

C H A P T E R S E V E N

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A LABORATORY
FOR CHANGE

WHEN SOME FUTURE HISTORIAN chronicles the evolution of New York City's intellectual life during the last two decades of the twentieth century, his first task will be to explain why the policies that helped transform the nation's greatest metropolis were hatched not by the professoriat at Columbia, NYU, Fordham, or City University, or in the editorial pages of the *New York Times*, but rather by the cadre of independent thinkers and writers associated with the Manhattan Institute.

Our historian will need something of a literary touch. Without it he won't be able to do justice to the institute's big events, especially the annual Wriston Lecture, which has been held every year since 1987 at the Plaza Hotel, attracting hundreds of guests, many of them national figures, who come to hear major addresses from major figures such as Tom Wolfe, Rupert Murdoch, Norman Podhoretz, and Condoleezza Rice.

He will also need to recapture the dazzle of specific moments, such as the day in October 1999 when the institute sponsored the New York “debut” of presidential candidate George W. Bush. In his speech at the Sheraton Center, Bush challenged a Republican Party too narrowly “focused on the national economy, to the exclusion of all else, speaking a sterile language of rates and numbers, CBO and GNP,” and overlooking the “moral duty to ensure that no child—I mean no child—is left behind.” Anyone there that day will recall how effectively Bush outlined his education plan, clearly influenced by the institute’s work, to “reduce regulation of schools, make them compete for dollars and students, finance the construction of charter schools, [and] get money directly to students and parents.”

When these remarks—setting forth Bush’s ideal of “compassionate conservatism”—appeared the following day on the *New York Times*’s front page, it became clear that a major political figure had arrived and that the institute would likely be a major influence in the event of a Bush presidency. The institute’s prominence was confirmed in spring 2001 when White House political maestro Karl Rove spoke at a large institute lunch at the Plaza.

My own preference, however, is not for such institute showcases. It is for smaller, more intimate events, in which an unexpected moment of communion is achieved. This happened in November 2001, when V. S. Naipaul, newly awarded the Nobel Prize for literature, spoke at an institute lunch at the Harvard Club to an audience still in shock from September 11. Debris was still being dug out of the huge hole a mere 60 blocks away, where the World Trade Center had stood, and when Naipaul came before us that day, you could sense the need in the room—the need for explanation, for illumination, from this literary master who, for 20 years, had been exploring the hidden world of the new Islamic nations.

“Islam is not simply a matter of conscience or private belief,” Naipaul wrote in his 1998 book *Beyond Belief*. “It makes imperial demands. A convert’s worldview alters.... His idea of history alters.... The disturbance for societies is immense, and even after a thousand years can re-

main unsolved; the turning away has to be done again and again. People develop fantasies about who and what they are; and in the Islam of converted countries there is an element of neurosis and nihilism.”

Naipaul must have sensed his audience’s need for explanation, yet he refused to provide what we were looking for, and on some topics—Israel, for example—declined to comment at all. Not, surely, because of timidity or self-censorship—Naipaul’s career has been a victory over both—but for reasons of intellectual and moral discipline. Just as he had renounced the telling of “little stories,” as he put it that day, in order to explore the real-life drama of radical faith, so too had he renounced the temptation of feigned knowledge.

Naipaul is a literary heir of Joseph Conrad, who just over 100 years ago wrote a famous credo distinguishing the artist’s obligations from those of “the thinker or the scientist.” Those two types of intellectuals, Conrad wrote, “speak authoritatively to our common-sense, to our intelligence, to our desire of peace or to our desire of unrest; not seldom to our prejudices, sometimes to our fears, often to our egoism—but always to our credulity.” The artist, by contrast, “speaks to our capacity for delight and wonder, to the sense of mystery surrounding our lives; to our sense of pity, and beauty, and pain; to the latent feeling of fellowship with all creation—and to the subtle but invincible conviction of solidarity that knits together the loneliness of innumerable hearts, to the solidarity in dreams, in joy, in sorrow, in aspirations, in illusions, in hope, in fear.”

