

**Investment Banking and Women, Cycles in American Politics, Future of Office**  
**What Happens Next – July 18, 2021**  
**Paul Rahe QA**

Larry Bernstein:

Let's go back to the 2016 revolution that occurred as you said in both parties. On the Trump side, one of the areas that was this anti-expert, anti-bureaucracy, anti-federal governments at its core, but it doesn't seem like the bureaucracy has been changed by any of that. They are just as powerful in their abilities to continue to run the government. How will this revolution check the bureaucracy? And to what extent was the revolution on the Democratic side, the Bernie Sanders side, was that a pro-bureaucracy, a pro-expert revolution? And so that's where the rubber meets the road, and is that the hostility that we should expect? Is it a bureaucratic battle?

Paul Rahe:

Let me start with Sanders because it's the easier question to answer. The effect of what Sanders did was not to throw out the likes of Hillary Clinton and Joe Biden, but to put them in a box where virtually all of their underlings once you get below the cabinet level are people that are as progressive as Bernie Sanders. And the effect of it is a real push for a fairly radical change in American policy, which may or may not go through. But what it did do is it forced the Democratic Party to cater to its left wing in a way that it had not done in previous administration: Jimmy Carter, Bill Clinton, not even Barack Obama.

On the Republican side Trump was defeated by the bureaucracy to a considerable degree, the media elite, the elite within his own party. But that one's not over, and the reason is that he achieved his victory in 2016 by bringing in people to vote, many of whom were not voting previously. And by appealing to a demographic that the Republican Party has ignored for a very long time, which is the working stiff. And my instinct is he has changed the direction the Republican Party will go. Democratic Party has abandoned the working class to a large degree, it is now become the party of people who live in the fanciest zip codes in America. And that abandoned group, which includes many African-Americans and many Hispanics, could easily be picked up, and to some degree was picked up by Trump. Not to a sufficient degree to win him the election. But I think the voting composition of the Republican Party is going to look rather different.

And there are two major effects Trump has had, neoliberal policies are dead. The whole neoliberal globalist agenda has ground to a halt, and there is now a recognition that you need to focus on American citizens who have been nudged out of jobs by the export of American industries. That's one side to it. There's another area in which he affected a decisive change that has been picked up by the Biden Administration, and that has to do with both American economic relations with China, and also with American political relations within China. For 30 years, from the first Bush through Democratic and Republican administrations, we followed a policy towards China that was one of opening up our markets, of encouraging their economic

growth, and of bringing them into the liberal world political order. And it is now almost universally recognized by policy makers that that policy was a disaster.

The Obama administration began to think about that, that's what the pivot to Asia was supposed to be about. But it was the Trump administration, largely because he took on the bureaucracy, and I'm thinking of the foreign policy bureaucracy, that was set on a kind of path from the first Bush all the way through Obama, and Trump won that battle. That's going to make a huge difference down the road.

Larry Bernstein:

When I look at your list of revolutions in American history, your choices seem a little ad hoc. So for example, in the middle of the century you have the Harding landslide in 1920, and Republicans taking back the Congress in 1946. If someone had said to me, what was the most important change in government during that period? I would've thought it would've been the election of 1932 with the land slide of FDR. What he did was he radically changed the role and scope of the federal government, something that the 1920 Harding landslide could never have considered, and nothing that the 1946 Republican landslide and the Congress would have stopped. Why do you view these choices that you made as not being ad hoc? Why can't we just say that there's constant change, and tension, and different roles for government, and that a democratic process allows for change in leadership, change in ideas in that battle with the public?

Paul Rahe:

Look, I don't deny that events matter. You could have said what you said just about the Great Depression, you could have said about the election of Abraham Lincoln. 1860 is a much more important date than these dates that fit into the rhythm of American politics, and 1932 is. When something big happens, it has a huge impact, but despite that, every so often there is this upheaval and there's a kind of pattern to it. For example, your two examples, 1920 and 1946, both of them involve a kind of rebellion against the administrative state. The Harding election is a rejection of what Woodrow Wilson stood for, both in foreign affairs, but also in domestic affairs. The dry run of the New Deal was under Wilson those last two years, in which the American economy was run out of Washington. Similarly, 1946 had a rather huge impact.

Harry Truman wanted to keep wage and price controls after World War II. And think about the impact of the Taft-Hartley bill on American relations between companies and workers and so forth. Labor is still trying to get the Taft-Hartley bill repealed. So, is it as big a change as 1932? No way. And is the end of reconstruction as in 1876 as big a change as 1860? No way. Events matter more than this rhythm, but the rhythm goes on and the rhythm will have an impact. It will force an adjustment in American politics.

Larry Bernstein:

Let me go and give you a different example of the same concept. You focused on George Wallace's victory in the Michigan presidential primary. And you also mentioned the success that Ross Perot had as a third-party candidate in 1992. But if someone asked me during that period,

what were the two biggest impacts over the period, I would have thought that the election of Ronald Reagan in 1980 is a rejection of big government, would be one. And another one would be the huge land slide the Democrats had in 1974 that put an enormously large left-wing class, in the House that made policy throughout 1970s and 1980s. How do you think about why Wallace and Perot and not those other two factors as being real factors of change?

