

# **OPEN SOCIETY INSTITUTE**

**James Piereson Forum**

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[START TAPE]

MR. GARA LAMARCHE: I'm Gara LaMarche, vice president of the Open Society Institute, and it's my pleasure to welcome you to OSI for the latest in our forum series noting the tenth anniversary of the U.S. programs of OSI, "How Strategic Funding of Conservative Ideas Changed Our Landscape- A Conversation with James Piereson," who is sitting at my left. I want to say a little bit about Jim Piereson who I had the pleasure to have a conversation with at some length earlier this week and who I've known a bit over the years that I've been in philanthropy. Jim is a senior fellow at the Manhattan Institute and director of the Center for the American University. He's also president of the William E. Simon Foundation, named after its principal benefactor, former U.S. secretary of the treasury, William E. Simon. Jim's research focuses on the importance of classical, liberal education and intellectual pluralism. Before joining the Manhattan Institute where he's based now, Jim was the executive director and trustee of the John M. Olin Foundation for 20 years and previously I think he was a program officer at the Olin Foundation. He comes out of the academy and taught at Iowa State, and the University of Pennsylvania, teaching courses in U.S. government and political theory. He's written a number of books and articles and currently he serves on the boards of the Manhattan Institute, the Center for Individual Rights, and the Philanthropy Round Table of which he was chairman for four years in the late 1990s.

It's an interesting experiment that we're doing tonight here at OSI and I'm delighted to invite into OSI for conversation someone from an institution whose grantees are often working at cross-purposes with some of the grantees of the Open Society Institute. But in *A Gift Of Freedom: How the John M. Olin Foundation Changed America*, a book by John J. Miller that came out earlier this year and was very well reviewed, Miller provides a history of how the John M. Olin Foundation changed America. Miller writes that when Olin Foundation president Michael Joyce went on to head the Bradley Foundation, the trustees of the Olin Foundation felt there was an obvious choice and that was Jim Piereson who was then working very closely with Mike Joyce. The search committee as it happens that chose him was Mike Joyce, Ed Feulner,

who's now I think the president of the Heritage Foundation, and Irving Kristol. It was quite a distinguished search committee that led to the selection of Jim Piereson.

MR. JAMES PIERESON: It was fixed.

MR. LAMARCHE: Excuse me?

MR. PIERESON: It was fixed.

MR. LAMARCHE: It was fixed, obviously it was fixed. The Olin Foundation, as many of you know, has been a key institution for the American right for a number of years, and has played an important role in the creation of the Federalist Society and supported conservative thinkers and writers like Allen Bloom and the creation and funding of institutions like the Manhattan Institute. The Olin Foundation has been a very significant player and it is a delight to be able to have Jim here to talk to us. It's hard to imagine anybody here with a stronger conservative pedigree than Jim and, as a funder of people like David Horowitz, whose recent book is called *Unholy Alliance: Radical Islam and the American Left*, he may seem like a strange visitor to the house of OSI. But while I've disagreed with Jim and the Olin Foundation on a great many issues over the years, I really admire very much the way the foundation and Jim have gone about their work and I think that we have much to learn from it. He's also a very nice and thoughtful and civil fellow.

MR. PIERESON: So you think.

MR. LAMARCHE: So it appears. We welcome you to our house. For the next hour or so we'll have not a debate, but really a conversation to be joined by others in the room about the principal practices and accomplishments of conservative philanthropy and what we can learn from that. So let me start out, Jim, by asking you, since conservatives have had a run of success—defined, for the moment, as dominance in the two branches of government and setting the terms of public debate—for some time now, I think few people will disagree with that, what do you think is the key factor in this? Is it money, ideas, strategy, marketing? What would you say?

MR. PIERESON: Well first, Gara, thank you for inviting me. I think I'm happy to be here. Conservatives and progressives live in different universes and look at things from radically different perspectives. They don't speak to one another all

that much so I'm pleased to be here. Congratulations on your tenth anniversary. The book by John Miller was fairly well reviewed. I didn't pick the title and I think in some ways it's kind of an unfortunate title, at least the subtitle but publishers and editors pick titles, authors don't, certainly the subjects don't, but thank you. Your question is what accounts for the run of success of conservatives?

MR. LAMARCHE: Yes, and among the different factors that go into that strategy, ideas, marketing, what would you place highest?

MR. PIERESON: Well, some have emphasized strategy. I think I would place ideas probably at the top. You know there's a lot to be said about the run of conservative success in the late '70s down until relatively recently. But one has to remember that liberals governed the country really from the '30s to the '60s into the '70s. One could say their ideas became exhausted in power; one could say there is a wide perception that by sometime in the '70s liberal ideas were not working any longer. If you look at the prime rate, foreign policy, the performance of the U.S. economy and other things. So if you said that there is kind of a natural alteration or cycle of power in the United States, one could point to that as well. I think that conservatives were working at the margin in American politics in society for a long time. When Barry Goldwater lost the election in 1964, there was the thought that conservative ideas had been totally discredited. Of course there were thoughts they had been discredited during the Depression as well and it was a surprise that Goldwater tried to resurrect them. So the thought that free market ideas would still be not only around, but would be as influential as they are today would surprise a lot of people. I think the short answer to your question is that liberal and progressive ideas and policies became exhausted--no longer worked--and conservatives were there beginning in the late 1970s with a whole set of broad ideas which worked. We went through some years of historic bull markets in the American economy; the Soviet Union disappeared. No one would have believed in the 1970s that in ten years or fifteen years the Soviet Union would disappear and socialism would be discredited so I think all of these are factors.

