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Notion Building

By Matt Bai

Exiled from power, the stalwarts of the Democratic Party's Washington establishment plot their return at dinner parties in the capital's tonier neighborhoods. On a recent evening, I attended one of these meetings in a spacious living room in suburban Maryland, where about 50 former ambassadors and administration officials, mostly from the Clinton era, have been gathering regularly to grill the party's presidential candidates. I was invited to attend on the condition that I not identify the host, the guests or the precise location.

The featured speaker this time was not a candidate for office or even a politician. It was John Podesta, who was Bill Clinton's last White House chief of staff and who is considered one of the party's sharpest and toughest operatives. Podesta is a 54-year-old marathon runner with an intense, angular face that seems to suggest he is always calculating something you would never be able to grasp. He is also the leader and architect of a new liberal think tank in Washington known as the Center for American Progress. His goal is to build an organization to rethink the very idea of liberalism, a reproduction in mirror image of the conservative think tanks that have dominated the country's political dialogue for a generation.

Many such left-leaning ventures have been tried over the years and have failed to wield much influence, but Podesta's effort seems different, not only because of his considerable personal stature within the party but also because rage at the Bush administration has galvanized Democrats.

"The rise of the machinery of ideas on the right has been impressive," Podesta told the gathering, to nods of assent. "People have noticed it, and we have talked about it. But we haven't really found the vehicles to compete with what's coming at us."

Going back to Barry Goldwater, Podesta said, conservatives "built up institutions with a lot of influence, a lot of ideas. And they generated a lot of money to get out those ideas. It didn't happen by accident. And I think it's had a substantial effect on why we have a conservative party that controls the White House and the Congress and is making substantial efforts to control the judiciary."

Podesta laid out his plan for what he likes to call a "think tank on steroids." Emulating those conservative institutions, he said, a message-oriented war room will send out a daily briefing to refute the positions and arguments of the right. An aggressive media department will book liberal thinkers on cable TV. There will be an "edgy" Web site and a policy shop to formulate strong positions on foreign and domestic issues. In addition, Podesta explained how he would recruit hundreds of fellows and scholars—some in residence and others spread around the country—to research and promote new progressive policy ideas. American Progress is slated to operate with a $10 million budget next year, raised from big donors like the financier George Soros.

"The question I'm asked most often is, When are we getting our eight words?" Podesta said. Conservatives, he went on, "have their eight words in a bumper sticker: 'Less government. Lower taxes. Less welfare. And so on.' Where's our eight-word bumper sticker? Well, it's harder for us, because we believe in a lot more things." The Center for American Progress, Podesta said, was concerned with articulating these principles carefully, over time, rather than rushing out an agenda to help win an election in 2004. "We're trying to build an idea base for the longer term," he said, to bring about "an enduring progressive majority."

There was genuine excitement in the room. "This is the first thing I've heard that gives me hope in a very long time," one woman said. The audience, however, had varying notions of what a think tank should do. Most of the questioners seemed to

assume as a matter of faith that the liberal message would naturally triumph in America if not for Fox News, Rush Limbaugh and a president who, they insist, has lied. One guest urged Podesta to concentrate on briefing liberal TV guests before they appeared on talk shows; another thought Democrats were losing because they used the wrong language.

Podesta gently reminded his audience that a think tank was for developing new policy solutions, not simply repackaging old ones. "We've got to fill the intellectual pail a little," he cautioned, before worrying too much about how those ideas should be conveyed.

This is precisely the challenge facing Podesta. Just about every leading Democrat in Washington agrees that the party could use a new Big Idea, something to compete with the current conservative agenda of slashing programs and toppling rogue regimes. But what kind of idea? Is it as simple as an image makeover? Is it a left-leaning TV network to fight back against a right-tilted media? Or does the party need a new and bolder policy agenda, even if it means years wandering in the wilderness to find it?

If the history of conservative think tanks is any indication, it might take a real outsider, someone contemptuous of the Democratic establishment, to settle these questions. Can John Podesta, a paragon of the party, find the answers?

Sometimes called the godfather of the conservative movement, Paul M. Weyrich holds a weekly strategy session for 50 or so activists at the offices of his Free Congress Foundation near the Capitol. When Podesta dreams at night, this is the kind of meeting he envisions holding with his left-wing allies: an army of well-financed, loyal ideologues, each occupying a place in the power structure and with enough reach to turn ideas into policy.