Before his Harvard Club audience, V. S. Naipaul exemplified Conrad’s ideal of the moral artist. He told us he had spent years plumbing the sources that erupted on September 11. But as a writer, he *knew* only what he had seen, heard, touched, smelled, and tasted. Unless he had firsthand experience of an issue, he was not qualified to discuss it. As a journalist, he had encountered many people and had taken the measure of their aspirations, their fears, their memories. He could tell us what they told him plus what he had observed. But that was as far as it went. Naipaul offered a bracing lesson at a time when all too many were presenting themselves as oracles and sages.

The Limits of Policy Analysis

I don't believe that Naipaul meant any criticism of the prescriptive thinking that is the business of policy intellectuals. But his mere presence, as a witness who for years had encountered reality in all its diverse forms, nonetheless lingered in my mind as a quiet rebuke to the reflexive patterns that political intellectuals (myself included) so often fall into.

The policy intellectual, in struggling to master complex issues and then prescribe remedies, always risks misapprehending humanity in its variegated fullness. Where the problem most often arises is not in analysis itself but in the surrounding dialogue in which policy is designed, debated, and enacted. The most telling example of this kind of confusion that I can think of is...myself. Though by no means a policy professional, I have been a friendly observer of the Manhattan Institute for several years now, and have occasionally written about or, as an editor, commissioned articles on topics close to the institute's concerns. When asked to put the institute in historical context—within the larger world of think tanks and against the backdrop of the rise of conservative ideas—here is what I initially came up with:

The most remarkable fact about the Manhattan Institute is also the most obvious: it was launched in New York City in 1978. A quarter-century later, this may seem a bland datum, but not to those who remember the New York of the time. The previous year had been as horrific as any in the city's modern history: a midsummer blackout that lasted 25 hours and was marked by city-wide violence, including arson and looting; a crazed killer ("Son of Sam") terrorizing the city with a 44-caliber handgun, randomly targeting young women in supposedly safe enclaves in Queens; and the federal government's refusal in October to ease the city's fiscal crisis, inspiring the famously morbid Daily News headline, FORD TO CITY: DROP DEAD.

The city had all but ceased to function. As disturbing as the damage inflicted on some 30 neighborhoods during the blackout was the police response to the unrest that night. As many as 10,000 officers ignored the call to report to their precincts in time—payback for layoffs and cost-cutting measures. Criminal and cop thus shared a contemptuous indifference to New York's fate. Municipal gov-

ernment—the pumping heart that shunted services to the intricate capillaries of communities, rich and poor, uptown and downtown—had stopped working.

The familiar, comforting images of New York as a melting pot of immigrants and a patchwork quilt of vibrant neighborhoods now had been replaced by images of violence and despair, most memorably in Martin Scorsese's 1976 film *Taxi Driver*, which depicted a Manhattan on the brink of apocalyptic explosion. To live in New York was to encounter daily emblems of surrender: cracked panes in the bodegas, subway cars festooned with graffiti, drug dealers who patrolled like lords the once-treasured oases of Bryant, Madison Square, and Washington Square Parks.

This was the New York that saw the arrival of the Manhattan Institute, the brainchild of a British multimillionaire, Antony Fisher, who, through the think tank that he helped found, the Institute of Economic Affairs, had influenced the market-driven reform ideas that Prime Minister Margaret Thatcher would implement when she took office in 1979. Fisher now sought to create a companion organization across the Atlantic, its "mission," as its current president, Larry Mone, recently described it, "to develop and disseminate ideas that foster greater economic choice and individual responsibility" in New York and thereby influence other cities and perhaps federal policymakers.