MR. LAMARCHE: We like to take some credit for that at the Open Society. [Laughter] Go on.

MR. PIERESON: Well I think you deserve to take some credit for it. I think in general, though, it was Ronald Reagan and Republicans who were able to garner the political credit mostly for it. You know there is also the fact that the Democrats had flung themselves into minority status in the 1970s--no political party had ever done that before in American history. So I think there are a lot of factors in play. I think we did have a strategy as a conservative foundation and we can talk a little bit about that. When we began, we had no clue where we were going. It looked clear in retrospect what we were doing, that's the way that all things work, but we really felt our way along. In the end, I think we had a set of fairly robust ideas that appealed broadly to the American electorate. They were ideas that could be tried and tested in practice and in policy, and they turned out to work.

MR. LAMARCHE: So let's sidestep for a minute the ideas themselves and question the success of the ideas and talk about the role of foundations, such as Olin, which is obviously an authority in advancing them. Tell me how great a role you think--without, you know, being modest or shy about it--a foundation like Olin or small conservative foundations play in forming this conservative opinion, both in the popular imagination or the liberal imagination? What role did you play? What was the particular impact of the role that you played?

MR. PIERESON: Well, I think the role of the foundation in line with the think tank and various other entities is fairly large. The conservatives did not exist very much as an intellectual movement in American society really before the 1970s or 1980s. The liberals were the party of ideas; they owned the academy and the university. The main think tanks remained liberal in orientation. Conservative ideas in the 60s and 70s and 50s were kind of out on the margin of American society. A lot of them were thought to be fairly cranky ideas--free market ideas at the time were thought of in that way. So I think what the conservative foundations and the think tank did was to make the conservatives and the Republican Party conversant with ideas and make them respectable from the standpoint of ideas and intellectuals. I think modern, contemporary politics, is heavily driven by ideas probably more so than in the past. I think that maybe in the past it was driven more by interest. But in an age of television and mass communication and that sort of thing,

ideas are very important, so it's necessary for the parties and the candidates to have the artillery of the think tank. Now the foundation stays is some degree in the background. We provide the money to Heritage and the Manhattan Institute and various developments, but they did all the work. I'm not sure how much credit we could get for it other than to, you know, funnel the money in the right direction. The other thing is, and in that such coordination occurred, it did not necessarily occur in the offices of the foundation. It occurred via the efforts of the policy entrepreneurs like Feulner and Bill Hammett. They would come up with an idea to start an institution of some sort or start a project and they would talk to their people and say, "Well, where do we go to get money?" and there were these three or four foundations that they would go to. So they would all come to us serially. We would make phone calls and exchange notes and so on...but money would eventually be put in place. So I did not spend a lot of time on the telephone plotting. This was kind of done a little bit at the other end. This is sort of natural because they have the incentive to go out and find the money.

MR. LAMARCHE: You're kind of saying that they organized you in a sense that...

MR. PIERESON: Well, that might be a little too strong. There's certainly that element in that they were searching for money. Remember there were only a small number of conservative foundations. There was us, there was Scaife, Earheart maybe, when we started. Bradley didn't yet exist. Smith Richardson existed; Smith Richardson then fell away because of a family dispute in the late 80s. There was a corporate foundation here and there. One thing that's interesting is, you know, while the conservatives are accused of being connected to corporations, you never worked the large corporations at all. I can think of one large corporation whose philanthropy kind of moved in our direction and that's it. The large corporations, I don't know how to describe their philanthropy, but if you looked at it, a large number of them would be known as funding liberal groups. Corporations tend to spread their money around in small sums, so they're not going to have an impact on anything. My point is that we never worked with corporations, they were never a significant factor in anything that we did. What we did was way too

controversial for corporations.

MR. LAMARCHE: Just to get a sense of the scale here, in the twenty years you were there, or let's say in the life of the Olin Foundation, how much money was, roughly speaking, given out on the annual level?

MR. PIERESON: Well, over twenty five years from 1980 to 2005 we spent a little under \$400 million, \$380 million, that was the number, something like that. We spent, from the mid-80s to the early 2000s, 2002, 2003, between \$15 and \$20 million a year, \$20, \$21 million at the top. Usually it's somewhere in the \$18 to \$19 million range, so that's not real large. I did an article a year or so ago where I compared the annual expenditures of the five largest conservative foundations with those of the five largest liberal foundations and the conservative foundations spent no more than \$100 or \$150 million a year, \$200 million at most and the liberal foundations were spending as much as \$2 billion a year. Now I recognize that the people you brought in do not consider the Ford Foundation to be a liberal foundation. We've had this discussion. I can tell you that the people that I deal with certainly do consider them to be a liberal foundation, like MacArthur and Carnegie. I guess it's a matter of perspective but if you look at funding it does fall on the liberal side. So it's interesting they deny that. We acknowledged that we were a conservative foundation but they would never acknowledge that they were a liberal foundation.

MR. LAMARCHE: Why do you think that is?

