Meet the Press

How James Glassman reinvented journalism—as lobbying.

By Nicholas Confessore

In the fall of 1999, journalist James K. Glassman and economist Kevin A. Hassett published a book provocatively titled *Dow 36,000: The New Strategy for Profiting From the Coming Rise in the Stock Market*. The New Economy was not a high-tech version of tulipmania, they argued, and the stock market was not overvalued. Properly understood, wrote Glassman and Hassett, the Dow—then upwards of 10,000—was actually undervalued: "Stock prices could double, triple, or even quadruple tomorrow and still not be too high." It was a bold thesis, and more than a few skeptics disputed it in op-eds and book reviews. But this was the height of the boom, the authors were telling Wall Street exactly what it wanted to hear, and *Dow 36,000* was a sensation. It rapidly became a *New York Times* bestseller, sparking incessant water-cooler conversation and wide coverage on the nation's business pages. Glassman, having already been a chat-show host and nationally syndicated financial columnist for the *Washington Post*, became a bona fide celebrity, widely profiled in the press and invited on television shows across the country to predict that the party, far from being over, was just getting started.

So optimistic was Glassman, in fact, that a few months after the book appeared, he launched a dot.com, Tech Central Station, based on just the kind of vague-but-intriguing business plan that attracted so much venture funding at the height of the tech boom. TCS would be "a cross between a journal of Internet opinion and a cyber think tank open to the public," as Glassman described it in a press release accompanying the site's New York launch party, held in Grand Central Station. TCS would be part *Slate*, part *Red Herring*, articulating "a high-tech agenda of freedom and opportunity" with a libertarian conservative bent.

Within a few months, of course, Glassman was forced to eat a certain amount of crow. The market peaked, then plunged three thousand points over the course of two years, before struggling back to slightly below where it was when *Dow 36,000* was published. Meanwhile, the dot.com bubble burst, burying thousands of Web ventures and billions of investor dollars. Many of Glassman's peers were ruined. (Conservative high-tech guru George Gilder, for instance, lost over 90 percent of the subscribers to his newsletter and still has a lien on his house.)

But Glassman not only survived the crash—he thrived. He was soon back on *The Washington Post*'s business page dispensing stock picks and earning sizable fees on the lecture circuit. Last year, he even published another investment tome, this one titled *The Secret Code of the Superior Investor: How to Be a Long-Term Winner in a Short-Term World*. Most surprisingly of all, Tech Central Station is one of the few Internet magazines to grow into middle age. Today, the hybrid venture enjoys a monthly readership approaching that of Web sites for more established public affairs magazines. It has around 100 columnists and semi-regular contributors, and runs smartly-written think pieces by the likes of Newt Gingrich, James Pinkerton, and Michael Fumento.

Glassman's triumph owes, in part, to his quick mind, deft prose style, and telegenic presence. But the real secret of his success is that the market Glassman writes about is very different from the one in which he thrives: the burgeoning world of Washington influence-peddling. As a writer and public figure, Glassman has, over time, aligned his views with those of the business interests that dominate K Street and support the Republican Party; he has also increasingly taken aggressive positions on one side or another of intra-industry debates, rather like a corporate lobbyist. Nowhere is this more apparent than on TCS, where Glassman and his colleagues have weighed in on everything from which telecommunications technologies should be the most heavily regulated to whether Microsoft is a threat to other software companies.

But TCS doesn't just act like a lobbying shop. It's actually published by one—the DCI Group, a prominent Washington "public affairs" firm specializing in P.R., lobbying, and so-called "Astroturf" organizing, generally on behalf of corporations, GOP politicians, and the occasional third-world despot. The two organizations share most of the same owners, some staff, and even the same suite of offices in downtown Washington, a block off K Street. As it happens, many of DCI's clients are also "sponsors" of the site it houses. TCS not only runs the sponsors' banner ads; its contributors aggressively defend those firms' policy positions, on TCS and elsewhere.

James Glassman and TCS have given birth to something quite new in Washington: journo-lobbying. It's an innovation driven primarily by the influence industry. Lobbying firms that once specialized in gaining person-to-person access to key decision-makers have branched out. The new game is to dominate the entire intellectual environment in which officials make policy decisions, which means funding everything from think tanks to issue ads to phony grassroots pressure groups. But the institution that most affects the intellectual atmosphere in Washington, the media, has also proven the hardest for K Street to influence—until now.