When I attended a recent meeting, at the invitation of Weyrich's staff, those giving briefings included Senator James M. Inhofe of Oklahoma and Representative Eric Cantor of Virginia, representing the Republican leadership of both chambers, as well as President Bush's campaign manager, Ken Mehlman, and the chairman of the White House Council of Economic Advisers, N. Gregory Mankiw. The prickly Weyrich presided with a scowl from the dais (he is now confined to a wheelchair), from which he exhorted the faithful to get their message out, using words that made him sound like some liberal's parody of Dr. Evil.

"There are 1,500 conservative radio talk show hosts," Weyrich boasted. "You have Fox News. You have the Internet, where all the successful sites are conservative. The ability to reach people with our point of view is like nothing we have ever seen before!"

Weyrich was 31 when he and Edwin Feulner, then serving as disgruntled aides in a Congress dominated by Democrats, founded the Heritage Foundation in 1973 with early donations from a handful of wealthy families with names like Coors and Scaife. Determined to foster conservative scholarship and get it into the hands of like-minded policy makers, Weyrich and his compatriots were driven by a single, overarching conviction that grew out of the Goldwater campaign in 1964: government needed to be stingier at home and tougher abroad.

Weyrich and Feulner were not interested in securing immediate victories for a Republican Party that seemed to have, at that time, almost no hope of controlling Congress. In fact, many of the ideas they would ultimately champion—Social Security privatization, school choice, missile defense—began well outside their party's mainstream. They were insurgents, and they set about staging an ideological takeover of the party, a process that came to fruition sooner than they might have hoped when Ronald Reagan, a fellow outsider, was elected president in 1980.

Today the Heritage Foundation, with an annual budget of roughly $30 million, is like a university unto itself. Its eight-story building houses some 180 employees, and it just completed an addition that has, among other amenities, state-of-the-art telecon-

ferencing, apartments for about 60 interns and a fully wired 250-seat auditorium with its own greenroom. The foundation's in-house scholars are a constant presence on radio and cable TV. (Laura Ingraham, with one of the nation's largest radio followings, broadcasts from a Heritage studio.)

In all, according to a study by the National Committee for Responsive Philanthropy, Heritage and other conservative think tanks—the best known being the libertarian Cato Institute and the neoconservative American Enterprise Institute—spent an estimated $1 billion promoting conservative ideas in the 1990's. From their ranks sprang some credible academics whose think-tank writings spawned powerful careers, including Jeane Kirkpatrick, the former U.N. ambassador, and Antonin Scalia, the Supreme Court associate justice. There also came a flood of conservative theorists—like Charles Murray, whose book "The Bell Curve" attacked assumptions about racial equality, and John Lott, who proposed that we would be safer if everyone carried a gun—whose arguments, however dubious, bled indelibly into the public debate.

The disarray Podesta faces as he tries to build a counterweight to this behemoth is not so different from the landscape Weyrich and Feulner surveyed in the 1960's. Not only have Democrats lost their hold on Congress, but they also seem to have lost their hold on a larger vision for the country.

At least in these early stages, the 2004 presidential campaign highlights the stagnation of the Democratic idea pool. The leading candidates spend their time debating questions that were put on the agenda by Republican think tanks, like tax cuts and pre-emptive first strikes, while proposing programmatic variations on old ideas, like universal health coverage and national service—worthy notions, certainly, but no worthier than they were when Clinton put them forward 12 years ago.

Transformative agendas spring from the emotion of a national moment. The New Deal seized on the anxiety of the Depression; the so-called Reagan and Gingrich revolutions played off a growing distrust of government among a newly prosperous middle class. Given the extraordinary current moment in world affairs, the conversation among Democratic candidates thus far is as notable for what has not been offered as it is for what has: no new framework for the Middle East, no clear doctrine on when and where to undertake military or humanitarian missions. While the Democratic candidates uniformly attack Bush's plan for "personal savings accounts" (which is another way of saying the privatization of Social Security), no one seems to have an alternative, 21st-century retirement plan that would save the nation from what looks like an inevitable fiscal crisis.