MR. PIERESON: That's a good question. It seems to me to be obvious, I always wondered is this Machiavellian defeat or is this self-perception? I'm not sure which one is at work. Um, but it's probably genuine. There is a tradition in progressive and liberal thought that they are expert problem solvers, that what liberalism consists of is a set of tools or expertise to solve problems that all these things you see out in society whether it's poverty or something else, these are problems that can be attacked from a scientific point of view if you can only assemble the right experts. And so, you know, from that standpoint it's not ideological that their efforts can fix things with the application of expertise. In fact progressivism arose out of that and the early foundations arose from that idea. Rockefeller and Carnegie actually studied all this. An early advisor to Rockefeller,

I think his name was Gates; had this idea of scientific philanthropy. You define the problems and you define the solution. So there certainly is that idea. Now it always seemed to me that when McGeorge Bundy served at Ford, he got the Ford Foundation into the concept of advocacy, with the foundation as an organizing group that would advocate and put pressure on the government to do various things through litigation or through, as I say, research studies and advocacy that would lead to policy. The conservative foundations developed their tactics to some extent from watching what Bundy did at the Ford Foundation.

MR. LAMARCHE: Well, I guess that's a good thing...

MR. PIERESON: Well, it's somewhat ironic that a lot of progressives are now looking at conservatives.

MR. LAMARCHE: Well, no, that's what I was just thinking. You seem to think that the political cycle looks kind of complete. I may wish for this and you may not want to hear it, but the conservative wave may be at a peak and they may be going, you know, at some point in more of a progressive direction.

MR. PIERESON: No, no, no. That was our discussion here, the idea, the typical idea. Certainly there is an element of that when you are in power, you exhaust your ideas. I think conservatives and Republicans are to some extent approaching that and may have been for a while. I'm very uncertain as to whether Democrats and progressives can exploit that. I have a sense that the first George Bush and the current George Bush, represent two of the weakest candidates that a major party has put up, yet they won three of the four elections that they contested. And that suggests to me more or less the strength of the conservatives and Republicans and the weakness of progressives and Democrats. You know, you could explore why that's the case. I believe that Democrats are a structural minority in American politics and will remain that way for the foreseeable future. That doesn't mean they can't win national elections but they would have to have circumstances line up as they did with Clinton. Al Gore should have won the 2000 election easily, and some people say he did win. However, if he did win, he didn't win by very much. Now if you go back to 1988, Bush was able to win that election fairly easily. So I think there are some structural aspects in American politics that have made Democrats

something of a minority, and that probably won't change until some event happens to shake it loose.

MR. LAMARCHE: Um-hmm. I can't help it, and it wasn't where I intended to go, but my interest was piqued by the comment about the elections. I can't fault you on the Democrats' complicity in their own defeat. But what do you think is the weakness of George Bush? A lot of people thought he was a very good candidate.

MR. PIERESON: Well, I think he did not really have much of a non-Republican base. Both of those elections were extremely close, and you know, his popularity has sagged a lot, I guess that's because of the war in Iraq. It just didn't seem to me that he was a particularly strong candidate. It surprised me that Democrats didn't win both of those elections. I think Dole was an even weaker candidate, Dole was weaker. I'm not sure the Republicans have fielded really strong candidates after Reagan. Reagan, I think, was a powerful candidate and could have won as long as he ran. There is the idea that the Republicans don't really use strong candidates; they're running on a set of ideas and that there's some momentum behind them and that's enough to carry them through.

MR. LAMARCHE: Are you in the camp of conservatives who think that Bush has let down conservative ideals?

MR. PIERESON: No, I'm not in that camp. I've been generally pleased with Bush. There are a lot of conservatives who don't like his spending. There are a lot of conservatives who don't like his foreign policy. But I think they've been able to keep people in the tent, because they have more fear of the Democrats coming in. The conservative movement has stuck fairly well together.

MR. LAMARCHE: There's a view on the left, which I don't particularly subscribe to, that single issue constituency groups try to pull the Democratic Party in one direction or another and so on. On the right there also seems to be a lot of internal struggling, but it doesn't seem to have been destructive to the success of the conservative agenda. How do you manage to do this?

MR. PIERESON: Well, I think the groups that you're talking about on the right are a little bit larger and there aren't as many contradictions in those groups.

MR. LAMARCHE: You mean like pro-life groups and the NRA?

MR. PIERESON: Well, I think the evangelicals represent something of a contradiction on the right. I'm not sure how to answer that. As I said, the Democrats have flung themselves into minority status since the '70s.

MR. LAMARCHE: What do you mean when you say that? It's a point of view that I haven't heard expressed quite that way. You're saying it's kind of an act of self destructing...?

MR. PIERESON: I'm talking about how the McGovern Commission that was formed after the 1968 convention basically kicked the labor union and the urban political leaders out of the party and established a quota system of women, minorities, and youth to replace them. And then from that point on, Nixon very shrewdly moved in and picked up some of the labor unions and Reagan democrats--white, working class union voters in urban areas in big states--those are the classic groups that were kind of formed out the Democratic Party. What's surprising is that this idea that was created by the McGovern commission has had staying power. Women, minorities and youth is a prism through which progressives seem to view most of their politics, and that is something that you don't see on the right. We recognize the demographic groups but conservatives don't view it as representing or tying them to a particular interest.

MR. LAMARCHE: One of the things that fascinates me and that we talked about a little the other day is why conservatives seem so defensive at a time when they seem to be running the world? Why the inferiority complex when they have all this power and control?

MR. PIERESON: Well, all of us live in New York.

MR. LAMARCHE: [Laughter] Do you agree with me that there is...

MR. PIERESON: There certainly is.

MR. LAMARCHE: The self image doesn't quite catch up with the actual...

