, and that the White House asked its minions in the press to vilify. Now the president seeks to leverage the Tea Party's legitimacy to buoy up Occupy Wall Street. I guess we're all populists now.

President Obama's speech in Osawatomie invites comparison with Teddy Roosevelt's address. Roosevelt's address seems to me more compelling than President Obama's. It is certainly in Teddy Roosevelt's style and is more energetic. Giving the advantage in this judgment to Teddy Roosevelt, I suppose is almost fixed in the cards. For who in this situation is copying whom? By coming to Osawatomie, Obama was paying homage to the originator, even as I'm sure that he hoped to be seen as outdoing him. I doubt in that case that he succeeded. And for good reason,
Teddy Roosevelt had more time to prepare his address. He was perhaps the deeper thinker, and of course he had sought counsel from the likes of Herbert Croly, as distinct from David Plouffe.

But questions of style aside, Teddy Roosevelt defined what he thought was the central issue of his time and he sought to address it. Historians tell us that the concentration of power and wealth was in fact the central issue of his time. Whatever President Obama is thinking, no one of course can know, but his Osawatomie address clearly evades the central issue of our time and thus fails the test of real statesmanship. The central issue of our time, at least domestically, is the massive imbalance between what government now promises and the resources allocated to pay for these promises. Call it if you will the sovereign debt crisis.

On this depends the fate of our national security, the soundness of our entire economic system, and justice for the generations to come, since every act of indebtedness is a tax on the next generation. Therefore, one can speak of the justice for the crime taking place today, which is the redistribution of wealth to the majority of the current older generations at the expense of the wealth of the generations coming along. I sympathize somewhat with those young folks evicted from Zuccotti Park, but they identified the wrong target. Whatever redistribution these crusaders clamor for from the 1 percent, pales in comparison to the massive and unjust distribution now going on among the generations.

The sovereign debt crisis is a crisis not only of the United States, but of current liberal democracies under the welfare state model. It is almost universal, as events in Europe are making clear. Just think of how many progressives, only three years ago, we're touting the European welfare state as the model for America. Now you never hear a progressive invoke Europe in a positive vein, unless it's to describe a lovely dinner enjoyed in Paris on some NGO's dime. [LAUGHTER]

And yet, in President Obama's blueprint for the future, the great challenge of our time barely makes an appearance. Being mentioned in a couple of lines that tout of all things a paltry savings of $1 trillion, which is of course mostly fictitious anyhow, the debt crisis is not central to Obama's platform. It was never central to him in the past and it will not likely be central to him in the future. In fact, while Obama's Osawatomie speech was covered in the press mostly for its analysis of the issue of growing income inequality and diminishing economic mobility, the real news as I see it in this speech should have been something else.

The speech is a call again for massive new domestic spending—mostly for higher education, infrastructure, and high speed trains. Also for technological research, mostly I suppose for solar and wind energy. If these new programs are to be paid for, and I assume they will be, it will come from new revenues drawn from the upper 1 percent. But these programs will do nothing at all to address the existing trends toward mounting deficit. We are broke and going broke. But we can at least take solace that we will pay for our next spending binge by new taxation.

For this reason, it appears appropriate today to speak of the real division in this country as being that between the party of reality and the party of evasion. The party of reality faces the main crisis of our time, even if it is resides in different wings, some Democrats and some Republican, and differs on how to address it. The party of evasion minimizes or denies this crisis and in a
flight from reality tilts at windmills. It keeps insisting on more spending and on creating more rights. It plays the old magical trick of focusing the audience's attention on things that do not count, leading them to ignore the things that really do matter.

President Obama's Osawatomie speech is the platform for the party of evasion. I hope the 2012 election will present a clear choice between the party of reality and the party of evasion, but this still remains to be seen. Thank you. [APPLAUSE]

JOHN HALPIN: Thank you to Bill and Hudson Institute for having me, and to E.J. for the kind introduction. It's great to be on a panel with you all. I've enjoyed all of your work on the Progressive era over the years. I'll try and be brief here so we can get to some interesting back and forth, and I think on some great ideas we're already heard.

One of the things I want to focus on is how boring the election of 2012 is likely to be in comparison to the election of 1912. Now maybe it's easy to say that when you're reading the history books. But what is most fascinating, and you get this in Sid's book about the 1912 election, was how much of a serious challenge there was to the two party system. We haven't really talked about that.

So you have this fight within for the soul of the Republican Party between La Follette, Teddy Roosevelt, and Taft. It ends up being Taft, but you have the creation of a new party, which has its own divisions that people don't acknowledge as much about the Progressive era.

You had a serious fight about issues of monopoly, regulation, the wisdom of an administrative state versus always being accused of supporting this big domineering state. But if you look at the origins of the Progressive movement, there are real serious discrepancies and ideas about how these things would play out. Progressives were more concerned about an overwhelming state undermining the sort of direct democracy that they wanted.

You then had this fight between the New Nationalism and the New Freedom, and you actually had a socialist movement. Eugene Debs scored quite well in 1912. So you had all these constitutional fights about whether people would be the masters of their Constitution or we continue in a tradition that basically put property rights above human rights. At the time, everybody was trying to figure out how to deal with the issues of industrialization. Compare that with today. The challenge to the two party system is bubbling, but it is not anywhere near boiling. That is what I mean when I say 2012 is likely to be kind of boring.

If we had a proportional system like Europe, the Democratic Party would likely break into three parts. You would have a populist left that would include people on the more activist side that would be akin to something like the Green Movement. Then you would have the traditional African American, Latino, labor base. And then there would be a centrist pro-business wing. These things are now held together uncomfortably under the big umbrella of the Democratic Party. On the Republican side, my friends can talk more about this if I get this wrong, but you have an essential division between more traditional libertarian, social conservatives, and traditional business chamber types.
These things are held together within a two party system that hasn't been challenged the way it was challenged in 1912. Now what do we have that is trying to challenge these? We have the Tea Party and Occupy Wall Street. What's most interesting about these outside movements challenging the two party system is that in many ways, I'm not saying they're similar, they're arguing the same concern that the original La Follette Progressives had, which is that we are most concerned about the joining of federal power with corporate power. That was one of the big issues. If we're going to create a big national state that has administrative authority, how do we keep corporate interests out of it?

Now what happens is this is talked about by the Tea Party more as crony capitalism. So you have a Tea Party argument saying that we want to free the American people and the economy from the oppressive crony capitalist state. You then have Occupy Wall Street saying that they want to free the people in our government from the corrosive influence of corporations and money. They're trying to challenge the two party monopoly in some ways, but it's not likely to engage in any kind of refashioning of American politics that we saw in 1912. So that is just a little bit of context about why 1912 is probably infinitely more interesting than talking about 2012.

That said, what about President Obama's speech is useful and interesting to talk about? I think it is pretty clear that he made a fairly shrewd move by embracing Teddy Roosevelt's New Nationalism here. I'm going to talk in a minute about how it doesn't reach the levels of TR's original address in many ways, but Obama has decided to run as a popular incomplete steward of the middle class. His theme, which was actually not the New Nationalism, was Roosevelt's presidency, the Square Deal. He's going to be for fair play, a fair shot, and a fair share. These are pretty common themes in U.S. politics. The party that can embrace these typically does well. You certainly want to be on the side of the middle class and the side of fairness.

