

The Washington Times

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A think tank oxymoron?

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THE WASHINGTON TIMES

Published October 26, 2003

Why have the "conservative" think tanks been so successful, while those on the left have withered? The Democrats have been increasingly concerned by the fact they are losing the war of ideas, and they ought to be.

John Podesta, President Clinton's last chief of staff, is the most recent prominent Democrat to attempt to build a left-of-center think tank, known as the "Center for American Progress."

Mr. Podesta was quoted in the New York Times Magazine as saying conservatives "built up institutions with a lot of influence, a lot of ideas. And they generated a lot of money to get out those ideas. It didn't happen by accident. And I think it's had a substantial effect on why we have a conservative party that controls the White House and the Congress and is making substantial efforts to control the judiciary."

Mr. Podesta is correct in his analysis, but he and his Democratic colleagues appear to miss the essential reason for the success of the "conservative" approach and the repeated failures of the "liberal" approach.

The left calls all think tanks "conservative" that do not endorse big government statist or socialist solutions to problems. Hence, they lump the libertarian Cato Institute in with the more traditionally conservative Heritage Foundation, and the more neo-conservative Hudson Institute, and so on, all under the label "conservative." Such an approach from the Democrats is self-defeating because it leaves all the honest intellectual debate to the non-statists.

For more than 200 years, from the time of the French Revolution, almost an infinite variety of statist or socialist models have been tried. There were the various utopians, the Fabian socialists, the communists, the National Socialists (Nazis), and the almost endless varieties of social democrats. None were successful because of inherent contradictions that Ludwig von Mises, F.A. Hayek, Milton Friedman and others so brilliantly described. The left, by starting with the premise that the solution to a problem must involve "state" control, so limit options they are bound to fail in the intellectual wars.

The non-statist, "conservative" think tanks are unified in looking for market solutions to problems because empirical evidence has shown most "state" solutions cause more problems than they solve.

Just because "conservative" think tanks understand the superiority of markets and private property does not mean they agree on the optimum approach, let alone on social and foreign policy issues. There are "conservative" think tanks that are pro-life and ones that are pro-choice; some were in favor of the Iraq war, and some were against.

There is also vigorous debate and difference of viewpoint among scholars within various "conservative" think tanks on many different issues. If you attend the Cato, Heritage, American Enterprise Institute and other "conservative" forums, you will find that virtually no opinion is off limits for discussion, so long as it is well thought out.

The problem with think tanks of the left, or closely affiliated with the Democratic Party, is that they are captives of the statist ideal or self-serving constituent groups, like unions. Hence, even though it is widely recognized public schools are failing in many places, a leftist think tank would likely be unable to set forth a voucher program or some other support for competing private schools because it would upset the teachers unions. The conservative think tanks are not so constrained, and hence they have provided proposals ranging from better management of public schools to support of only private schools.

Social Security is another issue where the left is impotent to find a solution. Serious scholars understand that, because of demographic changes, the existing Social Security system must be altered. Because those on the left are stuck in a mindset that only a government program is acceptable with no decrease in benefits, they are forced to promote a plan of never-ending tax increases to support the program, which at some point becomes self-defeating.

"Conservative" think tanks have come up with a variety of plans for partial or full privatization of Social Security, and hence the serious intellectual debate about how to solve the problem is all on the "right."

Tax policy is a prime example of how the left has trapped itself into intellectual irrelevancy. The Democratic candidates for president and most of their supporters say the tax system needs to be "fairer" — by which they mean the rich (however defined) should pay higher tax rates on their income.

Good economists understand that high marginal tax rates discourage work, saving and investment and that it is destructive to tax productive savings and investment multiple times. Yet the Democratic candidates for president are all proposing tax schemes which would lead to more taxes on capital, hence lowering both economic growth and job creation. If they want to find less destructive ways to tax the rich more, then they might consider taxes on things the rich like to consume (e.g., home compounds on Cape Cod), and not tax them on what they contribute to the common good — capital.

Mr. Podesta and many other political figures of the left are correct in their need for new ideas, and our political processes would serve us better if the parties of the left truly had new solutions. However, if a new left-leaning think tank is only going to provide "solutions" that involve new or expanded government programs and "higher taxes on the rich," it will be no more relevant and successful than all the failed statist and socialist institutions of the last 200 years.

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