

The editor asked a number of classmates who have distinguished themselves in their careers to look back over the past half-century and reflect on the salient developments they have witnessed in their chosen fields of endeavor. He sought to focus on subjects of broad interest and importance to the larger society that have undergone significant change during our lifetimes. If the selection of topics seems somewhat eccentric, it is both because of the editor's idiosyncratic preoccupations and because some of the desired authors were not available. Nonetheless, it is hoped that these collective observations and ruminations will add depth and perspective to the individual autobiographical accounts that follow later in the book.—ED.

American Politics: From LBJ to Barack Obama

WILLIAM W. BRADLEY'65

FIFTY years is a long time in the life of an individual or a country. Over that period there will be change as well as continuity and one area of life will blend into another. Thus you cannot separate American politics from what has happened in America's foreign policy or economy or culture. To understand the path of our politics over the last half century requires a brief review of what has taken place in our country on other fronts.

On domestic policy: After Lyndon Johnson assumed office in November 1963, he built on the legacy of Franklin Roosevelt, driving passage of more than two hundred significant laws—among them Medicare and Medicaid; the landmark 1964 Civil Rights Act, which promoted school desegregation and outlawed discrimination in the workplace and all public accommodations; the Voting Rights Act of 1965, which finally empowered millions of African-Americans as voting citizens; the Immigration and Naturalization Act of 1965, which expanded entry of non-Europeans into the United States; the Elementary and Secondary School Act of 1965; the Higher Education Act of 1965; the Gun Control Act of 1968; and the Fair Housing Act of that same year. Many of those laws passed with bipartisan support. Today they are part of the fabric of our country. Most Americans would agree that they have changed it for the better.

The federal government was central to that change. Even with Republicans in control of the White House for twenty-eight of the last fifty years, the size of the federal government is bigger now than ever. Yet

William W. Bradley is a Managing Director of Allen & Company in New York.

the debate over the role of government remains vociferous, with conservative Republicans saying they want to eliminate much of it and liberal Democrats defending its inexcusable excesses and inefficiencies. Both parties, though, seem willing to ignore the sad truth that government is often simply about apportioning the spoils of victory in a dispiriting battle of who gets what. Few among us are ready to accept big government as necessary in a complex world, and to insist on it being accountable.

On foreign policy: In the spring of 1965 Johnson escalated United States military involvement in Vietnam with troops totaling over 500,000 by 1969. Mirroring President Johnson in 1965, Barack Obama has just started the third war against radical Islam in the last fifteen years—unable to resist what advisors tell him is the necessary use of force. Indeed, since Vietnam, the U.S. has launched more than twenty foreign military interventions, all in the name of opposing evil or spreading democracy. These actions reflect a continuity in our foreign policy over the past fifty years in support of an American presence in the world undreamt of by our founders and unheard of until after World War II, the last of our necessary wars.

So what has changed?

WELL, for one thing, the economy, both in its structure and in who gets what from it. In the last 50 years there have been seven recessions and two financial crashes, but the Dow has risen from 869 at the start of 1965 to 17,529 as I write. Even with that stock market performance, inequality has grown dramatically in the U.S.

Median household income adjusted for inflation took a slight upward trajectory during the 1970s. But in 2013 it was \$51,939, just \$200 higher than it was in 1990.

According to the Census Bureau, in 2013 some 45.3 million people lived below the poverty line (\$22,350 for a family of our)—with the exception of 2010, the highest number in the fifty-two years that the bureau has published the statistic.

In 1965, manufacturing represented 22 percent of U.S. employment. Now it's 9 percent. From 2001 to 2012, some 40,000 factories closed in America and six million people lost their jobs. Many of those jobs went to China, Mexico, or Southeast Asia.

In 1965, people felt secure with their defined benefit pensions, which assured them a specific amount of income for retirement and left the management of the money to their company's hired professionals. Now most companies no longer manage their employees' retirement income. Employees are on their own and a retirement crisis looms on the horizon, with millions about to discover that they have to work longer and retire with less. Thirty-five percent of retirees get 90 percent or more of their income from Social Security.