"We get so caught up as a campaign in trying to find the right position on Israel or the right position on health care that we don't really have time to think through bigger ideas," a senior policy adviser to one campaign told me. "We're just not generating any exciting new vision."

During the 35 years of dominance from F.D.R.'s New Deal through L.B.J.'s Great Society, Democrats constructed what Gary Hart, the former senator and presidential candidate, calls "an ideological cathedral": the G.I. Bill, welfare, Social Security, Medicare and Medicaid, voting rights. But apart from critics like Hart and Bill Clinton, whose centrist leanings succeeded in getting the party to rethink issues like welfare reform, leading Democrats have fallen into the role of protecting their fathers' agenda from attack rather than inventing a vision of their own. Even the Democratic Leadership Council, which served as the ideological springboard for Clinton's agenda, has gravitated toward electoral politics and away from policy innovations.

"There have been bits and pieces of an agenda," Hart said recently. "Somebody had an idea about health care. Somebody had an idea about education. But nobody's pulled it all together."

Podesta, the latest to try, exudes a quiet confidence as he sits in a corner office of the think tank's 15th Street building. Cautious and shrewd, he retains the authoritative air of a chief of staff ("You mind if I read while we do this?" he asked me before one interview, looking down over his glasses), presiding over a mixed crew of casually dressed former White House aides and new college grads in jackets and ties. Podesta has hired about 30 people so far and plans to double that number, although he's not yet sure precisely what they will all be doing. "I'm looking for opportunity," he said when we first sat down in June, "as opposed to having a business plan that you execute, you know, Step 1 and then Step 2 and then Step 3."

Podesta stressed that the think tank was not an organ of the Democratic Party. Rather, he pledged that American Progress would offer its voice and ideas to any policy maker or party that would have them. It was obvious that he wanted the center to be seen as an insurgent force in politics, beholden to no one, although it was difficult to imagine who besides the Democrats would stand to benefit from a revitalized liberal agenda. (Presumably Podesta isn't raising $50 million in order to take over the Green Party.)

In the months that followed, as I talked with Podesta regularly, I came to understand that he was, in fact, caught between powerful forces in his own party, an exceptionally deft navigator trying to steer his way through treacherous crosscurrents. On the one hand, there is the party's struggle between elements of the left and center—the battle personified by Howard Dean and Moveon.org on one side and Joe Lieberman and the D.L.C. on the other—from which Podesta has vowed to remain aloof. "I'm trying to be ecumenical on the center-left thing," Podesta said. "When you've got such a radical direction of the country on the right, that's where our fight should be, and not with each other."

The other conflict, and the one that involves Podesta and American Progress more directly, is between those who believe the party can "message" its way out of exile and those who believe it will have to innovate its way out. It is a difference of opinion that divides Podesta's potential financial backers, powerful allies and even some of those working for him. And it could, if left unresolved, leave American Progress as confused about its own mission as Democrats seem to be about theirs.

Most Democratic insiders, like those assembled in the living room where I watched Podesta make his pitch, will insist that the party's main problem has been its inability to be heard. And this, they say, points to a lack of institutional voices. The Brookings Institution, a moderate think tank that is every bit as sprawling as Heritage and is supposed to be its counterbalance, is neither ideological nor self-promotional enough to push back against the right. The Democratic National Committee's idea of debating the opposition is to produce and post on its Web site a painfully slow and nonsensical animated video of George W. Bush and Dick Cheney as Frankenstein and Igor. With no one coordinating the message, liberals rely on an array of single-issue groups—environmental, abortion rights, civil rights—who pursue disparate agendas, and not always effectively.

The need to imitate the tactics and the discipline of the right wing is now discussed obsessively at liberal and leftist strategy sessions and dinner parties, and leading Democrats see Podesta's think tank as a command center for a new left-wing conspiracy—a progressive group that is, for once, both well financed and willing to get as mean as the opposition. Among them is Tom Daschle, the Senate minority leader and the highest-ranking Democrat in the land, who has been known to complain bitterly about the influence of right-wing commentators. Daschle was among a small group who plotted with Podesta for more than a year to establish American Progress.

"They have a dozen think tanks, and we have none," Daschle said during a conversation in his Capitol office. "We don't come close to matching their firepower in the

media."