MR. PIERESON: There certainly is the idea of an embattled movement and it remains very powerful that when you go to conservative meetings it's kind of an idea of us versus them and that kind of thing. Maybe it is an inheritance that keeps the thing together. We're talking about all the

success of conservative ideas but you know, the truth is--and this is one of the things that keeps the conservatives together--the liberals have done pretty well without winning elections. Somebody said we had a cultural war and the liberals won. And I think that is largely true. You think about the religious right. They certainly supply a vote which allows Republicans to get elected but it's hard to think of any major battle that they're interested in that they've really won. There's abortion, and I think the liberals have won the affirmative action wars and the diversity wars. The morning-after pill has come in, and there's a whole range of things that they don't like, gay marriage, gay rights. I think liberals will win the gay marriage issue. It may take a little while but they'll win that one. So that's one of the things that keeps a sense of embattlement going because it's a source of great frustration among conservatives who win all these elections to lose a lot of these battles.

MR. LAMARCHE: Isn't it true that there's a view in which conservatives, broadly defined, care about all these things in varying degrees and that's a great concern?

MR. PIERESON: Yes. That's true. There's certainly a secular wing in the conservative movement in the Republican Party that's more interested in free market than in religion. You know there's a coalitional aspect. People at the Heritage Foundation--you hear them talk about abortion and they're all right to life, but they don't really do anything on that issue but that's more or less where they stand and that's true of a lot of conservatives. I would say that the neo-conservatives are a very important element in all this. What happened in the 60s and 70s was that evangelicals came into the Republican Party in the south and that was enough to flip the thing politically and electorally but from the standpoint of ideas and intellectuals, the neo-conservatives are a decisive factor. They are mostly all ex-liberals. They left the Democratic Party because of both the government forum and foreign policy, the Soviet Union, the Cold War, that sort of thing. What they did is they brought a strikingly different line of argument to conservative thought. You know Bill Buckley, I love him dearly. He's a very good friend and the most influential of all the conservatives, but the group around *National Review* that was formed in the 50s, when they argued against the welfare state, the arguments didn't get

very far, they would argue that it's not in the Constitution, for example, that we have a Department of Education or a welfare program or whatever. And that argument didn't get very far. What the neo-conservatives did was they brought a more direct line of argument that would say welfare policies are not working. Or they would say that government expenditures are leading to disastrous consequences. They brought more of a social science kind of approach to conservatism which it lacked. I think in the modern day and age, you need a "policy analysis" kind of argument and their argument was that the consequences of liberal policy were bad and therefore we should change the policy. It was no longer an argument that it's not in the Constitution.

MR. LAMARCHE: Let's take the issues that the Olin Foundation focused on, in what appears, in retrospect, a way that may be more improvised and opportunistic than we seem to think. Let's take the courts and your role in helping to launch projects examining them. What were your concerns about and what were you trying to do?

MR. PIERESON: Well, that's easy; we were getting killed in court. The policies we've made in Federal Court have all been made in a liberal direction. This is a hangover from two things, one the fact of how Roosevelt and his democratic successors used judges, and the other, which is the theory of the law that came out of the elite law schools and had great influence over the court. We felt that over these thirty years, the court was increasingly a target for the conservatives, and was very high on the list. Getting some decisions back on the floor and getting the Federal Court and the Supreme Court back into their constitutional box; there's a lot to be said about that. In *Brown v. Board of Education*, a very important case, the Supreme Court was, in a way, correcting the failures of the electoral branch. There is no way because of the power of the South to move that issue from an electoral standpoint and the court by and large moved it. But based on that highly legitimate step, the court then decided to solve all sorts of other problems, abortion being probably the biggest one. So, conservatives from the late 70s on were very focused on the courts. That's why the Harriet Miers appointment caused so much conflict because here you are; you're ready to replace Sandra Day O'Connor who was basically the swing vote on the Supreme Court and you're going to appoint Miers when you've got all these great people

lined up. Fortunately that was corrected but it was almost as if he was not aware that for thirty years we were fighting this battle.

MR. LAMARCHE: But they did take care of that pretty well.

MR. PIERESON: Well, it was not done in a highly sensible way. It would have been the end of the Bush presidency because conservatives would have abandoned him. And without the conservatives with him, he couldn't have done anything from this point forward. So, the courts were very important and when these youngsters came from Yale and Harvard and Chicago and said they wanted to start this organization to create groups in the various law schools with conservative-minded law students, we agreed to give them some money. I remember giving them a hard time when they came into the office: "Why do you want to create a national office? You're just kids." Well, they did it and they succeeded. They've created these chapters and they have powerful alumni. They invite liberals to debate. Conservatives do a lot of that, bringing in liberals to debate. Conservatives have this idea if they can get their ideas on the table, they'll do okay.

MR. LAMARCHE: You mean liberals who are generally reluctant to debate?

MR. PIERESON: Well, I have a prejudiced view but I think so. I think there are probably less liberals inviting conservatives to their forums, present company excepted. The Federalist Society is probably one of our greatest success stories. I don't think there's any question about that. All the judges and lawyers have gone through the Federalist Society and there's a whole herd of law professors. The thing about the Federalist Society is that they moved into elite law schools where they have the most presence. We just wanted to do something and we had no sense that the Federalist Society would become successful.

MR. LAMARCHE: I'm thinking about the comment you made about Brown and I wonder if I could just return to it. You seem to see Brown as necessary or as a corrective to a failure in the political process because the electoral branch wasn't addressing it. So I don't understand exactly what your principle is.