I think this fight over the payroll tax cut, the House Republicans are just stepping in the middle of this theme that he set up pretty cleanly. It's also obvious to me that he wasn't putting out a radical transformation of American politics. He's running against the Tea Party. And this is what is quite interesting about the new Osawatomie address, is how uncontroversial the agenda of Teddy Roosevelt is today. There are not many people today who would go against all of the things that he outlined.

So the success of conservatism over the past three decades, I would say, was going after the excesses of post-war liberalism, not Progressivism. They went after the big state that was doing too much. That spent too much money. That was interfering in people's lives. With the rise of the Tea Party and the House Republicans, and you heard this all over Fox News with Glenn Beck in the lead up to 2010, they were actually going after the Progressive era.

Now if you read the actual agenda in the New Nationalism, none of it is that controversial today. Conservatives like the initiative referendum recall process in some ways. They've used it well to limit the size of government. They've used, as Sid mentioned, the administrative power of government to do a lot of things they want. As for the actual social and industrial justice agenda, most people aren't going to challenge the minimum wage. They're not going to challenge a lot of the social protections that were set up there.
I think Obama is quite wisely setting himself up as a defender of the most popular aspects of government against what he sees as a much more radical assault on the Progressive era in some ways. So if it's Obama protecting a vision of government post-1910 and somebody defending it pre-1910, Obama's going to win that fight. And I think that's why he set it up this way.

Now as Mr. Rove outlined in his article today in the Wall Street Journal, Republicans aren't dumb and they're not going to fall for this. They are not going to argue, I would imagine, against the wisdom of Teddy Roosevelt's New Nationalism. They're going to argue about Obama's stewardship of the economy and they are going to go after his agenda, whether it is on healthcare, the stimulus or similar issues.

The other thing that is interesting about the speech Obama gave is that he didn’t outline any big policy changes. He took from his New Foundation ideas, which are an investment in education, science, research, technology, energy, tax reform, and financial regulation. Obama has now taken that same agenda and put the rhetoric of fairness around it. He's taken the Square Deal rhetoric. That is how he's defending it. This is not a radical agenda.

The biggest problem I think for Obama is not the charge of class warfare, which he will surely face. It is the bigger problem that people just tune out presidential rhetoric these days. It's not at all clear to me that people really care what the president says, whether he is a Democrat or a Republican. It is very hard to communicate long term the themes that are outlined in any of these speeches. And I think the rhetoric has to match actions, and it has to be seen as authentic. I'm not sure most Americans will be aware of some of the themes that are outlined in this speech. We'll see if he continues to push the fair play, fair shot, fair share, which, you know, sounds good on many different levels and will probably work. But I don't think it will define a whole new era of politics the way the New Nationalism really did.

So let me get to some more differences between the two speeches. The most glaring one is that the crux of the New Nationalism in all of the fights over the Constitution in the original Progressive era was about the political reform agenda. I mean, the whole Progressive movement was about political reform to establish social and industrial justice. That is what it was. There was the wedding of political and economic reforms. In this speech Obama is really trying to restore a faith in the postwar order; even more contemporaneously, '90s era prosperity. This isn't arguing for a whole new system of government in some ways, a whole radical rethinking of how we do things. He's trying to get back to the American dream of the postwar era and some of the prosperity of the Clinton era.

There is not really a fundamental challenge in Obama's address to the political order. There is no real talk about the reforms on the level that Teddy Roosevelt talked about. And there was no concrete way to break this federal power or corporate power nexus that is animating both the Tea Party and Occupy Wall Street.

The bigger challenge for Progressives, if we are going to have a new New Nationalism in some ways, is to also accept that times have changed very dramatically. As I said, the Teddy Roosevelt address is fairly uncontroversial now. We are not trying to protect many of those things. The biggest problem is that most of that has been accomplished and we have this toxic distrust of
government today, which is not unfounded. This is completely different than the days of Teddy Roosevelt in some ways. We didn't have the national state that we have now and we didn't have all this toxic distrust of government. This is a big challenge for people who call themselves progressives and liberals that we have to take seriously.

They agree with the architecture of the state that Teddy Roosevelt put out. What they don't like about the modern state is one, it's corrupt, and two, it's potentially incompetent. These two things reduce people's faith and trust in government and I think this is a long term challenge for progressives that just recalling or protecting the great ideas in the New Nationalism won't achieve.

The second biggest one is the economic context, and I think both conservatives and progressives suffer from an inability to see or put forth a number of solutions to deal with the globalized economy. So we either get a perception of more government or more markets, which the American people at this point don't buy either one of those arguments completely. It's fairly obvious that you're not going to have a complete libertarian laissez faire. You're not going to have a very strong central state.

Americans are distrustful of both of those methods in some ways. And most of the problems that we're now facing, particularly on the economy, transcend our own capacity to address them and our own national borders. So something that would address the economic conditions of today would have to be looking towards more global solutions in some ways and that didn't come into play at all here.

However, I think ultimately that this was a fantastic address to rally Obama's base in many ways. I think he did that. He's wrapped up his policy in fairness, and the bipartisanship that at one point believed in Progressive ideas. But the idea of a new New Nationalism or what's next, I think is a long way off and I don't think this address that Obama gave was in any way intended to do that. I think that is the work of social reformers on the left; to actually convince people that stronger government action can enhance their own life opportunities, produce national prosperity, and protect individual freedom. And I don't think we've made that case yet. We're working on it. In the meantime, if the other side wants to have a fight about the wisdom of the Progressive era, President Obama, who is a pretty cautious guy, is willing to take that one. And my guess is that he'll probably succeed.

So I enjoy hearing all your thoughts and look forward to getting some questions. And thank you again to Bill. [APPLAUSE]

MATTHEW SPALDING: Thank you to all the panelists today. It's a great panel. Some of my best progressive friends. [LAUGHTER] I say my friends, though, because it is not that we agree on everything, but I respect people who take ideas seriously and this is a discussion about the ideas of American political thought, or the promise of American life, as Herbert Croly liked to put it. The fact that the Center for American Progress and the Heritage Foundation are both doing a series of papers about the meaning of Progressivism in 1912, and the debate between people like Root and Lodge and the Progressives, tells you something about why these questions are important.
In the end, American politics is less about a policy debate and more about America. That's why every turning point election, every watershed, every realignment in American history, it always comes back to these questions about what America means. Think of 1800, 1860, 1936, and to a lesser extent even 1980. So here we are again making serious arguments about serious ideas. And other presidents turned to American political history to frame this understanding of America and the campaign ahead.

So where does he turn? Well, he began by invoking Lincoln. More recently he has been campaigning as Harry Truman, running against the Do Nothing Congress. You might think in hard times that he would go as a good Democrat and appeal to Franklin Roosevelt, who famously criticized the money changers in the temple and promised us the New Deal. And yet for this significant speech, the president took a pilgrimage out to Osawatomie, Kansas. And believe me, no one goes to Osawatomie without a good reason. [LAUGHTER] So there he gives what I think will be a defining speech of his administration. Or as E.J. says, the inaugural address Obama never gave, invoking the old Bull Moose.