More Kemp than Bork

Glassman has always had a knack for seeing opportunities before others do. After graduating from Harvard in 1969, he and his wife moved to New Orleans and launched *Figaro*, an early harbinger of the urban alternative weeklies that would proliferate in the coming decades. After selling the paper in 1978, he moved to Washington and up the media food chain, with stints as an editor or publishing executive first at *Washingtonian* and *The New Republic*, then at *Atlantic Monthly* and U.S. *News & World Report*. In the mid-1980s, he also began to pen an occasional column on business for TNR and other publications. Most business writing of the time was dull and technical, but Glassman's articles had charm and flavor. They ranged from a satirical look at corporate tax evasion (titled "How to Beat the I.R.S.: With llamas, Scottish stamps, and rent-a-cows") to a lacerating profile of Lee Iacocca, the former Chrysler executive. ("Something about Lee Iacocca," he wrote, "inspires exaggeration.")

His next business success was with *Roll Call*, a Capitol Hill newspaper bought by Arthur Levitt in 1986, when it was little more than a sleepy newsletter with four employees and an unpaid circulation of 5,000. Hired as the paper's editor, Glassman quickly amassed a group of energetic young reporters and pushed them to cover the Hill less like a legislative sausage-factory and more like a community. Several former staffers describe him as a laid-back boss who strolled the offices with a golf putter and threw raucous election night parties at his house on Capitol Hill. "He was a great story editor, and a spectacular editorial writer," says Levitt. "His mission, when he signed on, was to create a paper which screams, 'Read me.' And he did that."

Just as importantly, Glassman—with his wife, Mary, who served as publisher— figured out how to make *Roll Call* a financial success. Through the 1980s, Washington's lobbying industry had grown massively, as businesses rushed to extract favors from a sympathetic Reagan administration. Glassman convinced individual corporations and trade associations to supplement their handshake lobbying with advertisements in the pages of *Roll Call*, promoting or attacking pending legislation. "It was a singular business insight," says Glenn Simpson, an early Glassman hire who now writes for *The Wall Street Journal*. "You have a captive audience of 535 of the most powerful people in the world and their 10,000 staff members who all read you closely, and then you have all these people who want to influence those people." Within a year, circulation more than doubled and *Roll Call*'s ad pages increased sevenfold. Levitt eventually awarded Glassman equity in the paper, which by all accounts made him a wealthy man when he sold it in 1993.

As he became more successful, the onetime student radical and McGovernik also moved right. In 1995, by then a business columnist for the *Washington Post*, Glassman began moonlighting for the op-ed page; there, during the height of Gingrichism, he assailed federal student loans, defended high CEO pay, and agitated for the flat tax. Articulate and irreverent, Glassman was also a hit on Washington chat shows. In the fall of 1996, he was named a fellow at the American Enterprise Institute, a leading conservative think tank and a kind of government-in-exile for Republican officials from the first Bush administration. But though he had become increasingly conservative, Glassman was more Jack Kemp than Robert Bork; as a pundit, he usually favored the shiv over the cudgel. During fierce congressional debate over the National Endowment of the Arts, for instance, many conservatives appeared to consider the likes of "Piss Christ" a portent of American decline. Glassman's objection to the NEA was more practical: Based on the available evidence, he noted, "Government money makes bad art."

Like most pundits, of course, his predictions were not always borne out by events. In a column shortly before the 1996 election, for instance, he wrote that the stock market might "nose dive" if Bill Clinton were re-elected president. Nor was Glassman always consistent. In a 1994 column he attacked those of his colleagues "who give speeches to trade associations and corporations and get paid $2,000 or $5,000 or even $30,000 a pop" and confessed to giving up his own then-modest lecture schedule because he felt "uneasy" about the potential conflicts. Later, his conscience balmed, Glassman would rejoin the speakers' circuit, commanding up to $15,000 a pop.