MR. PIERESON: Well, because what is to say that every time they do this, it's going to be an act of progress or justice? In 1858 the Supreme Court thought they were solving slavery with the Dred Scott decision and they ignited the Civil War. I think that this is not uncommon in human affairs. Something is done and it works and it seems legitimate and the rules now apply to all sorts of other things where it may not be appropriate. Take the abortion decision; that is an issue that was in fact being worked out in the political process. Several states had adopted fairly liberal abortion laws in 1973, New York is one. California is one. Massachusetts is one. It was working itself through the process. There is no powerful reason really there to intervene on grounds that the political branches were incapable of doing it. I'm not even sure that the principle is valid that any time the political branches don't move on anything that the court should.

MR. LAMARCHE: Oh, no. I don't think that. But I do think there is an exception in some cases.

MR. PIERESON: Well, I think what they might have done was simply said that segregation was illegal under the Fourteenth and overruled segregation with the Fourteenth Amendment. But they had a kind of a convoluted set of reasons that came to say that separate but equal was legitimate if they could be made equal but it was inherently unequal. Yet they had to do some research even though it was likely to fall. It might have been cleaner if they had just said, "segregation is wrong under the Fourteenth Amendment" and let it go.

MR. LAMARCHE: So you're generally pleased with justice today, and kind of pleased with the Federalist Society now?

MR. PIERESON: No.

MR. LAMARCHE: Why?

MR. PIERESON: Well, I think that if you add up what I think planners in the Soviet Union called the Correlation Portrait, --the kind of armament on each side--I think conservatives have very strong electoral support, so therefore in electoral season, by and large, Republicans and conservatives do fairly well. It's been a long time probably you have to go back to '74 or '76 when the liberals had a really good election. You know Republicans and conservatives had a lot of them. But between elections, conservatives are not anywhere near so strong and liberals have a lot of things going in their

favor. Just look at the courts. I think that of the nine justices on the Supreme Court, seven were appointed by Republicans and Clinton appointed two of them. But there's no conservative majority on that front. It may be four, four and one. A couple of the most liberal justices were appointed by Republicans, Stevens and Kennedy are probably two of the most liberal justices. It's always said the Republicans are far more partisan than Democrats but if you look at the record of judicial appointments, the Republican appointees really flip much more than the democratic appointees do. But why is it that they go in that direction? There are a lot of theories about what they call the Greenhouse Effect, named for Linda Greenhouse of the *New York Times*. I think the law schools are also a factor, as well as the Bar Association. The American Bar Association, they pass all these resolutions and all these studies, they're very liberal almost across the board. So the legal profession is, on all these matters, at least the organized aspect of it, tilted toward the progressive side and that has an effect on the court. You go for thirty years and get seven appointees to the court but you still don't have the majority and by the time you do, then they start retiring and you have to start all over again. In another thirty years, you might still have only four. I think, also there is the fact that conservatives in the court do not behave like liberals and progressives do in court today. That is conservatives act like conservatives--they do not make far reaching decisions. You're not going to get a lot of path breaking decisions from Republican and conservative judges but you're not going to get decisions that really move the ball in the conservative direction. I think liberal judges have been prepared to do that following the Brown decision. It would be as if today's Supreme Court just decided to strike down the public school system. Conservative judges would never consider doing anything like that. Their views are much more modest and that's because they're conservatives.

MR. LAMARCHE: You've been very concerned for a while of what you seem to see as the active imbalance toward the left on campus. Can you talk about that?

MR. PIERESON: Well, I'm heading up this project at the Manhattan Institute at the American University. The university just left the culture of the liberal left and the foundation of the Democratic Party and the more or less official philosophy

of the major American universities which is diversity. Everything is about diversity. The groups that are represented under the diversity philosophy that are organized in the Democratic Party by the McGovern rule are basically the constituents of the Democratic Party. Now they'll say they're underrepresented, but you know, Baptists are underrepresented at Harvard too; so are Russians and Poles. And to this they say, "Well, they weren't repressed." The Irish were oppressed and we don't have programs for the Irish and so on. So the reason why there is such an imbalance toward the left on campus is because universities have been organized with the same principles as the Democratic Party is organized on. And then you ask yourself, well then why do all these wealthy Republicans give them so much money? And it's certainly a good question that we ask all the time. But I think our thought is that there should be diversity understood as giving everybody a chance. But there should be intellectual diversity on college campuses as well. That is to say, the range of opinions shouldn't just be from kind of a left wing of the Democratic Party.

MR. LAMARCHE: The left of the left wing?

MR. PIERESON: Right. There should be a range of opinions and I recognize that there are a lot of difficulties with that, but the university would be more robust if there was more of a debate on campus and I think universities would be more important in American life because I think the university is less influential in American life in general today than at any time since roughly the period between 1830 and 1860 when it had almost no influence. And why is that? It's mainly because it's skewed so far in one direction, and events in the wider world do not necessarily move in that direction. Events in the wider world move in a somewhat different direction. So the case I make is a little self-serving but if universities want to regain the relevance that they had in the 50s and 60s, they need to have a wider range of opinion and a broader range of debate on the campus.

MR. LAMARCHE: What are some of the things that one does to achieve this?

MR. PIERESON: Well, this is where the problem arises. How does a university do that? First of all, very few conservatives want to study and become professors. And those who do wind up in think tanks.

MR. LAMARCHE: Is that because they want to make money or--I'm serious--or because they find it a better environment?