Technology has also had a marked effect on employment. Back in the 1960s no one had imagined the personal computer, the Internet, the smartphone, robotic surgery. Nanotechnology and artificial intelligence were things of science fiction. While on one level these discoveries reflect the strength and creativity of America, on another level they have led to yet more job loss and lower incomes for large numbers of Americans. The good manufacturing and service jobs that are gone far outnumber the new jobs created by the Googles of the world. The question of what will happen to those left behind has not been answered successfully by government or the private sector.

All this outsourcing and technological development has sharply diminished the economic prospects for the middle class. In 1965 many of us believed that our standard of living would be higher than that of our parents. Now a large swath of Americans doubts that proposition. What was once a core American belief—even birthright—has become for millions of Americans a source of fear, anger, and bitterness. If you can't get ahead no matter how hard you work, then America becomes a different place in the world's eyes and, even more importantly, in our own.

America's culture has changed, too. There are more divorces, more single-parent families, more drug use, more home schooling, and more professional sports teams. There are fewer churchgoers, fewer union members, fewer thoughtful media outlets, and fewer neighborhoods where neighbors look out for neigh-



bors. In the 1960s only 11 percent of married women with young children worked; by the late 1990s that number had risen to 71 percent—partly out of choice but more often out of necessity.

Our culture seems excessively coarse, marked by gratuitous violence and sex without meaning. Everywhere people are making excuses for their failures, from the athletic field to the corporate boardroom, and then salving their mistakes in the warm balm of public relations. As long as you act a hair's width within your lawyer's definitions of the law, you seem to get a pass that exempts you from doing what is not just legal but also right.

I had a friend who worked at the highest level of three major investment banks over twenty-five years. He told me that once, when he refused to work on a deal he didn't think was right, the head of the firm came to him and said, "I know what we're doing is unethical, even immoral, but I can assure you it's not illegal."

All of these changes have obviously had an impact on our politics. Frank Capra's *Mr. Smith Goes to Washington* may never have been a totally accurate depiction of what goes on in our national capital, but in 1965 it was far more likely to be believed. Now TV dramas such as *House of Cards* epitomize the cyni-

cism that people have about our politics. The media have let us down too. From a time when reporters covered the public facts, the media now seem to live for the superficial, sensational, and extreme. They are rewarded more for invading the privacy of celebrities than uncovering fraud in the defense sector or revealing the misuse of union member dues. Instead of investigating a politician's private life, the media should be investigating his or her public actions. There's a Pulitzer Prize embedded in nearly every tax or appropriations bill if a journalist simply digs for it. Meanwhile, our politics has gone from the collegial to the deeply partisan, from a time when senators spent the first four years of a six-year term being a legislator and two years mostly as a candidate to an era in which a senator is now a candidate for nearly all six years, largely driven by the necessity to raise money. *

At the core of the Washington culture and our politics is money. It rewards the politically connected. It burdens politicians with the need to raise it. And once they've raised it, it compromises them. The money culture angers citizens—it tells them they don't count except as taxpayers who have to bail out banks "too big to fail." It prevents us from breaking the logjam around the deficit. It builds weapons systems unwanted by the military and bridges nobody wants. It protects the old dying industries and ignores pioneering new companies. That kind of money can prevent the best ideas from becoming reality.

In my first campaign for the U.S. Senate, in 1978, I spent a total of \$1.68 million for the primary and general election. When Jon Corzine ran in 2000 for the same seat, he spent more than \$62 million—most of

* Much of what follows originally appeared in a book I wrote in 2012 entitled *We Can All Do Better*, published by Vanguard Press.

it his own. The 2008 federal elections cost a total of \$5.3 billion. The 2012 contests ended up costing over \$6 billion.

Lobbyists know their field well, and their input to legislation can be valuable, but they should not be allowed to connect the provision of that knowledge with donations of money for a political campaign. There is something fundamentally wrong when a lobbyist—whether representing business or labor—comes to a legislator’s office to plead his client’s case and then four hours later appears at the legislator’s fund-raiser in a nearby restaurant with a \$10,000 check. The link between money and policy must be broken.