Now I think this establishes that this president has given up on the center of American politics and he has doubled down on the Progressive model. This tells us much about where he's coming from and where he is going. Now let's think about this question posed by the Progressives about a hundred years. The original claim of the Founders, the formalism that the Progressives revolted against, was that America was different. Or the current way we talk about it, America is exceptional because it is dedicated to universal natural rights. We are all created equal and by nature endowed with the rights to life, liberty, and the pursuit of happiness. This principle, in the Constitutional framework of the law that enlivens it, is the foundation of the American dream.

The related principle that each has a right to the rewards of his own labor makes possible a dynamic social order in which every member of society can work hard and advance based on individual talent and ability. The primary obligation of government is to secure property rights. Break down artificial barriers to opportunity. Uphold the rule of law. This is sound economic theory. When property is protected, there is an incentive to work, earn, save, and invest. And when one is guaranteed to reap what you sow, you have more people who will sow and more people who will reap. When economic rewards are protected and the protection of property extends to all, the amount of wealth through society increases exponentially and we pursue our happiness. A basic safety net is provided by civil society and public assistance at the appropriate level of government. That can protect those who cannot take care of themselves.

What is truly a revolution about this model, I would call it the Madisonian model, is that the ladder of freedom and opportunity is available to everyone. As a result, poverty, while not extinguished, has been vastly diminished. Even more important is that it is no longer a permanent condition from which there is no escape.

About 100 years ago there arose what I would describe as a different dream. That government could better engineer how society operates. Progressive reformers were convinced that not only had the American Founders been wrong about their assumptions about man, about human nature and the necessity of limited government, but also that advances in science would allow
government to reshape society; eradicate those inequalities to property and wealth that had been unleashed by right, democratic capitalism and the resulting growth in commerce and business.

A more activist government based on the concept of evolving rights. The living Constitution would redistribute wealth and level out those differences through taxation and economic regulation. The clearest formulation of this argument is of course from Herbert Croly, *The Promise of American Life*. He allows that Americans have an almost religious faith in their country, but that traditional American confidence in individual freedom has resulted in a morally and socially undesirable distribution of wealth. The time has come to reject the ghost of the founding and devote ourselves to a dominant and constructive national purpose centered on a new theory of the state in which experts administer government and regulate the economy to achieve progressive outcomes. By becoming responsible for the subordination of the individual to that purpose, Croly writes, the American state will in effect be making itself responsible for a morally and socially desirable distribution of wealth.

So when Teddy Roosevelt is looking for a new and more comprehensive Progressive philosophy, he finds it in Croly's book; somewhere out in the safaris of Africa when he's reading it and gobbling it up. The material progress and prosperity of a nation are desirable chiefly so far as they lead to the moral and material welfare of all good citizens. Progress and welfare require not only the centralization of government but also the nationalization of politics; a break from the American traditional limited constitutional of government.

The federal government should now play an interventionist role to advance Progressive democracy, real democracy. As TR says, for if we do not have the right kind of law and the right kind of administration of the law we cannot go forward as a nation. So in his own Osawatomie speech, President Obama has taken on TR's Progressive mantle, though nowhere near as high minded as TR in the first place. I agree with the panelists. But he does it nonetheless.

He does allude at the beginning to an America where hard work pays off. Responsibility is rewarded. Anyone could make it if they tried. But that was the argument of his parents and earlier generations. This basic bargain has become so eroded by the marketplace that the defining issue of our time, he says, is to restore growth and prosperity, balance and fairness. There is that word. The choice we face as he frames it is that offered by the Progressives a hundred years ago. At least that aspect of Progressive economic choice; between the harshness of market capitalism, which he defines in true straw man fashion, as you're on your own economics with a free license to take whatever you want from whoever you can, Social Darwinism.

On the one hand, in the benign fairness of Progressive nationalism, the view that we are greater together when everyone engages in fair play, gets a fair shot, and does their fair share. The word fair occurs throughout the speech, not opportunity. With reminders throughout that things must be made fair and that means government. As a nation, we have always come together, he says at one point, through our government.

So he returns to his old mantra, not to a bold and new initiative, but his old mantra of federal education programs, infrastructure, economic regulation, and of course raising taxes on the wealthy as the way to pay for those investments. Now he defines the charge of class warfare of
course and as class warfare is conventionally defined, he is correct. What he is actually doing, however, is abandoning the average middle class voter and his middle class values and probably gathering an alliance of state dependents; government hangers on and the political elite who claim the capacity to run things.

His program is fundamentally about the rise of the new governing class that insists on arranging political and economic fairness. The managed quest for fairness, however, inevitably leads to bureaucratic favoritism, inequalities based on special interests, and undue political influence; the essence of what is called, “crony capitalism.”

Now at some point in every presidential campaign there is a speech that defines the candidate and provides the rationale for his policies. By turning to TR's New Nationalism model, imperfect as it is, Obama's revealed that his intellectual antecedent actually goes back to the Progressive model, calling his party back to its roots. The implication is to continue that Progressive transformation of America through various ways and phases over the 20th century. Let's call it now a fair society, as there is surely not equal opportunity, but fair outcomes.

Those of us who take the arguments of American political thought seriously like to look at politics by way of analogy. In the Republican primary, for instance, we see Newt Gingrich challenging TR's disdain for predatory wealth as well as his populist attacks on the judiciary, wanting to abolish circuit courts, call out marshals to round up judges who refuse to testify before Congress. Just the kind of arguments that brought Republicans to break with TR and that caused him to bolt his party and run as a Progressive independent.

Then of course there's Ron Paul, who has challenged the isolationist ghost of Midwest Progressive Henry Wallace, which might explain why he's doing so well in Iowa. But these are mere amateurs. For President Obama, government fairness programs seem to be the central idea of the administration and his party.

This is a risky strategy it seems to me. For one thing, it is a hard sell to the American people. In a Gallup survey just a few days ago respondents were asked to categorize three economic objectives as either extremely important, very important, somewhat important, or not important. In the extremely and very important categories, grow and expand the economy, 82 percent. Increase equality of opportunity for people to get ahead, 70 percent. Reduce the income and wealth gap between rich and poor, 46 percent. If anything, Americans have become more skeptical of government centered solutions rather than less. And they are even less likely to embrace a new birth of Progressive reforms that some, I think wrongly, thought they were endorsing in 2008.

What is more, if this is President Obama's reelection template, it opens a wide space for the Republicans, admittedly usually inarticulate and as yet un-unified, to make the broader case for economic opportunity and the reforms that solve the real problems we face, as opposed to the tired state centric policies that try to make everything equal but end up lowering everyone's horizons and drawing us evermore to national debt and bankruptcy.
The argument for opportunity is already being made by folks like Paul Ryan, witness his anti-Progressive speech at Syracuse a few weeks ago. And more recently, just this week in Mitt Romney's new stump speech unveiled on Tuesday.