When I asked if the Democrats might also be struggling for lack of compelling new ideas, Daschle shook his head.

"I don't worry," Daschle said. "The recent polling data suggests that with all of this imbalance and all of this reach and all of this power that the right has today—in media, in think tanks and on the radio and with the White House—with all of that, on many of the issues the American people care the most about, Democrats are now leading. It's very encouraging to us."

It is not so encouraging, however, to some other Democrats, who say that asking voters how they feel about the party on a bunch of individual positions—deficit spending, a patients' bill of rights—is not the same thing as having a coherent idea of where you want to take the country 10 or 20 years from now. They want Podesta's group to function not simply as a TV booking agency but also as the kind of idea factory that Heritage, Cato and A.E.I. were in the 1970's, pumping out provocative new proposals that could eventually define in the public mind what it means to be progressive.

Senator Hillary Clinton is one of them. "We do have to do a better job to compete in the arena with the ideas we already have," she told me. "But it's also clear to me that we need some new intellectual capital. There has to be some thought given as to how we build the 21st-century policies that reflect the Democratic Party's values."

Even inside the offices of American Progress, there are divergent views about how to divide resources between doing battle and doing research. I mentioned to Laura Nichols, Podesta's senior vice president for communications, that one staff member had suggested there was no need "to reinvent the wheel" of Democratic thought.

"I think we do need to reinvent the wheel," said Nichols, who until recently shaped the party's message as one of Dick Gephardt's top aides on Capitol Hill. "Being able to duke this out on the cables every day is not going to solve your problem of what the long-term progressive vision is.

"This is what I did for 10 years: 'Where's our bumper sticker? What's our slogan? Where's our bullet point?' There is no magic bullet here. We're just going to have to do the hard work."

Podesta seems to agree. "In my view, the ideas are most important," he said. At a meeting of liberal interest groups, most of whom were chiefly concerned with message, Podesta put it this way: "We're constantly operating on the way Bush has set the table and on the way conservatives have set the table. We need to reset that table, and the only way to do that is to start with the substance."

And so, on a recent afternoon, Podesta sat at the center of a long conference table in the offices of American Progress, listening to a disembodied voice on the squawk box in front of him talk about taxes. In an effort to rethink not just the Democrats' tax policy but also the tax system itself, Podesta has been talking with a small group of experts like Gene Sperling, Clinton's former economic adviser, and Robert Rubin, Clinton's treasury secretary. The ideas floated at this meeting, held with five people at the table and three others on the phone, "aren't even half-baked," Podesta said. "They're still in the box." In other words, the goal at this point wasn't to arrive at an actual policy proposal as much as it was to think big and creatively in a way that lawmakers and campaign consultants almost never do.

Podesta and his working group started from the premise that Bush's tax cuts have actually increased the burden on wage earners; lower taxes on corporations, dividends and estates mean that people who rely on weekly paychecks are shouldering a greater share of the federal outlay.

Podesta is intrigued by the notion of what he calls "a flatter tax" that would reduce income-tax rates but would cover investment income as well. In other words, everyone would pay the same lower rate on their income, no matter what bracket they fell into,

but instead of taxing only wages, the new system would also count capital gains and dividends as taxable income.

"You're talking more income at lower rates, as a way of gaining more revenue," Podesta told the group. "At least as a broad-based idea, are you getting what I'm throwing out here?"

The idea for some kind of flat tax, of course, isn't new; in fact, it's another product dreamed up in conservative think tanks. (By adding in investment income, however, Podesta's version would be more progressive.) But it would mark a major departure for Democrats, primarily because it would effectively do away with dedicated payroll taxes for entitlements like Medicare and Social Security—a cornerstone of the liberal cathedral.

"What you're proposing," said one of the voices patched in by phone, "would be a fundamental shift in Social Security funding and the entire system of how that works." Podesta readily agreed. That is precisely the kind of conversation he wants American Progress to be having.

Finding big ideas on any range of issues, however, may prove almost as daunting as selling them. American Progress has planned for its coming-out party this month a conference to discuss "muscular alternatives" to Bush's foreign policy. (The speakers tentatively include Gen. Wesley K. Clark, who was invited before he announced his presidential campaign, and Senator Chuck Hagel of Nebraska, an independent-thinking Republican.) The conference probably won't unveil anything terribly new, but Bob Boorstin, the longtime Democratic aide who is coordinating it, says he wants to wade into policy debates where Democrats have traditionally been absent.