President Obama had a window of opportunity to change our politics. As his first presidential initiative, he could have sought voluntary public financing of congressional and senatorial campaigns. In the early months of his presidency, he had a 70-percent approval rating and a Democratic House and Senate. He could have said that “changing Washington” meant you had to end the money culture. The people had elected him to change Washington, he could have said, and so he wanted hearings on campaign finance reform in the first two weeks of the congressional session and a bill on his desk by March. I believe he would have gotten it, but his political advisors were said to have argued against pushing that reform because it was not high in the polls on what people really cared about. Of course it wasn’t. How could you expect a population in economic shell shock to say anything other than “Deal with the economy, and protect my job and my 401K, and give me access to health care.” The irony is that while reform wasn’t a high priority in polls, it was absolutely necessary for the passage of laws in the areas that people did list as their top five issues. Without reform, a battle to pass bold legislation on health care or energy or jobs would be a lobbyist’s feast, and large-scale success would be diminished—which is what happened.

TO ANYONE who practices politics, the corrupting influence of money seems obvious, but not to the Supreme Court. In 1976, in *Buckley vs. Valeo*, the Court said that the money spent by an individual on his or her own political campaign was political speech, protected under the free-speech clause of the Constitution, and therefore could not be limited. This decision opened the floodgates for rich people to finance their own efforts. The first thing both parties’ campaign committees want to know about prospective candidates is not their biography or whether they have leadership or communication skills but whether they can raise money. By that measure, the best candidate is the one who finances his or her own campaign. According to the Center for Responsive Politics, 250 of our 535 representatives and senators are millionaires. That’s 47 percent of Congress. Just 9 percent of Americans are millionaires.

The problem of money in politics is not new, of course. As the vice-presidential candidate in 1900 with William McKinley, Theodore Roosevelt saw firsthand how Mark Hanna, McKinley’s campaign manager, required corporations to contribute a percentage of the profits they stood to make from favorable Republican legislation. The practice revolted Roosevelt, who was a true progressive, good-government type. So in 1905, as president, he pressed Congress to ban corporate contributions to political campaigns, which it did in the Tillman Act of 1907. For more than a hundred years that was the law of the land. In 2010, the Supreme Court ruled, in *Citizens United vs. Federal Election Commission*, that the prohibition of corporate contributions for campaign ads was unconstitutional because it limited the free speech of corporations. (One wondered if the Second Amendment, the right to bear arms, would be the next corporate right.) It seems to me that only speech is speech—not money or T-shirts or tents in a public park or whatever. Once you go beyond speech, you are on a slippery slope that leads to arbitrary decisions influenced more by ideology than by common sense. The Court decisions of 1976 and 2010 have made any comprehensive effort for campaign finance reform very difficult. All proposals must be voluntary to pass constitutional muster with the Roberts Court. Finally, to add insult to injury, the Congress in the waning days of the session in 2014 passed a bill that increased what a couple can give to a political party legally over a two-year election cycle to \$1,296,000. That’s right—\$1,296,000.

The reality of politics is so far removed from the Court's decision in *Citizens United* that you wonder if the Court has any idea how destructive the decision has been to our democracy. It makes you yearn for justices like President William Howard Taft, Senator Hugo Black, Senator Sherman Minton, Senator Harold Burton, and Governor Earl Warren, who actually practiced politics professionally before being elevated to the Court. They had a feel for people. They had made mistakes and suffered the electoral consequences. They knew the Court had to work with the world as it existed and nudge it in particular directions. They didn't force their opinions about what the Founders wanted two hundred years ago on the America of their day. They knew what it was to compromise and build a coalition. It is, for example, quite conceivable that only a former politician like Warren—working with three former senators, Black, Minton, and Burton—could have gotten a unanimous decision on *Brown vs. Board of Education*, the landmark case that desegregated schools in America.