So here we are the 2012 election is going to be a referendum on the meaning of America—its exceptional promise and the engines of the American dream. That debate conservatives welcome. A debate this country needs to have, I think. And one that if Osawatomie is the model, I think Barack Obama loses. Thank you. [APPLAUSE]

E.J. DIONNE: Bill has kindly said that if I wanted to reply I could and I have been inspired, especially by Jim and Matt, to want to do that. I want to begin though by saying that if anyone from Osawatomie, Kansas is watching, I apologize that we even seem to disagree on how to pronounce the name of your town. [LAUGHTER]

I want to salute Jim Ceaser for doing such an excellent job on behalf of the party of evasion, because the party of evasion claims that the biggest problem facing our nation is a budget deficit whereas the party of reality understands that the biggest problem facing our nation is the growing concentration of wealth that has afflicted us for almost 40 years. The party of evasion tries to protect the very wealthy by saying that elderly people who need healthcare in an increasingly expensive medical system are the source of our problems. The party of reality argues that the budget deficit has to be seen in the context of this economic inequality and the difficulties middle class Americans are facing in a new world economy that has added literally two billion people to the global labor force.

I could go on like this and I'm perfectly happy to do so, but I think Jim underscored something that was actually very helpful for us, which is why did Barack Obama give this speech in Osawatomie, Kansas? I think he wanted to redefine what was the central issue in American life. In the first six months of 2011, President Obama really went along with the narrative that Jim offered for the country and seemed to accept that the fiscal problems facing the country were the most important. And it was a battle in which he did not do particularly well in public opinion, and I think he didn't do particularly well because I don't think that was ever at the center of Barack Obama's presidency. Solving our fiscal problems was a part of a larger objective. So by giving that speech, President Obama really challenged the very definition of what is at the center of American politics.

I also disagree with Matt that this constitutes Obama abandoning the center. On the contrary, I think Obama has learned from a president very much admired at this institution, Ronald Reagan, which is that you don't win by chasing the center. You win by moving the center and by persuading the center. And I think that what Obama was doing in invoking TR was trying to move the center and change the nature of our debate.

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A little of what I want to say comes from a book that I have coming out in May, in which my friend Bill Schambra actually plays a role. The book is called Our Divided Political Heart and the subtitle is The Battle for the American Idea in an Age of Discontent. And I think the one thing all of us may agree on is that we are having a large argument over who we are as Americans. What does it mean to be American? What does our tradition mean? In my book I
take issue with the Tea Party, but I salute them for encouraging us all to go back to our history. And that is a second reason why I think the Osawatomie speech was important.

Jacob Javits, the progressive Republican senator from New York, wrote a very interesting book back in the 1960s called *Order of Battle*. In that book he has a section called “A Choice of Ancestors” and he defends his brand of Republicanism. The ancestors he chooses are Alexander Hamilton, Henry Clay, Abraham Lincoln, and Theodore Roosevelt. What I'd like to assert is that contrary to what some of my conservative friends would argue, the notion of a strong and influential federal government that is essential to American economic growth goes right back to the founding. The Constitution was not created to create a weaker central government. It was created to create a stronger central government, because our Founders understood that the Articles of Confederation, to which on some days I think Governor Perry wants us to return, was inadequate to the needs of a great nation. I think that by going back to TR rather than FDR, President Obama was underscoring that there is a tradition of national action in our history and it is the tradition that on the whole has served us better.

What did TR talk about in the Osawatomie speech? Is it irrelevant to today? Well, he had a lot to say about the influence of corporate money on political campaigns. And if you go back and read what he said about that and look at the current situation we are in, it was indeed highly relevant.

He also talked a lot about, and as Sid makes clear in his book, over-reaching activist conservative courts. And I believe the Citizens United decision might suggest that that too is a central issue in American life today. He talked about concentrated economic power. There are sections of his speech that would go down very well if done through the human microphone of the Occupy Wall Street movement. And he spoke of the fears of the middle class that they were being squeezed out of both economic and political life. Yes, I believe Osawatomie is relevant to our moment.

Now in many ways, it is true that President Obama's speech is actually less radical than Theodore Roosevelt's speech was. Though there is this wonderful moment in the Osawatomie speech where TR talks about his being accused of being socialist and how a socialist paper in Kansas took this as a great insult to socialism. And I think that President Obama probably smiled when he read that part of the Osawatomie speech.

As many of you know, there is a great argument between contemporary progressives and conservatives over what the Progressive era was really about. Matt channeled some of this. My conservative friends like to talk about progressives as being primarily about centralization of government rule by experts and some kind of elitism.

Progressives who would defend their tradition would acknowledge, by the way, some real difficulties. Some progressives were really caught up in the racism of that time that affected the whole political spectrum at that moment. There were things that the progressives did to voter registration to limit the franchise that contemporary progressives would and should have problems with. But if you look at the thrust of what the Progressives were doing, they were highly democratic at heart proposing initiative referendum and recall. And it's worth noting they did that because they believed that state legislatures all over the country were under the influence and control of corporate interests. So they proposed a referenda in order to make the system
They also saw government as a countervailing power to concentrated economic power. And it does seem to me that at the heart of our republic, whenever it was successful is this sense of balance between public and private using different parts of our system to hold others in check, we are not only Madisonian in our Constitution, but also in our social life. Again, my biggest difference with my conservative friends is that they tend not to see concentrated economic power as justifying government intervention on behalf of a more democratic system.

There are two other points I want to make before I close. The first is Sid talked about the problem with the term “public option.” And I do think that those of us who respect the Progressive tradition actually also respect the word public. A few phrases—public schools, public libraries, public health, public responsibility, public service. I think if you are a progressive, you argue that not all of life is private. That there are public responsibilities and that there are joys in public responsibilities. One of my favorite lines from any book of political philosophy is in Mike Sandel's first book where he concludes that, “when politics goes well, we can know a good in common that we cannot know alone.” And I think that is the heart of the Progressive promise.

I think 2012 could actually be as exciting and interesting as 1912, even if I will concede freely that we will not have characters quite like Teddy Roosevelt, Woodrow Wilson, William Howard Taft, and Eugene Debs. But I think it is as important as 1912. I just back from Iowa yesterday and what really strikes me is that President Obama and his opponents agree on the definition of the campaign. Every campaign people always say this is the most important election in our history. Actually this time the candidates are really talking about a fundamental argument over the direction that our country is going to take.

It is my view and this is the last reason why I think Osawatomie was the right choice for a venue is that we have effectively been governed under a long consensus since the Progressive era. That long consensus saw a balance between public and private and saw a major role for the federal government in both regulating the capitalist economy to make it work and to ensure greater fairness. Even Ronald Reagan did not overturn this consensus. You know that great line about Wagner's music? That it's better than it sounds. Well Ronald Reagan governed more progressively than he sounded. He didn't get rid of Social Security. He didn't get rid of Medicare. There are a lot of things he had talked about that he didn't do, and I think in fact some of Reagan's greatest achievements come from having governed from center.

G.W. Bush, by the way, two of his greatest domestic achievements were based on using the power of the federal government. One is the prescription drug benefit under Medicare. The other is the No Child Left Behind Act, which sought to use federal power to ensure more accountability in the schools.

This time I think we really are in a fight over the long consensus. The Progressives came along building on what the populace had done in reaction to the politics of the Gilded Age. And I think
our conservative friends, and this is one of the points where Bill comes into my book, have pushed aside temporarily their more communitarian traditions and are operating on the basis of the kind of radical individualism that is very much out of the Gilded Age. I like conservatism. Many of my best friends are conservative. I want conservatives to rediscover their respect for the role of government and their respect for the importance of community. So I'm hoping this election will provide not only a ratification of our progressive direction but some useful lessons for our conservative friends. And I look forward to that.