Glassman was extraordinarily prolific—and increasingly influential. By the late 1990s, his financial column in the *Post* was nationally syndicated; he was a regular contributor to *The Wall Street Journal* and other publications; and he hosted two different television programs, "TechnoPolitics" on PBS and the Sunday show "Capital Gang" on CNN. And as the stock market continued to climb, he found his next niche: tribune of the New Economy. Until then, Glassman's financial advice was invariably middle-of-the-road and circumspect; like most sensible investment columnists, he told his readers to avoid day-trading, to buy and hold for the long-term, and to diversify their holdings. But in 1998, in the *Journal*, Glassman and Hassett published the first of several op-eds arguing against the notion that stocks might be overvalued. "We are not so foolish as to predict the short-term course of stocks," they wrote as the Dow was approaching 9,000, but "[w]orries about overvaluation. . .are based on a serious and widespread misunderstanding of the returns and risks associated with equities." A year later, with the Dow breaking five figures and a book advance in their pockets, the two were somewhat less circumspect, predicting in a follow-up column that the Dow would hit 36,000—"tomorrow, not 10 or 20 years from now."

When *Dow 36,000* was finally published in book form, a number of reviewers took exception to the book's thesis on stock valuation. The *Journal*'s concluded that *Dow 36,000*, while well-argued, was "dangerous" to investors; Jeremy Siegel, a University of Pennsylvania economist on whose work Glassman and Hassett had based part of their argument, at one point complained that they had misinterpreted his data and drawn erroneous conclusions. But Glassman had become a prophet. By October 2000, with the Dow sinking, reported the *New York Observer*, Glassman was making over one hundred speeches a year. "We are on the verge of a tremendous wealth explosion, the likes of which has never been seen," he told one group of New York investors.

The New New Journalism

Some months before the publication of *Dow 36,000*, Glassman's PBS show was cancelled, and he began to look around for a new gig. With his longtime friend Charles Francis, a prominent Republican lobbyist and public relations maestro, Glassman began approaching funders with a new pitch. Taking a nod from "TechnoPolitics," he envisioned an entity that would cover "the nexus between science and technology on the one hand and public policy on the other," as he later described it to me, with assorted "sponsors" and himself as the site's "host." Tech Central Station was launched in early 2000, with a smattering of content and one sponsor, AT&T. But Glassman had bigger plans. As he explained during a speech in Los Angeles not long after the launch, "We concentrate on such issues as Internet taxation, broad-band dissemination, privacy, biotechnology, high tech trade, and so on," serving as "a kind of watchdog in an area in which few people seem to be doing long-term principled thinking on public policy." Glassman exulted, "I think in a sense we kind of invented a new sort of institution."

But what sort of institution, exactly? At first glance, TCS does resemble a think tank-cum-opinion magazine—indeed, a successful one. Each day, the site publishes a new batch of brisk, topical articles. In style and substance, TCS's content is an intellectual descendent of the rapid-response policy briefs pioneered by conservative think tanks during the 1980s, and as influential: the site's articles and contributors have been cited hundreds of times in the mainstream media and reprinted on op-ed pages across the country. TCS brings all of this off with a relatively small staff, drawing on the brainpower of established think tanks rather than housing and paying its own fellows and scholars, and publishing their arguments in its own "magazine" rather than hawking sound-bites to print reporters and columnists. "We can get the word out much more quickly [than a traditional think tank]," says Glassman, "and it's a lot less expensive not having a lot of bricks and mortar."

If TCS combines all the strengths of a modern advocacy think tank with the reach and accessibility of a successful political magazine, it has succeeded largely by rejecting the conventions that traditionally govern journalism and policy scholarship. Traditional think tanks are organized under the 501(c)(3) section of the tax code and must disclose many details of how they are financed, being—at least in theory—expected to justify their non-profit status with work in the public interest. Even think tanks of an acknowledged ideological bent seek to insulate the work of their scholars and fellows from the specific policy priorities of the businesses or foundations that provide their funding. Likewise, traditional newspapers and magazines, whether for-profit or not, keep a wall between their editorial and business sides; even at magazines of opinion, the political views of writers are presumed to be offered in good faith, uninfluenced by advertisers.

Unlike traditional think tanks, Tech Central Station is organized as a limited liability corporation—that is, a for-profit business. As an LLC, there is little Tech Central Station must publicly disclose about itself save for the names and addresses of its owners, and there is no presumption, legal or otherwise, that it exists to serve the public interest. Likewise, rather than traditional advertisers, TCS has what it calls "sponsors," which are thanked prominently in a section one click away from the front page of the site. (AT&T, ExxonMobil, and Microsoft were early supporters; General Motors, Intel, McDonalds, NASDAQ, National Semiconductor, and Qualcomm, as well as the drug industry trade association, PhRMA, joined during the past year.) Each firm pays a sponsorship fee—although neither Glassman nor any of the sponsors would disclose how much—and gets banner advertisements on the site. When I contacted a few of the sponsors, each described their relationship to TCS in a slightly different way. An Intel spokeswoman said that TCS was "a consultant" to the computer-chip maker. AT&T's representative said her firm was "a funder." A Microsoft representative explained that the company "is constantly looking for ways to educate on some of the critical and important issues in the technology sector."