MR. PIERESON: I think they find that the environment on campus is not particularly convenient to what they're trying to do. They will have difficulties getting promotions and advancements. And academics is a very small audience and they want to talk to a broader audience. I don't think conservatives need to be represented in the academy to continue to have political influence because the people in the think tank talk to a broad audience and they develop policy ideas which are communicated to policy makers and to journalists and educated laymen. Academics today don't even begin to talk to that kind of audience. Democrats used to be able to draw on ideas from professors. Kennedy stocked up his administration with Harvard professors. But professors don't have much to say to political leaders. It's very difficult for them to run on the post-modern ideas that come out of the academy. So, I think that if left academics were challenged on a consistent basis by some conservatives, they would come up with ideas that were more pertinent to the broader political process.

MR. LAMARCHE: I want to ask you a couple of questions, and then we'll open it up to the folks in the audience. One of the questions has to do with assessment and evaluation; issues of judging how effectively you had used the money you were given and how it had been spent.

MR. PIERESON: Well, we never did a lot of evaluation in a formal way. We followed the stuff we funded and we asked people about it. By and large, there was very little in the way of formal evaluation. Every year we tried to look at a major grant and we would have to evaluate it when they came up for renewal. We would send out the proposal to others and ask, "Well, what do you think of this? How are they doing?" So, we did a kind of evaluation, but it was never very formal and we never brought in consultants or anything like that to evaluate them. I know that evaluation is a big issue in philanthropy. But I think if you're working in the world of politics, it's very difficult to make any concise evaluation of this stuff because sometimes somebody can do something and it won't bear fruit for ten, fifteen, or twenty years.

MR. LAMARCHE: That also relates to long-haul funding, right?

MR. PIERESON: Well, once we started funding something and it seemed to work, we generally stayed with it. You know the difficulty with that is that every year, more and more of our resources get locked into giving grants. It's difficult for a lot of foundations because they don't have lot of discretionary funds. But we never really cut anybody off if we felt that they were successful in order to provide money for someone else who was untested.

MR. PIERESON: Our people became very dependent.

MR. LAMARCHE: A cultural dependency. So the Federalist Society's funding obviously came to end.

MR. PIERESON: Well they were able to go out and raise a lot of money from other sources. They're doing very well now. And that's true of a lot of those groups. There are a very small number of conservative foundations and there are a large number of individual conservatives out there who can give five or ten thousand dollars. I think that the liberals were dominated by big institutions, which is something of a paradox because the left wants to be more democratic and egalitarian. But I think big institutions are much more prominent on the left, such as big foundations, big organizations, government, that sort of thing. Conservatives rely a lot more on a large number of smaller contributors and organizations.

MR. LAMARCHE: Now that leads to my final philanthropy question which is these big foundations that you're talking about often came out of the gate and they would go on paying out five percent. Olin chose to go out of business and that was a quite deliberate decision and something that Olin felt strongly about. Do you believe that in general that it's better for foundations to have a limited life span?

MR. PIERESON: We've resisted making a generalization for everybody. I think that in the 1969 Tax Act, Congress did include a limitation for all foundations over a forty year period and it almost made it into the final version of the Act. I don't exactly know the story of how it was taken out, but it came very close to being law in 1969. But, I think it's something that all foundations should at least consider. John Olin left these instructions with all of us, and there was never any question what we would do. Basically it's a question of do you want to spend the money and your own time

and try to influence the current situation and rely on the money to more or less take care of itself, and the new owners will come on the scene and take care of the problems in the future? Or do you want to preserve this money to address unseen, unanticipated problems directed by unknown people. That's really the choice. We chose to try to influence our own era, probably in terms of where conservatives were. It was probably more urgent to spend a lot of money now rather than preserve it for the future. You could say that we invested in an institution that will carry on that might not otherwise have existed had we not decided to spend ourselves out of existence. Instead of spending that \$20 million a year, we could have been spending about \$5 million a year, but obviously we could never have done quite so much if we had. So for us, I think it was the right call. I think that there's going to be a lot more donors coming on the scene because what we've done in the last twenty-five years, not just us, I'm thinking about the country, is a little bit reminiscent of what happened in the late nineteenth century, that is, from about 1880 into the 1900s you had all these wealthy industrialists and all these foundations, such as Carnegie and Rockefeller and other institutions that were created on the basis of these fortunes. A lot of universities were created out of them--Vanderbilt and the University of Chicago--some of the greatest universities in the country were created by those fortunes. We've done something similar in this period, I think in the creation of fortunes with Warren Buffet and Bill Gates. They're not doing the same thing. They're not building institutions as far as I can tell. I think the generation of philanthropists a hundred years ago, built a lot of important institutions and they invented a lot of important things like medical research. I'm not sure that this era will make that kind of contribution. The fortunes made in this period were often made in the stock market rather than through industrial things. So maybe this generation of philanthropists is less entrepreneurial than other ones. But you know if we believe in cyclical periods and that progressivism was developed in the wake of this view that the right has gone too far uh, in the direction of dog eat dog. That sounds negative, but there could be a similar reaction of this kind out there. I don't see it, but maybe it's there.

MR. LAMARCHE: Well, in the past you didn't have to deal with the donor and whether he knew what you were up to.

MR. PIERESON: You always have a challenge when the donor is still alive. We had that for a while and I'm on the board of the foundation but they have that issue, so good luck.