The Roberts Court is now part of our political money problem, frequently choosing ideology over common sense, as if its judgments were divorced from the world around it. Its 2010 decision sits at the center of the selling of American democracy to the highest bidder. Year by year, election by election, decision by decision, power concentrates in fewer and fewer hands. The interests of the vast majority of Americans don't seem to be as important to the Roberts Court as judicial purity. In *Buckley*, the Supreme Court said in effect that it was just fine that the candidate with little money only has a megaphone while the candidate with a lot of money has a microphone. In *Citizens United*, the Supreme Court has approved unlimited contributions by Super PACs that can steal elections through widely broadcast lies. Instead of being constructive about a real problem, as Teddy Roosevelt was, the Roberts Court congratulated themselves for adhering to the narrowest interpretation of the Constitution. Today's strict-constructionist justices would do well to heed the words of one of our key Founders, Thomas Jefferson, in plain view on the walls of his memorial:

I am not an advocate for frequent changes in laws and constitutions. But laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their barbarous ancestors.

CONGRESS is for sale thanks to the Supreme Court's actions, but the situation is even worse than that. Many corporations can't even tolerate the disclosure required under *Citizens United*, opting instead to establish 501-C-4 and 501-C-6 nonprofits (often the arms of Super PACs), which can spend money on political advocacy without revealing the names of their donors. Some proponents of this scheme go so far as to argue that requiring disclosure would be a violation of First Amendment rights. In 1998, there were 10,406 registered lobbyists. In the peak year of 2007 there were 14,861. They don't work because of charitable impulses. They serve people who want more money from government, arguing for the passage of laws, regulations, or policies favorable to their clients' enterprises. The economist Mancur Olson argued that the influence of narrow interests can immobilize a democracy and prevent it from addressing the broad public interest. Such influence, like some cancers, grows slowly, but it can be fatal to the efforts by elected representatives to do what the vast majority of Americans need them to do.

There is no place in public policy where the juxtaposition of narrow interest versus the general interest is clearer than in tax policy. An ideal income tax system should have the lowest rates for the greatest number of taxpayers and assure that equal incomes are taxed equally and that those who have more pay more. Such a system would have lower rates than the current system and fewer loopholes. We're a long way from that today. Every time regular taxpayers hear about one group or individual getting special treatment, it tells them that government belongs to the few. They're not far from right. Worse, if the special interest gets the

tax cut, money that might otherwise have gone toward alleviating the problems of all taxpayers—in big areas such as education, health care, or pensions—isn't there. And because the appetite of the special interest is usually unquenchable, there will be requests for bigger breaks in the future.

Citizens have reason to ask how our democracy works for them. In 1998 the amount spent on lobbying was \$1.44 billion; last year the figure was \$2.41 billion. In 2009-2010, the financial industry contributed \$318 million at the federal level. Health care companies contributed \$145.7 million. The energy industry gave \$75.5 million. Is it any wonder that financial reform was watered down, health care reform had no public option to private insurance, and no energy program became law? Government unions block accountability for the performance of government workers. Congress blocks presidential appointments for the narrowest of reasons, trumping the popular will and rendering government more and more ineffective. To hide the true cost of government spending, legislation is rife with special definitions, delayed effective dates, tax breaks extended only for short periods, and rosy economic projections. Laws are passed only to have their effects muted in the regulatory process or their implementation delayed for decades by legal challenges from plaintiffs who hope for repeal by a future administration. All of Washington and most state capitols are in the grip of an insidious kind of corruption—one that uses money and the law to further narrow interests at the expense of the interests of all of us. “It might be unethical, even immoral, but it’s not illegal” is the new watchword.

SOMETIMES the most cost-effective investment a company makes is in its Washington office. From 1998 to 2010, when the financial industry bestowed \$2 billion on its various champions in Washington, the industry was transformed: Regulation disappeared, leverage increased, risk skyrocketed, and institutions became gargantuan. Each of these steps was made possible by changes in public policy. While the industry’s political contributions may be obscenely large, they pale in comparison to the profits made possible by such changes in law and regulation. When the financial industry almost collapsed at the end of that profligate decade, endangering the economic health of hundreds of millions of Americans, lobbyists for the industry went to work on the Hill to make sure that nothing fundamental would change. I’m reminded of a well-meant pep talk I delivered long ago to a high-school student working as a Senate page, which I concluded (perhaps rather patronizingly) with, “Learn how to write an English sentence, know the history and literature of the country, and then with a little luck, you can become a U.S. senator, too.” The page looked at me, puzzled, and replied, “I want to be a lobbyist.”