Paul Rahe:

They were factors of change and look, let me throw something else in: The Great Society. That was New Deal number two. So, lots of other things happen, but when you get something like what George Wallace did, it forces a rethinking and, and it took place. I covered the Wallace campaign. I was a 19-year-old reporter for the Oklahoma Journal, a now defunct newspaper in Oklahoma City. And I covered that campaign. It was just in the state of Oklahoma. It was absolutely fascinating and he turned out a set of voters that the parties had to adjust to. It was very important for putting Nixon into office, that those voters, largely Democrats left the Democratic Party. In 1992, the Ross Perot phenomenon, I think had to do with the savings and loan scandal. And by and large, that involved Democrats, but it involved also the son of the elder George Bush out in Colorado.

There was a sense in which there was real corruption, and there were grievances that had to be dealt with. And Ross Perot played upon that. And it forced a kind of rethinking, I think had Bill Clinton been elected that year without Ross Perot running in the presidential race, Clinton would have followed very different policies, much more to the left.

Anne Clarke Wolff:

Given how incredibly polarized our country is, is there any hope that a centrist revolution or a centrist candidate can tackle that or do you think that we're just going to have to continue to go to the extreme polarization before we hit a tipping point?

Paul Rahe:

It's a good question. I'm not sure that I have the answer to it. The polarization may continue until somebody wins a big victory. And see, right now, for the last, since say the year 2000, it's been a 50-50 country. Michael Barone is a friend of mine, and I can remember talking with him about this. And he said to me, this was true in the post-civil war period, too, not so much at the presidential level, but at the congressional level. And in those days, Congress really ran the show. And you'd get things moving back and forth and back and forth and he said, the competition becomes extremely bitter in those circumstances because each party thinks they can win. I don't know how this will play out, but I do know that the Republican Party is very likely to change in character in light of the demographic that was brought into the party by Trump.

And the Democratic party is going to have to cope with the Bernie supporters. And they have got to cope with it without going over fully to them, or they're really going to lose. It's a tricky balance to play. That doesn't answer your question, but I don't have an answer to your big question.

Larry Bernstein:

You talked about a lack of bloodshed. Why has the democratic process or these bloodless revolutions that you've described every 24 years calmed the violence? Why is there a sense of legitimacy to democratic change? Is there a sense of legitimacy because of the constitutional constructs? If we wipe out some of the major balancing acts that our constitution allows with separation of powers, do you think we will tend to move back towards more violent ways to settle disputes?

Paul Rahe:

Look, if you eliminate the separation of powers, then what you will have is a kind of dictatorship, a kind of monarchy. And we've seen something like that at the state level, in a lot of the states in response to the coronavirus crisis. And it has generated a great deal of anger and resentment, partly because the many of the regulations seemed arbitrary, partly because the people who handed down the regulations often did not abide themselves by their own regulations. People notice hypocrites like that. The separation of powers has a way of diffusing that, and the importance of the legislative branch, which has been declining in American politics, really ever since Teddy Roosevelt found his bully pulpit, but more in recent years.

The decline in the significance of the legislative branch is not a good thing because it is, especially the House is the most responsive to shifts in public opinion. And that allows a kind of accommodation of the people who are aggrieved. The way the democratic process works is we are asked every four years, shall we execute the guy in office, and we can execute him without bloodshed. It's often focused on him and not on his opponent. You can see that in the 2016 election.

And it allows for a venting of anger, resentment, and so forth, and that venting if it can be channeled in such a way that no permanent damage is done to people, is a very good thing. Behind Jefferson's thinking, by the way and all this is Machiavelli, Machiavelli and his Discourses on Livy was the first figure to say, solidarity is not good for politics. Conflict is good for politics and tumults meaning riots. If your institutions are right, can be an excellent thing. And Jefferson is the heir to Machiavelli in that way. But in a certain sense, electoral politics serves the same function and it allows a redress of grievances without violence and it's crucial that that be a possibility, which is to say that there be frequent elections and that the elections be conducted fairly, that the votes actually get counted.

Larry Bernstein:

Let me try something. I want to go back to Anne's question for a second. And she was really asking you, when can we have a centrist house, a centrist Senate, and a centrist president. And you just mentioned that these elections are really close, that these are a 50/50 nation, that we could easily see a flip in the Senate or the House in either direction at any moment. Why have the political parties not tried to govern based on the median voter to grab that central place? Why is the Biden administration choosing to govern from the hard left? I don't know if in your opinion, if Trump governed from the hard right or he governed from the center. I think what he may have done is just governed in a way that was inconsistent with previous partisanship. What

are your thoughts about why political parties do not govern from the center when you have a voter stock that's very close to the middle?

Paul Rahe:

One reason is the two parties have gotten to be very good at turning out their basis. And so there has been a tendency to concentrate on turning out your base. And if you can turn out enough of them, then you win. The reach for the center takes place when your base is not enough. Trump's a kind of bad example of this because he stepped on traditional Republicanism, just as hard as he stepped on the sort of the Democrats. And he actually brought into the Republican Party policies that on immigration, for example, that the Democrats had once champions. When we had blue collar labor unions on a very large scale, there was within the democratic base, a real suspicion of immigration. And it was shared by African-Americans because their jobs were at stake. The Republicans wanted cheap labor, so they wanted relatively open borders. It was complicated because of course the decision reached in the 1920s to limit immigration was lifted under John Kennedy. But he was kind of emphatically from an immigrant background himself, and that had an awful lot to do with it.