MR. LAMARCHE: Now, I'm going to ask you a question as I also invite those of you sitting here to ask questions. You mentioned Brown vs Board of Education earlier. Have there been any other liberal contributions to American society over the years that you would now approve of?

[LAUGHTER]

MR. PIERESON: There are many. The problem with liberals is that they have a good idea and then take it too far. Obviously the civil rights movement was a good thing, but then it became quoted as multiculturalism. Environmental contributions are extremely important but among some it became a war against modern industrial society. The women's movement was tremendously important. Liberal feminism is a tremendous contribution. But feminism as a war of women against men is a very poor idea. So yes, there are a number of them. I think that you don't see conservatives or Republicans talking about taking any of those things back. They talk more about moderating them or are worried about them going too far and getting taken out of perspective. I think in a lot of ways those liberal movements have shaped American society to where it is today. I think conservatives have won a lot of political battles but only because there's a sense that some of these reform movements just went too far. It's a little bit like how Republicans and a lot of conservatives wanted to take back the New Deal in the 1950s, but Eisenhower didn't. I don't think Republicans today want to repeal the 1960s, although they do attack certain aspects of some of those years. But generally, I think conservatives and Republicans respect a lot of what was done in the 60s.

MR. LAMARCHE: Thank you. Now we'll take some questions from others.

BILLY WIMSATT: I have a three-part question. First, what are the top three criteria when evaluating a new perspective grantee coming to you? Second question, for the sake of experiment, pretend you came over to the progressive side. What would be some strategic inventions you would make, if you were going to come be our Karl Rove for a week? What are a few things that you would do? And the third question, what do you see

as some areas of common ground, where we could work together towards some common goals?

MR. LAMARCHE: Great questions.

MR. PIERESON: Well, those are very good questions. I'm trying to figure them in my mind. In terms of criteria, I don't think he ever wrote anything down in terms of criteria. We wanted to know if we've got anything going in this area, does this fill a gap of some sort. We didn't have a lot of money so we couldn't duplicate a lot of stuff. We tried to do a few things in each area. The Federalist Society filled a niche in the courts. We spent a lot of money on a lot of the state think tanks because we felt there wasn't anything going on in the states and there was a feeling that the liberals, once they were out of Washington, would go to the states, so we had to do something there. But there are a lot of examples of that. We tended to want to go to institutions that were very influential in American life and promote programs. That meant the top universities, some of the most influential think tanks. When you did law and economics and you went to Harvard and Yale and Stanford and Chicago and that sort of thing because we felt that those institutions would have more effect than just sitting in New York. So that was the general strategic line that we followed; working with these institutions. We spent a lot of time over the years trying to find a way to work at the Council on Foreign Relations. Of course that's the heart of the liberal establishment, but we felt that we could do something there that would be influential. By and large, we never looked at an institution and said "that's a liberal institution; we're not going to work there." We tried to find a way in if we could. People talk about the Charles Murray book on welfare and how it's very influential. That took a long time to happen but Irving Kristol brought Charles Murray to our attention. Murray went to Kristol and said, "you know, I'm working for the government, I want to leave and I have this stuff on welfare that I want to do," and Irving sent him to us. Some other conservatives funded as well and then he published an article in the *Public Interest*. My point there is just to say that we did want Irving Kristol to endorse it. Irving would have the wherewithal and the capacity to smoke that thing and make it have results. Now you asked a question, what would I advise to the left and the progressives? Well, that's a good one. We had a much different problem than you have. We

didn't have anything when we started in the late 70s. We have no institutions at all in the mainstream of American political life. We had to build that and that's more or less what our contribution was over twenty five years. I would say that reading the material before coming here, that there is a great emphasis on the progressive side in defending and supporting groups that are unpopular. For example, when I read the material, I see that a lot of money is spent on defending welfare benefits and that sort of thing for illegal women. The ACLU supports the people who are detained at Guantanamo. It seems to me that it's difficult to build a large base with that, isn't it? There's nothing wrong with that emphasis. It's not mine or ours. It's entirely legitimate, but it's very difficult to take that rights-based approach and build a broad majority because you're not speaking to a majority. I would say that it's probably important for you to continue doing that sort of thing but it will be difficult to parlay that into broad political influence in terms of electing a Congress or electing a President. I think Clinton stumbled onto a successful approach that is condemned by a lot of people. Clinton always tried to speak to a broad electorate with the stuff that he was doing. He didn't speak only to the constituent group, so it depends on what you want to accomplish. If you were looking to pass law through Congress and have broad political influence, I think it's difficult with a rights-based approach. But if you don't do the rights-based approach, I don't know who's going to do it, and I think it's probably important for it to be done. Now we'll fight and argue with you over it, but it's better to have that fight than not to have it at all.

MR. LAMARCHE: In retrospect.

MR. PIERESON: I think in terms of the political dynamics, there was a lot of cooperation between the public and Congress and Clinton.

MR. LAMARCHE: Yeah, I'll give you that.

MR. LAMARCHE: The final question, Rob Stein is at the mike but um...

MR. PIERESON: Did I answer the third part of that question?

MR. LAMARCHE: Not the third one but let's just talk a little bit about areas of common ground among liberals and

conservatives.

MR. PIERESON: Well, I'm not sure there are a lot of them. As I said, I think we operate in different universes. Conservatives have a sense of embattlement. I don't think the liberals quite have that, that sense.

MR. LAMARCHE: Not in Manhattan, no.