"I am convinced, for instance, that there is a solution to the three-fighter-jet problem in the military," Boorstin said, referring to the three separate jets currently being developed by different branches of the military, a duplication that Donald Rumsfeld hasn't yet resolved. "People on our side don't regularly go to the Naval War College or the National Defense University to find out who's teaching and what they're saying. There's talent out there—serious talent—and we need to tap into it."

Also under discussion is a project to address long-term challenges facing public education, relying on academics who may have innovative solutions. "I'm sure there are journals filled with that stuff, that test and analyze and explain it," Podesta said excitedly, "but no one comes forward to put that into the policy arena.

"That to me is where you start. You don't call Geoff Garin and ask him to do a poll," he said, referring to a leading Democratic pollster. "You think about what the problems are and what the solutions might be."

This kind of conversation clearly energizes Podesta. While he has spent his career splitting time between the worlds of political campaigning and committee reports, he is at heart a policy geek, and a very smart one. I wondered whether he was ready to take on the party's interest groups, which have often stood as a steadfast barrier to innovation. Got an idea to reform public education? Not if it upsets the teachers' union. Figured out how to restructure Medicare? You'd better run it past the AARP. "There's just such an incredible timidity among Democrats," says Ted Halstead, whose centrist New America Foundation does some of the more innovative policy research in Washington. "They dare not think outside the box for fear of being punished by one of their constituencies."

When I put this question to Podesta, he chose his words carefully. "There's no simple answer," he said. "You have to have enough self-confidence to say either let's throw these ideas out there and at least debate this or let's champion them."

But, he said: "I don't begin the conversation from that perspective. Of all the institutions that cause problems for society, I don't think the teachers' union is one of them. You get cheap brownie points for smacking your friends around. When they deserve it, we need to be brave enough, but we don't have to position the organization to have that be its reason for being."

In the end, this is what most sets Podesta apart from the conservatives whose model he is trying to replicate. Their "reason for being" was the triumph of their ideology, and if they had to destroy the Republican establishment in the process, they thought, so be it. They were more interested in a movement of ideas than in building governing majorities.

It may be that Podesta is willing to confront the party establishment, but there is nothing in his past—or in the resumes of any of his main hires at the center, all of whom are veterans of the Hill or the White House—that suggests he and his team want to divorce themselves from the party's political aims. They are the Democratic establishment, and that means there will always be the temptation to forgo the longer, harder conversation that the party probably needs to have in favor of a short-term strategy.

It is worth remembering, too, that activists like Weyrich and Feulner didn't start with either the message or the specific policies. They started, instead, with a core philosophy that deftly articulated the way a lot of frustrated Americans felt. They knew what they believed and how to put it into words, and they were passionate about living in a country that closely resembled their vision. What Podesta dismisses as a bumper sticker—"less government, lower taxes and so on"—is, in fact, the starting point from which a generation of powerful ideas took flight.

Podesta has undertaken this process in reverse; he is building up a machine for finding new ideas and marketing them in hopes that all this effort will somehow coalesce into a new and compelling governing philosophy for Democrats. Even before its official debut this month, American Progress began assembling focus groups in nine cities and among a number of "elite" Democrats to get a sense of what the progressive vision ought to be. This is what consultants do when they want to win elections, but it is a less promising way to locate a bold new concept of American government.

It may be, ultimately, that Podesta and American Progress will imitate conservative think tanks in the way that most Democratic leaders badly want them to—by attacking Bush, by getting their people on CNN and by making sure they're armed with the talking points of the day. But that's not what really made those think tanks powerful in the first place. I mentioned to Podesta what one Republican told me—that the best thing for American Progress would be for the Democratic presidential nominee to get totaled in 2004 the way Goldwater did 40 years earlier. That way, the party would be desperate for new ideas, and a determined think tank could conceivably take over its agenda.

"I'll leave that for somebody else to say," Podesta replied. "If you ask me, I'd rather have a progressive administration." That makes sense coming from a loyal Democrat. But if you really want to reset the table, you might have to be willing to kick it over.

Matt Bai is a contributing writer for the magazine.