Teddy Roosevelt, I've been waiting for a Progressive to accept a nomination the way Teddy Roosevelt accepted the Progressive nomination in 1912. His last words were, “We stand at Armageddon, and we battle for the Lord.” And I think in 2012 both sides are actually going to believe that we stand at Armageddon and we battle for the Lord. Thank you very much.

[APPLAUSE]

WILLIAM SCHAMBRA: Before we go to the audience for Q&A, any response? Or any general comments amongst the panelists?

MATTHEW SPALDING: I just want to put out on the table, and E.J. really said it very nicely, that I think the debate here is that we have to stop setting up straw men as if it's these opposites. It is either nationalism or community or it's a radical individualism over here. The debate we are having is, what is the consensus?

The claim of my Progressive friends is that the consensus from the founding forward has essentially been their consensus, and it is an unbroken beautiful evolution of Progressive programs and arguments. I don't think that's historically accurate for one thing. And I don't think it is really fair to the kind of debate we are having right now. I mean, we are debating about that consensus. It is a balance between public and private. All the things you mentioned, I agree. But I think that's exactly the claim of conservatives and you are not seeing a rebirth despite, I think, President Obama attempt rhetorically of kind of laissez faire radical individualism.

What you are seeing is conservatives trying to grapple with the problems we face. How do you reform these big programs to actually serve their purpose and not go under? In a way, that is somehow consistent with a broader consensus for some limits on government; an argument that allows for popular consensus to shape how our politics proceed. And in that case, I would argue that what President Obama is arguing is one that is outside of that consensus.

WILLIAM SCHAMBRA: Going to one point that you make, Matt, and you and I have had this conversation a number of times. But in point of fact, Obama's characterization of conservatives as being sort of radical laissez faire, you know, I got mine and you get yours, is in fact very much in the spirit of TR in 1912. He was the first to utter that condemnation of the conservative Republicans that year and it was wildly unfair at the time. It was massively unfair at the time.

Right after the Osawatomie speech one of his friends and supporters, Senator Elihu Root of New York, wrote President Taft and said for the life of me I don't understand what is new about the New Nationalism. It seems to me as if it is a call for the exercise of legitimate Constitutional power. And that's all it is.
So the conservative Republicans at the time in 1912, and certainly in the person of Taft himself, were not radical laissez faire conservatives. They didn't believe in a completely unfettered marketplace, rugged individualism, and social Darwinism. They were very much all in the school of a powerful national government remediating the problems that they could reach.

Q: Hello, I’m Irwin Stelzer of the Hudson Institute. And thank you for that remark E.J., I was going along almost agreeing with you until you really got into full flow. [LAUGHTER]

But let me put a problem that I have to Professor Ceaser and to Mr. Spalding. I want to be on your side in this argument, but I am having great difficulty for two reasons and perhaps you can help me out. One is because of the laws in corporate governance that we know about, and because of macroeconomic problems that require, let's call it bailing out large financial institutions, is it true? Well, I think it's true, demonstrably true, that that we've disconnected performance and reward in society.

Now I don't care about inequality. I'm for as much inequality as we can get if performance is connected to reward. The question is how do we defend the inequality that so troubles, let's call it people on the other side, if we can't conceive of reforms that reconnect performance and reward? And the reason I raise it is I heard people, my conservative friends, as E.J. likes to put it. I assume he has one. [LAUGHTER]

JAMES CEASER: I am his friend.

IRWIN STELZER: Okay, he has one. [LAUGHTER] The problem is that every time any reform I suggest that might reconnect these things, they say, ‘Oh no, that's really not a good idea. We're not for Sarbanes-Oxley, which would require independent directors. We're not for Dodd-Frank, which would require severing parts of the banking system.’ So I can't ever come up with any reconnection that seems to satisfy what are my conservative friends. And I'd love to hear if there are any?

JAMES CEASER: Well, since you addressed me, let me take a try. On this question of performance and reward, and the bailout, I don't know anyone except for maybe Jon Corzine and a few others on Wall Street, who are happy with what had to be done in 2008. I know President Bush wasn't. This was recognized by all as a massive deviation from what capitalism should be about. It was done out of necessity, and I don't think anyone, conservative or liberal, would cry that much to say that those people morally should never have been bailed out and were only bailed out because it was said to be necessary. It's something you do when you hold your nose.

On the other hand, here's the point. We've held our nose and we've done it. And we know that in that sector, I think, the profits that people made have very little claim morally to our approbation. If you could just tax them, people in that field, that part of the 1 percent, everyone would be happy. But gee, that's not the whole 1 percent. Why don't people, when they speak about this, always mention that? The places where you can see there is no connection between performance and reward.
But with most of the 1 percent there is a connection between performance and reward. So what did we do? Like Abraham, how many Lord do we do away with before we save the city? I say take a broader look. When I speak with my students they always make this argument about the 1 percent. They always mention first finance, which no one understands anyhow. They mention crony capitalism. Then they mention, now less often, the pharmaceuticals and the oil companies. What's financial and what's nasty.

But then you mention Steve Jobs and LeBron James to them, all of a sudden they say everything is perfectly just and that person should be getting more. Or Bill Gates. What does every young person want to do? Work at the Bill Gates Foundation. All made by private money.

So I say we put this in perspective. We see where there is a problem in the issue of performance and reward. Then we see what we can do. But certainly we don't condemn the whole essence of the capitalist system on the basis of that problem. The larger issue is the productive many and it is for that reason that I think that there is a kind of practical and moral defense of capitalists.

E.J. DIONNE: Could I say something? First of all I've always loved Irwin because he's willing to face these problems of capitalism even as a staunch defender of the system. And I think what you're seeing on the Progressive side again, not unlike some of the things that were said back in Teddy Roosevelt's day, is that we have shifted too many of the rewards within the capitalist system toward those engaged in finance. You raised the question of how do you create accountability in this system. And I think the way in which we have gone about deregulation, perhaps even going back to the repeal of Glass-Steagall, is that we have a society in which the surest way to get very rich very quickly is to go into finance, as opposed to starting or running a business yourself or engaging in invention. I think people do make the moral distinction that Jim talked about between those who make all of their income from finance and those who make their income from invention and creation and the like.

We have taken specific steps, such as the ways in which we tax capital gains as opposed to income, to really say that as a society we seem to prefer finance. I know the argument for it is that it creates a more productive system, but I have not seen our economy do exceptionally well since we cut the capital gains tax. I don't pretend that's causation, but it is certainly not proof that this was the guarantee of a more productive economy. But I think that is a kind of underlying question that I think is why the Occupy Wall Street movement seemed to get some initial attention from the country.

There is a sense that not all of this wealth was acquired by doing things that the society itself sees as genuinely productive. Now, I concede sometimes this side is wrong about that. Sometimes I'm wrong about that. But I think there is a sense of injustice and impracticality about the way we have organized our economy in the last 20, 25 years.