The financial crisis of 2008-2009 was caused by specific policy blunders, such as acceptance of increased leverage, failure to regulate derivatives, repeal of the Glass Steagall Act, and reducing regulations on Fannie Mae and Freddie Mac. These actions benefited a few in the financial world even as they undermined the financial stability essential for economic growth and raising standards of living. Middle-class Americans participated in this fiasco by borrowing money for homes and consumer goods they couldn’t afford. But their recklessness was encouraged by liberal credit—and, of course, by the mortgage industry, which gave them mortgages beyond their means because the banks got paid for selling mortgages, not for making sure they were repaid. Besides, the dicey mortgages would probably end up in the coffers of Fannie or Freddie. Your taxpayer dollars at work.

The question asked was never “What is right?” The operative question was “Can I get away with it?” Indeed, in one poll of Wall Street executives, 85 percent said they’d do anything to make money if they thought they could do so with impunity. That attitude is symptomatic of the wider cultural norm, which holds that if it’s legal, it’s OK. If you’ve ever seen the power of special interests at work in the writing of laws, you know that that’s not the right answer.

There are answers to the money problem. Public financing of congressional and senatorial elections would help. Ultimately we might need a constitutional amendment that gives the federal government as well as state and local governments the right to limit the amount of money spent in a political campaign. In

the 19th century when state legislatures sent corrupt U.S. Senators to represent them in Washington, it was a constitutional amendment mandating direct election of senators that improved our democracy. The same type of response is needed today.

AMERICA starts with many strengths. We are endowed with vast natural resources. Our economy is still the largest and most dynamic in the world by a wide margin, with the most sophisticated capital markets and the most mobile population. Our people are resourceful. Our graduate schools and many of our universities are among the best in the world. Our political institutions remain flexible enough to accommodate bad news and then allow us to regroup. We have a legal system that functions with relative impartiality (unless you are poor and black) and a judiciary that for the most part is above politics. Americans remain deeply patriotic, willing to heed the nation's call in times of danger. An appealing tolerance allows most of us to live side by side with people from different backgrounds in such a way that we often learn from them. Creativity abounds—from scientific research to the arts, from entrepreneurship to the innovative cultures of many large business organizations. With all these strengths, it would be a tragedy if we were to allow the power of money to drag us down and stop us from being who we can be as a nation.

Although we differ on the best way to respond to it, Americans are uncomfortable with the poverty in our midst. It offends our sense of America's promise. Most families teach their children to be diligent and abide by the rules, because they believe that with honesty, hard work, and a little luck you can accomplish anything in America. The nonprofit sector has given the charitable impulse a way to improve society and has provided individuals with the means to serve their neighbors. History itself gives us reason to hope—from the revolution led by George Washington to the efforts in nation building by Jefferson, Adams, and Hamilton to the leveling instincts of Andrew Jackson, the almost mystical sense of destiny expressed by Abraham Lincoln, the tough progressivism of Teddy Roosevelt and Woodrow Wilson, the ebullient caniness and resolute courage of FDR, the plainspoken decisiveness of Harry Truman, the battle-tested wisdom of Eisenhower, the expansive inclusiveness of LBJ, the unflagging determination of Ronald Reagan.

The outcome of upheavals in each of these presidents' times was far from certain. Settling a continent, fighting a civil war, overcoming the violence and inequality of industrialization, persevering through world wars and ideological confrontation, rebounding from economic depression after economic depression, overcoming the legacy of slavery, and remaking our democracy at regular intervals: America has been tested. Each time the challenge seemed formidable. Each time we made it through. The assumption is that we will make it through our current times, too, but nothing is guaranteed. In a democracy, the result depends on what the people want and how their leaders lead. The last fifty years have given us examples of great courage and miserable failure. We can only hope that, going forward, the people will insist on their right to have an honest, far-sighted government, and that politicians will find a deeper, truer patriotism—one that puts country ahead of party, insists on all of us advancing together, and sees our pluralism as a unique American strength. There is no reason that such a future cannot become a reality.