MR. PIERESON: Not in New York, but maybe in Wichita. I'm sure they do in Wichita. I don't know that there are a lot of areas in which some conservatives can work with. Perhaps with immigration. There are a lot of conservatives who have apparently liberal views on immigration, the Wall Street Journal, for example. It has a view that the people who come here want to work and they should be encouraged rather than discouraged and all that. I have a sense that that issue is about to head off in a very ugly direction. I'm not sure that there are a lot of areas of common ground. I'm going to be on a panel in a few weeks and we're going to discuss this. Liberals and conservatives don't occupy institutions where they're really forced to talk to one another. Maybe at universities once or twice, but they have not really done much anymore. In the political system, the tone of the conversation is getting uglier and uglier. So we've all created our own institutions. I think one of the things that conservatives decided was that we could make no progress working in liberal institutions; we had to build our own. So I think that instruction and dialog should be encouraged because I think the rhetoric between left and right is much sharper and more hostile than the actual difference between left and right. Some of the rhetoric is defined in the relationship rather than, you know, the real interest. A lot of organizations are able to raise money by picking fights with people and gaining prominence with this, which works on both sides of the spectrum.

ROB STEIN: Well, Jim, having studied you and spoken of your works with a certain reverence, it's been a pleasure to actually hear you. Thank you.

MR. PIERESON: Thank you.

ROB STEIN: I want to ask a question about the future. I think that whatever one attributes to conservative philanthropy of the last thirty years, it's pretty clear that conservative philanthropy has been very, very successful in focusing on

building the 501(C)3 component of the conservative movement. There were a handful of foundations to begin with and you funded some individuals and then you created an unstructured network of funders and then the philanthropy round table. So you've aggregated a lot of individual and foundation funders over these years. You've created what I like to refer to as movement philanthropy instead of a social change philanthropy that the boards of liberal foundations did and moved it into a more activist focused, politically oriented, philanthropic purpose. What's the future? Over the next five or ten years, what does the 501(C)3 conservative movement institution need from conservative philanthropy in order to continue to grow and prosper?

MR. PIERESON: Well, that's also a very good question and I'm not sure I can answer it. I did write this article a year or so ago and I said that we've come to an end of a second era of conservative philanthropy, the first era ran from the late 40s into the 70s, and it was very small but it was very philosophical. The next phase was Olin and Bradley and so on to the point where we close. That was heavily influenced by a lot of factors but neo-conservatism was a very important aspect of building all these institutions. A lot of that has now changed. Olin is out of business. Mike Joyce at Bradley died. It's unclear where the leadership in conservative philanthropy is going to come from. I think that the conservative foundations were important, as you say, for funding infrastructures. But they are very important also in providing some strategic leadership for conservatives and deciding where the money will go and all that. In my opinion there's kind of a vacuum there and I think the leadership has evolved out of the foundation into the think tanks themselves. I think most of these think tanks get their money from a wide range of endowments as opposed to foundations so I think that we are, on the conservative side, very much into a different era than when we were without significant foundation leadership. What will happen? That's a very good question. It's very hard to keep anything going for very long in any phase of life whether it's a business or a foundation or whatever, and we had a very good run. I don't see it ending, but these things do go in cycles, and I don't see that the liberals quite have that problem; they have a lot of money and a lot of foundations. The problem is to give it some kind of focus and that's your job.

MALE VOICE: I'd like to ask you kind of a core economics question. We've had twenty years, or twenty five years of laissez affaire economics, running \$300, \$400 billion deficits, borrowing from China to buy wide screen TVs, running deficits in budgets, Medicare, and the rest of it. Have conservative ideas really triumphed in the sense of the supply side pairing of tax cuts and military spending? How is that fitting with the structural crisis of conservatism that has to do with the American economy? Do you see an upward line of growth or is there some kind of crisis coming in terms of the size of government and the choices that need to be made?

MR. PIERESON: You know when I said that the structure of politics is kind of in place until something comes along to knock it off, some crisis in the economy would be that thing obviously. It may depend a little bit on who is sitting in the White House and Congress when it happens. I think the question is this: we've had twenty five years or so of more or less market approaches and you've pointed to some negative consequences, the trade deficit and the fiscal deficit: Is this going to generate some kind of a crisis? Well, that's hard to say. Of course we did have an eighteen year bull market in stocks, and compared to where we were in the late 70s, we did have very solid economic growth through the 80s and 90s, and we did undo the Soviet Union. So those are real consequences of a positive time. Liberalism didn't come unglued because free market ideas were better; it came unglued because it seemed to stop working with the bad economy in the 1970s and when the free market was an alternative that seemed to work. But you're right, twenty five years is a good run. To answer your question, has it been a success? Yeah I think that anything that's had a run of twenty five years or so in political life or human life has to be regarded as something of a success, at least to the point where it kind may reverse itself.

MR. LAMARCHE: Well I've been impressed with how Jim has responded our questions, and particularly the candor and care with which he has addressed them. I've enjoyed listening to what you said tonight about the way philanthropy ought to try to achieve it's goals and how foundations ought to be organized and how they go about their business, how they answer to donors, conduct evaluations, and develop criteria for

projects. While we may not agree on many issues, I think we have a lot of commonality on some of the more bureaucratic aspects. I find myself feeling strangely optimistic about the world of philanthropy. The fact that conservative philanthropy seems to be at the end of its cycle is also very good news from my point of view so you've given us a lot to be hopeful about. I very much appreciate you taking the time and the candor to come and talk with us.

MR. PIERESON: Thank you.

[END TRANSCRIPT]