I assume you disagree with me (to Irwin Stelzer). [LAUGHTER]

IRWIN STELZER: I think E.J. you have to avoid a kind of Marxist distinction between people who make things with their hands and finance. Nobody is angry at Buffett, except me for his silly statements. But I don't think you're on the right track on that. The market ought to decide
which industries rise and which industries fall. And if finance rises it's a darn good thing because manufacturing is not in very good shape. So I hope you don't go there. I would rather you think about what can be done to satisfy your and Professor Ceaser's feeling that there are morally unjustified returns that have been earned.

I held my nose too and you had to do it. What worries me is that we’re going to have to do it again, and that's the problem. We have this built into the system, which is what I find so troubling. Because believe me, if all of the insurance that our banks have sold against failures of sovereign debt in Europe start coming due, you're going to find yourself holding your nose again. So the question is what do we do in those circumstances?

E.J. DIONNE: Just one very quick comment. First of all, I appreciate your concern for my soul in trying to save me from Marxist sins, but I do think that we have a different kind of banking and finance system than we had some years ago.

And it really does trouble me that there may be more reward for a kind of engineer who can figure out how to beat the market by two-tenths of a second, than for other kinds of engineers who may create products that are useful and they get rich that way.

I just think that we have created a very strange and exceedingly abstract finance system. And we need finance. We need capital to make capitalism work. But I think the rewards within that system we've created don't make sense to a lot of people and they don't make sense to me.

Q: I'm Mark Tapscott with the Washington Examiner. I've had occasion in my younger years to spend about a year and a half reading and studying everything that John Brown wrote, did, and thought. [LAUGHTER] And I'm curious, did any of you have any understanding of why Roosevelt picked Osawatomie and an occasion that was memorializing John Brown as the venue for this speech? And depending upon what your answer is, I might have a follow-up. [LAUGHTER]

SIDNEY MILKIS: That's a lot of pressure. [LAUGHTER] I think there were two reasons. Nobody knows exactly. I have to say that I've looked for some archival smoking gun. There isn't any precise understanding why, but from what I can gather there are two reasons.

One, Roosevelt wanted to make an important statement. He was launching a platform, as the press figured out, preparing not only for the 1912 campaign but preparing to launch a major transformation of American democracy. And since the Civil War was still so important to the American people, this was a good place to do it. Roosevelt was sometimes accused of being a socialist and sometimes he was accused of insulting socialists by presuming to represent reform. So I think he wanted to go to the John Brown memorial to point out that there is a certain value in insurgency, and we have to honor John Brown to a certain extent. But when it goes to mob rule, then we denigrate rather than honor freedom. So he wanted to find a position between socialist and capitalist that was reformist, and he saw John Brown as a useful way of distinguishing himself from the socialists.
And a good part of his longer speech that appears in the *Outlook* magazine spends a lot of time distinguishing reform from mob rule. He also connected a lot of the labor insurrection historically to John Brown. Is that any help?

WILLIAM SCHAMBRA: Yes, he was according to I think it was a fellow named Robert La Forte who wrote in the *Kansas Historical Quarterly* sometime ago talking about the origins of the Osawatomie speech. He was suggesting that, as Sid suggests, that TR was hoping to capture the insurgency and sort of moderate it.

SIDNEY MILKIS: Channel it.

WILLIAM SCHAMBRA: Yes, channel it. I mean, he wasn’t necessarily thinking of running as a full on challenger to Taft at the time, although he kept dropping these horrible comments about the Taft Administration. He was hoping to use this occasion to say, ‘Okay, I'm one of you guys and we can now keep this Progressive sentiment within the Republican channel.’

Do you have a follow up?

MARK TAPSCOTT: Would it be possible, perhaps, that President Obama intended a Brown analogy that would be something along the lines of for the Tea Party? After me, the deluge?

SIDNEY MILKIS: There was a part of my remarks that I had to leave out because of time restraints, which talked about his deafening silence on John Brown. It would seem to me that the first African American president ought to make a statement about John Brown, Lincoln, and the Declaration of Independence. He mentions Occupy Wall Street and perhaps could have done with that what Teddy Roosevelt did with the unions by talking about John Brown and Lincoln. But the fact that he didn't mention it, again, I think shows, that although this was an important speech in many respects, it was also a missed opportunity in some profound ways. Thinking broadly as political scientists like to think.

E.J. DIONNE: As the gentleman's question suggested, I think there was no political percentage in Barack Obama talking about John Brown, and it is not in the least bit surprising that he didn't raise it. I mean it would be fascinating. I agree with that. But I don't see how it would have advanced the argument he was trying to make.

SIDNEY MILKIS: Yes, but I think one of Obama's best speeches is the one he gave on race at the Constitutional Center in Philadelphia, where he really does invoke the Declaration and the Constitution. He talked about how the struggle for racial justice in the United States was a struggle to establish this more perfect union that is called for in the preamble of the Constitution. I think he could have done something very similar here by extending the argument to race and slavery to the problems caused by the massive dislocation of what he calls this innovation society.

E.J. DIONNE: And if he had done that we would be talking primarily about his speech on race and not his speech about the American economy is my suspicion.
JOHN HALPIN: This is not to denigrate his motivations on the speech, because I like the speech and I think the origins of it are great. But there is a sense that the White House could just have found this New Nationalism address and said, ‘Look, they're talking about inequality. They are talking about fairness and these are things that I believe in.’ Because if you read Obama's second book, *The Audacity of Hope*, there is barely any mention of Teddy Roosevelt at all in that book. He has never been one of his biggest inspirations. So I found it fascinating that they're embracing this. I hope they study some of the Roosevelt legacy more. But his inspirations were more in the FDR and Martin Luther King mode. And when you read about his own background, this is from his own book, there hasn't been a history of President Obama embracing Teddy Roosevelt in any way.

So I guess the question will be, is this a sustained effort to really transform politics the way Roosevelt and the Progressive party were trying to do? Or is it a good campaign message that will probably work in tough economic times? I'm not trying to be cynical because I agree with the content of the speech, but I think that's why when I mention that people discount presidential rhetoric these days is for these very reasons. There is not a sustained dialogue about the origins of the Progressive era versus the contemporary.

MATTHEW SPALDING: I agree but it actually could have been a little bit of both. As we know the speech was in production for some time, perhaps peaking when the Occupy Washington or the Occupy movement before it kind of started [OVERLAPPING VOICES].

SIDNEY MILKIS: That was a Freudian slip. It's Wall Street, not Washington.

MATTHEW SPALDING: And they kept to it. People like Doris Kearns Goodwin's been pushing them to take up the TR model.

I think the more interesting question here is not whether he targeted TR in particular, it’s is this movement back to this consistent with his argument, per se? He choose to go to the Progressive speaker as opposed to the other options he would have had, which I think would have been much more powerful and unifying, especially in this race. But he chose to do this and presidential speeches aren't chosen for no good reason. These are serious questions and I don't think he was merely passing through the precincts of Kansas looking for a place to give a speech, right?

And I think the way it is written suggests that this is very much in line with his own thinking. There is a lot more there to cull out. It’s consistent with his earlier comments that he made before he was president, such as talking about the transformation of American politics and his references to the Declaration and other court documents in how they weren't radical enough in many ways, right? I would argue this speech is actually consistent with Obama rhetorically previous statements.