On closer inspection, Tech Central Station looks less like a think-tank-cum-magazine than a kind of lobbying practice. Which makes sense: Four of the five co-owners of TCS are also the co-owners of the DCI Group, the Washington public affairs firm founded by Republican operative Thomas J. Synhorst. TCS's fifth owner is Charles Francis, who is also a senior lobbyist at DCI and is listed on TCS's phone directory. And as it happens, three of TCS's sponsors—AT&T, General Motors, and PhRMA—have also retained DCI for their lobbying needs. (Both DCI's spokeswoman and TCS's chief executive officer declined to be interviewed for this article. However, after I requested comment, the Web site was changed. Where it formerly stated that "Tech Central Station is published by Tech Central Station, L.L.C.," it now reads "Tech Central Station is published by DCI Group, L.L.C.")

Like its publishing arm, DCI's business is to influence elite opinion in Washington. But instead of publishing articles, DCI specializes in what's known as "corporate-financed grass-roots organizing," such as setting up front groups to agitate for a client's position, placing letters to the editor with key newspapers, and using phone banks to generate calls to politicians. TCS, for its part, includes a disclaimer on its site noting that "the opinions expressed on these pages are solely those of the writers and not necessarily those of any corporation or other organization." But it is startling how often the opinions of TCS's writers and sponsors converge.

Last July, for instance, PhRMA retained DCI to lobby against House legislation that would permit the reimportation of FDA-approved drugs from Canada and elsewhere. The same month, TCS put out a press release announcing that it planned to cover an upcoming bus trip taken by Canadian patients to "access prescription drugs and medical treatment" in the U.S. (The trip was sponsored in part by the Canadian subsidiaries of many of the same pharmaceutical companies that belong to PhRMA.) A few days after the press release was issued, TCS columnist Duane Freese published an article touting the bus trip and attacking the legislation; other contributors also wrote columns for the site attacking reimportation.

The articles on Tech Central Station address a broad range of issues, some of concern to its sponsors, many not. And most of the site's authors are no doubt merely voicing opinions they have already reached. But time and time again, TCS's coverage of particular issues has had the appearance of a well-aimed P.R. blitz. After Exxon-Mobil became a sponsor, for instance, the site published a flurry of content attacking both the Kyoto accord to limit greenhouse gasses and the science of global warming—which happen to be among Exxon-Mobil's chief policy concerns in Washington.

TCS's articles have also complemented work being done by DCI. During 2000, Microsoft contracted with DCI to perform various services, among them generating "grass-roots" letters opposing a breakup of Microsoft and launching Americans for Technology Leadership, an anti-breakup group funded in part by Microsoft and run out of DCI's office. Meanwhile, down the hall, Tech Central Station went on the offensive, inaugurating an "anti-trust" section that over the coming months would publish little except defenses of Microsoft and attacks on the software maker's corporate and governmental antagonists, with occasional detours into the subject of lawsuit reform. (Microsoft smartly plugged some of the articles on its own Web site.)

Kill the Bells

But the greatest asset Glassman offers his site's sponsors is himself. "He's conversant in many different topics," says an admiring former employee, "and he also knows how to talk like an expert on something even if he doesn't know anything about it." (For the record, AEI lists Glassman's research interests as "Social Security, economics, technology, politics, federal budget, interest rates, stock market, taxes, and education.") Glassman is not a registered lobbyist. But with his credentials as an AEI fellow and *Post* columnist, his knack for colorful writing, and his easy access to chat shows and op-ed pages across the country, he is an effective advocate for whatever side he chooses to take. And since becoming the "host" of TCS, he has often taken the side of the site's sponsors.