SIDNEY MILKIS: I just wanted to give a footnote to John. Not that I want to discount your cynicism (to Matthew Spalding), [LAUGHTER] but the one time that Obama did invoke Teddy Roosevelt was when he was fighting for the national healthcare reform, pointing out that that battle began during the Progressive party campaign.
This speech was a great opportunity to take what is the signal achievement. I think if we weren't on C-SPAN, I would invoke Vice President Biden here. This is a big deal. [LAUGHTER]

And as such being a big deal, I think it needs to be defended in broader terms. What principles of Progressivism do we connect this with? Is this a reasonable compromise of the right of property for essential human values that all Americans believe in? This was a great opportunity to defend the most important program that has been enacted. So the John Brown thing I'm curious about, but I'm astonished that he didn't mention healthcare reform.

E.J. DIONNE: Just a footnote. I happen to love Doris Kearns Goodwin and not just because she's a Red Sox fan. She talked about TR, but they claim it came before that. And it just seems to me that if you are, and this I do not know from some sort of inside knowledge, but it is my assumption that if you want to make the next campaign a big argument about the role of government and the Progressive tradition, you are wiser to go back to the Progressive era when this all started, then to start at Roosevelt and the New Deal. So I think it's logical that he did that.

MATTHEW SPALDING: I completely agree, but I just think that that is consistent with where he is coming from. His thinking naturally goes back to that Progressive tradition, and I think this establishes that.

Q: David Cohen. I wonder if you could all comment on another missed opportunity, which is Theodore Roosevelt laid the basis for dealing with the abuses of money and politics. And apart from rhetorical flourishes, all of which I share, about *Citizens United*, where is the emphasis on finding ways of changing the system so that the missed opportunity is in dealing with some of the political democracy deficits that we have from money and politics?

E.J. DIONNE: Just very briefly. Everybody is talking about what wasn't in the speech and the omissions they cared about. That was the omission that really stuck me, because TR had such strong language about this in the original speech. *Citizens United* is in some ways a repudiation of a system that started when TR was president, when we passed the Tillman Act in 1907.

So that was an opportunity for him to address this concern, which by the way is also a concern of Occupy Wall Street. And I wish he had done just what you said he should have done.

JAMES CEASER: He lacked credibility on this because he's the person who killed public financing.

AUDIENCE MEMBER: But he said he didn’t abandon public financing!

JAMES CEASER: Well, that's a distinction almost without a difference, but I accept your point.

WILLIAM SCHAMBRA: This goes to the distinction that John was making earlier about the different strands of progressivism. Maybe it isn't an accident that he is staying away from the kind of democratic or populist element of Progressivism, as embodied in notions like the initiative and referendum and the primaries and campaign finance reform. He is instead emphasizing the kind of administrative state piece and fair distribution.
MATTHEW SPALDING: It tells you a lot about where Progressivism has gone over the course of the 20th century. I accept and agree with E.J.'s point that I think he made against my point, which that the early Progressivism is a much richer tradition.

I think the extent to which the this speech was focused on much more the programmatic administrative aspects rhetorically shaped into something else, but that's really what Progressivism has become in the modern era, which in many ways is a decline. It's really lost its mojo in a way and this is what's left, which I think is what actually creates the great opening for a reformed conservatism to step in and not only take the high ground of opportunity in arguing for these things, but also really challenging them in a day when they're really focused on maintaining the status quo, which is increasingly much less efficient I would say.

SIDNEY MILKAS: I just wanted to say quickly because E.J. came back at me about the public option thing. I honor the term public. I teach at a public university, which I love. The part I didn't like was the option. That's sort of an academic bureaucratic term that embodies for me how Progressivism in its rear guard status, or what might be rear guard status, has got disconnected.

E.J. DIONNE: Just on Obama, he is a critic of *Citizens United*. He has at various points called for reform of this system. One of the reasons people are getting out of this system is that it's structured in a way that doesn't match the political system as is.

There are other ways you can reform the system and I still think, quite consistent with everything he said, he could have done what David wanted him to do. And I think he should have.

DAVID COHEN: Isn't it hard trying to get money out of politics when you're raising a million dollars ---

SIDNEY MILKAS: Yes, in fact a lot of groups on the left have benefited immensely *Citizens United*, particularly environmental groups.

E.J. DIONNE: Not as much as groups on the right. But that's for another day.

SIDNEY MILKAS: So that's for another day. [LAUGHTER]

Q: Hello, I’m Elizabeth Drew.

E.J. DIONNE: That's who Obama should listen to – Elizabeth.

ELIZABETH DREW: Having hung around John McCain when he was TR, [LAUGHTER] I'm beginning to think if politicians take TR and then pick and choose the TR that they want. McCain wanted to go up San Juan Hill, but he was a bit of a miss, but he also picked the campaign finance part of it.
E.J., in particular because you know Obama so much better than the rest of us, was this a speech or is this really who he is going to be? For a long time now, we known consistency is not his greatest virtue.

E.J. DIONNE: First of all, I salute the point about there being many TRs. David Brooks and I both like TR and he claims that I like the quasi-socialist TR and he likes the authentically conservative and patriotic TR. And there's a lot to TR and they're all there.

SIDNEY MILKAS: All our fights are a struggle for the soul of TR. [LAUGHTER]

E.J. DIONNE: Right, so I think that was a very important point. The answer is that I don't know. I think your question has an assumption that is correct, which is he has not been consistent in the course of this year. This does seem to be a course correction on his part and I think a good one. I think it's the right direction for him to go in. It is consistent with who he has been as a person and politically over time, if you go back to both the '08 campaign and what he was before the '08 campaign.

So I have a sense that this speech is part of a template that he is going to stick with and that he believes. I think he's probably right about this and I think some of his opponents think he's right about this—that the bigger you make the election, the more it is about a very large choice. Then the easier it is for him to argue that while there are still problems with the economy that he is still trying to solve, you can't just make this a referendum on what you think about the economy because bigger things are at stake. So I think that that strategy is implicit in this speech and is likely to be something like the strategy he pursues in the campaign. And it goes to Matt's point about the center.

I think there is a whole lot of misunderstanding of what the center is. First of all, there are a lot of different people in the political center who disagree with each other. Second, the people in the political center like strong leadership and people who seem to have conviction. I think one of his problems in the summertime is that he thought he could win the center by being the guy who was conciliatory. But in the process he undercut his image of strength, and I think this is an effort to get that back.

MATTHEW SPALDING: I would just add that I think it points to the fact that this is for numerous reasons a turning point election that will, to some extent, be a watershed in terms of where conservatism goes and where liberalism goes. And as a result, you are seeing President Obama trying to find his place in where he puts himself in that tradition. So in that sense, I do take it very seriously, whether he sticks with it or not.

Then I would add to the minutiae of signals by which we judge things here in Washington that this year's White House Christmas tree ornament is Teddy Roosevelt. [LAUGHTER] And those things don't happen for no reason.

JOHN HALPIN: Well the question of will he be consistent I'll get to in a minute. We forget that Teddy Roosevelt quickly left the Progressive party and became a weird imperialist and his
waning years were quite bad. So I'm a little partial to the Jane Addams wing of the Progressive party.

SIDNEY MILKAS: Yes, but she left the party too though.