Until 2000, for instance, Glassman had written about the government's case against

Microsoft on precisely one occasion. (He opposed it.) After Microsoft became a sponsor of TCS, he inveighed against the suit in nearly two dozen columns for the site. He also penned op-eds for another dozen or so publications and appeared on TV to attack a Microsoft breakup in vivid, even strident terms. (On "Crossfire" Glassman argued that one court decision in the suit placed "in jeopardy not just high technology, but, I think, the entire U.S. economy that's been booming.") When it came to the subject of climate change, on which he had seldom remarked before TCS was launched, Glassman became equally prolific, attacking Kyoto or the science of climate change in forty columns for the site, many of them syndicated elsewhere. Meanwhile, he also took to the op-ed pages of the *Wall Street Journal*, the *St. Louis Dispatch*, and the *Washington Times* to trash Kyoto; in none of them did he disclose TCS's connection to ExxonMobil.

All of these positions are, in theory, perfectly compatible with Glassman's generally libertarian, anti-regulatory politics. But in at least one area—telecommunications—the only discernable consistency to Glassman's opinions is the degree to which they track those of AT&T, the original sponsor of TCS. During 2001, in a string of columns and in an appearance before the House Judiciary Committee, Glassman criticized legislation that would have relaxed the requirement that regional Bells rent their phone lines to other companies, including AT&T, seeking to offer local services to the Bells' customers. Identifying himself as a journalist, think tank fellow, and host of TCS—but not disclosing the Web site's sponsorship by AT&T—Glassman told Congress that the bill, known as Tauzin-Dingell, would "kill" the Bells' competitors. Though this was perhaps the only area of policy in which he favored more government regulation, and though his position was similar to that of congressional Democrats and liberal public interest groups, Glassman argued his was actually the true expression of free market principles. "I have devoted much of my professional career to advocating deregulatory, free-market solutions to economic and social problems," he insisted. "I know deregulation when I see it, and the Tauzin-Dingell bill is not deregulation."

As it happens, however, AT&T was not merely an aspiring provider of local phone services. At the time, it was the largest owner of cable systems in the United States. During 1999, America Online, the Internet service provider, lobbied aggressively for legislation to force cable companies like AT&T to offer its services on their cable systems at government-mandated rates. But when Glassman later wrote about this issue, he took a very different view of government's requiring companies to open up their expensive hardware to competitors—although he again presented his position as a defense of high principle. "Common sense tells you that government has no business dictating the terms under which you rent your property to other people," he wrote on TCS. "But somehow, thanks to an aggressive lobbying campaign. . .many reporters took seriously the idea that cable companies could be forced to rent out their property at prices set by government." The real principle, it would appear, is that government has no business forcing companies to share their wires with competitors—unless the competitor happens to sponsor a web site one hosts.

During my brief phone interview with Glassman—he declined a follow-up—I asked him whether or not TCS published opinions that contradicted the policy views, of, say, AT&T. "Frankly, we think that other points of view are well represented everywhere else," he responded cheerfully. "To have one point of view on an issue like telecom is something that we don't have a problem with." He added, "We're an advocacy group. There's no doubt about that. I don't think we ever had pretenses of being an academic think tank."

The Rise of Idea Laundering

Government decision-makers are subject to a cacophony of opinions—from paid lobbyists, think tank scholars, academics, newspaper editorials, consumer groups, and letters from ordinary citizens. And in the past decade, corporate lobbying has evolved to influence—and, where possible, control—the arguments emanating from each of these sources. It's why corporations have put so much money into think tanks, issue advertisements, and consulting arrangements with economists and other academics. It's how firms like DCI have flourished by orchestrating pseudo-grassroots movements to simulate or amplify constituent opinion on behalf of corporate clients.

After all, it's only human nature to put more trust in the arguments of seemingly independent observers than those of paid agents of an interested party. And that's why a journalist willing to launder the arguments of corporations and trade groups would be so valuable. A given argument, coming from such a journalist, would have more impact than precisely the same case articulated by a corporate lobbyist.

Glassman certainly has impact. Earlier this year, the Federal Communications Commission considered whether regional Bell companies should continue to fully share their wires with competitors like AT&T—the position Democrats favored. The tiebreaking vote was cast by a conservative Bush appointee, Kevin Martin. Martin sided with his Democratic colleagues, a surprising position, but one made easier, say observers, by the fact that a few prominent conservative pundits, chief among them Glassman, had taken AT&T's side in the argument. "Glassman's clueless," opines an economist who specializes in telecom and supports relaxed regulations on both cable and phone systems. "But he gives good cover."

As he has so many times in his career, James Glassman has recognized a new and largely untapped opportunity for his journalistic talents. If his past is any guide, two things are likely to happen. Other journalists and pundits will follow suit, touching off a growth market in Washington journo-lobbying—and then that market will crash.

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