JOHN HALPIN: Well I bring this up because the social reformers had a consistent long-term agenda to try and create social and industrial democracy. TR was fairly opportunistic. I don't think Obama is anywhere near as opportunistic as TR. He may be inconsistent, but I think Obama is going to be gone at some point and Progressive reformers are going to have to continue on the tradition of either defending the old New Nationalism or creating a new version of it.

So I think it's going to transcend Obama in many ways. I think that's the most important lesson that you get out of reading Sid's book for sure. Is that TR basically was the embodiment of a lot of work from social reformers prior to him and he took over that in many ways. It is the job of the Progressive movement today to do the same thing, knowing that Obama will not be around and he has not been the embodiment of Progressivism; as good as he's been in a constrained environment.

The other thing I would say is that this conversation about the proper division between government and markets is a great abstract discussion, but what we have now is an economic crisis that was predicated on failures on both parts, and the American people are now saying that they don't believe in pure market economics or that the government can take care of this. Both sides now have to figure out how they are going to be able to address declining median wages, the loss of savings, and the loss of job security. These are real issues and the American people are not getting the answers they want from the two main political parties now.

So there really is movement, whether it's the Tea Party or Occupy Wall Street or some amalgam of things, to answer these questions that I think you raised quite elegantly up front about what type of reform are we going to have? How do we keep the good incentives of the market economy, but have the social protections, and the economic opportunity that the Teddy Roosevelt style state has been able to at least endorse and provide a platform for over time.

WILLIAM SCHAMBRA: Good. We have time for one more question.

Q: John Soladay, an independent economist. It seems that President Obama's speech may have been leading us to chase a red herring with crony capitalism and the same thing on the side of the conservatives of attacking crony unionism. I think this the core of Professor Ceaser's point was, aren't we really missing the issue and that is a sense of well, is this a fair place? You know, TR had his Square Deal and Obama's his Fair Deal.

What kind of country do we live in? Is it North Korea? Is it Cuba? Or what is it? Some sweat shop factories in Industrial Revolution Europe?

So the question comes back to the size of government we want. And isn't government in all these crime scenes with crony capitalism and crony unionism? There is the one common
denominator—government is in every one of those scenes. And I'm wondering if some of this isn't getting us off on the wrong track. And if indeed Professor Ceaser didn't hit this right on the head, that there is a politics of evasion. Any comments.

JAMES CEASER: Well, in the core of Obama's speech, which we didn't pay that much attention to, is the statistic that the distribution of income has been changing over the last 30 to 40 years. Very much. The rich are getting richer. There is more difficulty getting into the middle class and less social mobility. These are facts. I don't know that anyone, after stating the facts, knows exactly why it's happened. I suppose you could say maybe the exception was the period from the '50s and '60s when it didn't occur. Economic history will have to answer this.

But more important than the causes would be the solution. What is the solution to this issue? Is there a solution at all? And if the solution means taking from the rich and giving to the poor, I don't think that is where the American people want to go. We know that we could solve the problem of income inequality tomorrow. They did it in the Soviet Union. They did it in Czechoslovakia. Just take from the rich and give to the poor. That's not where Americans want to go.

Personally, I would like to see the income bell flatten out a little bit, but it's not in my power. I can't wish it so and merely by mentioning it as so many people do, they can't make it so.

So when it comes to the question of what is going to happen, I'd much rather put up with the money going to private hands than have the government take it as its primary obligation to begin redistributing wealth in the country. I don't think that's where I want to go.

I lived in the period when there was good distribution of income according to the current statistics—the '60s. I can tell you this, I was no more happy personally or less happy than I am now. The rich don't oppress me today. They don't oppress me one bit. I have no envy towards them. I like their nice houses. I like what they do in philanthropy. But basically, it hasn't changed my life.

And the idea would be you can only begin to make this case against the wealthy in a legitimate way if you can show that what the wealthy is doing is systematically harming the country. They are not harming the country. That I think is the main point. What's happening in the distribution of income may be unfortunate, but the rich are not harming this country.

E.J. DIONNE: I'd just like to offer one last comment, which is that the choice here is not between North Korea and Ayn Rand's paradise. And no one on the Progressive side has talked about confiscating the wealth of the rich ---


E.J. DIONNE: Which is between what? A 15 to 25 percent capital gains tax and 35 to 41 percent top rate on income tax. If you look at our own history, we have succeeded in using government to do a whole lot of things that we were happy government did. Whether it was
building the roads and the canals that Henry Clay wanted to build that really did help create wealth in America, all the way down to the GI Bill and Social Security.

So the question is not an absolutely equal distribution of income or a wildly unequal distribution of income like we have now. But something more moderate, if I may use the word moderate. And it seems to me that people who are progressive are fundamentally in favor of moderation, which is that they do not like the extremes of inequality that we have today. And that is where the argument is.

So I don't think the argument, and this is just a political disagreement with the gentleman who asked the question, is about the size of government. I don't long for a government of a particular size. I don't think most Progressives do. They do want government to do certain things, which leads to a government of a certain size. And it is tested more by, what do you want government to actually accomplish, than by some abstract sense of ‘Gee, it would be much better if government took 52.6 percent of GDP.’ I don't think that's what we on the Progressive side are fighting for.

WILLIAM SCHAMBRA: Isn't there something in TR's original formulation in Osawatomie that is pretty radical, about the notion that people should have the right to earn what they can, so long as it is of benefit to the community? Which is a fairly ---

E.J. DIONNE: It’s John Rawls. Inequalities are justified if they lead to a general increase in wealth. So no one has a problem with a lot of people getting very rich as long as this increases the wealth of everyone else. When it stops increasing the wealth of society as a whole, you have to ask questions about the nature of the system.

SIDNEY MILKAS: But he didn't just mean wealth. He said the public welfare and that meant that this pursuit of material wealth had to take a backseat in certain respects if America was going to become a great country. And that's why he defended conservation, and I think “weird imperialism” is a little bit pejorative. [LAUGHTER] A more positive way of saying it would be that America has an important part to play in the world. And conservatives have embraced that part of TR and that original part of the Progressive movement.

I just want to add, that there is plenty of room for evasiveness on both sides. Two wars were initiated in the Bush administration and for the first time in our history there was no attention to the revenue that was required to fight those wars. TR, for all his faults, stood for responsible governance, He may have believed in a weird kind of imperialism, but you had to pay for that weird imperialism. [LAUGHTER]

MATTHEW SPALDING: I'm still struck by E.J.'s claim of moderation. We’re going to fight over who is the most moderate here. [LAUGHTER] The problem is that the Progressive model assumes the determination of moderation or who is doing the good for the whole is being made by the government ---

E.J. DIONNE: No, it's democratically decided.
MATTHEW SPALDING: And I think modern Progressivism has really kind of abandoned that and they've now clung themselves too much to this administrative model. If they don't reinvent themselves I think they are going to be on the decline. And if they continue going the path they're going, unfortunately, I think that means we're going to be either Sweden or Greece, and we will have the problems that Jim Ceaser raises.

E.J. DIONNE: Two very different places.

JOHN HALPIN: Yes, Sweden is doing quite well right now.

SIDNEY MILKAS: I'll take Sweden. Please no Greece. [LAUGHTER]

WILLIAM SCHAMBRA: We are out of time. Let's thank the panel. [APPLAUSE]