Factually, the foregoing is accurate, I believe. Yet the picture it gives of the New York City I knew during the late 1970s and early 1980s is not true to what I felt at the time. I wasn't living in the city during the blackout, so I won't comment on it. But I moved to New York soon after and, like most newcomers, found its variety and vivacity endlessly stimulating—the Felliniesque carnival of the streets, the brisk purposefulness of the throngs in midtown and on Wall Street, the hints of power bodied forth in the towering midtown skyscrapers, and the secrets concealed behind the stony faces of Fifth Avenue apartment palaces.

The hunt for David Berkowitz ("Son of Sam") was for me not a frightening episode but a gripping one; the *News* headline not a cry of despair or anger but a big-city smirk at the rubes in Washington, D.C. The Manhattan depicted in *Taxi Driver* was a vision of hell, but a coruscating hell, and the film itself was plainly a masterpiece.

Even in its most depressing aspects, New York offered tiny, indelible

truths about the human condition. I lived with two college friends in a poor and dangerous neighborhood: 106th Street and Manhattan Avenue, just west of Central Park at its northern end. The street was a ruin of cracked pavement, splattered paint, and shattered glass. On one corner stood a mass of rubble and crumbled stone turrets that had once been a nursing home; it had been closed after its disastrous conditions caused a citywide scandal. Our neighbors included teenagers who were burgeoning criminals; one soon landed on Rikers Island. We were not surprised when our stereo disappeared one day and our new “friends” had no idea who might have filched it. Nor did this seem terribly important. It was a small detail in a larger picture. Glimpses into our neighbors’ lives revealed harrowing facts—sundered families, teen pregnancies, drug addictions passed from parent to child. But none of this felt like urban “pathology.” It felt like life. So did the eruptions of humor and affection, the strengthening bonds of trust with our neighbors over the months, and the bursts of music and movement that would soon be known as rap and break dancing. Our neighbors, whom we saw daily, got by in the ways people do under duress. And this was only one slice of the Manhattan we knew. A world away—though reachable in minutes via the Eighth Avenue subway line—were the exciting downtown clubs, small caverns whose walls reverberated from explosions of sound.

Beneath the strata of danger and decay, in other words, familiar life-giving energies flowed. The no-man’s land of the “alphabet” avenues on the Lower East Side bristled with aesthetic experiments, most of them dreadful, some interesting, just like the art experiments in any other time of creative ferment. Meanwhile, gifted figures like Jay McInerney—who bottled the zeitgeist in his novel *Bright Lights, Big City* (a work as fresh today as when it first appeared in 1985)—united the uptown and downtown worlds. So did *Spy* and *Interview* magazines. I remember meeting one or two people my age who disliked New York in those days. But they were striking exceptions. It was an exciting period, and it is gratifying to see that some have begun to rediscover it.¹

The point of all this reminiscing is that the Manhattan Institute is best

¹ See, for instance, A. O. Scott, “On the Edge of the Neo-70’s,” *New York Times Magazine*, October 5, 2003.

understood not as a gale force that swept a dirty city clean but as one of many improvisatory agents, wildflowers sprouting up from the ashes. Though a self-described institute, it was much too interesting to be an institution. It was, as Tom Wolfe recalls elsewhere in this volume, “half a dozen souls crammed into an office dingier than a movie private eye’s, seven flights up in a sorry, use-the-stairs, the-elevator’s-broken building on Manhattan’s West 40th Street”—only a few blocks away from Times Square. Not the Disneyfied Times Square of today, but the lurid night-town at the center of Scorsese’s film.

It was here that the ideas that reshaped New York City, and other cities as well, were born or first tested: the celebrated “broken windows” approach to policing, the emphatic support of school vouchers, the push to privatize hospitals and reassess rent control, to rethink thorny issues such as racial preferences and the welfare system, and all the rest.

Changing the Vocabulary

I’m well aware that the picture I’ve just presented of a still-vital New York of the seventies and eighties goes against the grain of much conservative thinking in our time. It ignores the important distinction between high culture and low and mentions the conditions of the poor with no reference to the “underclass,” to the “culture of poverty” and “dependency,” or to “failed liberal policies.”

I’ve taken this approach not to provoke (okay, maybe a little), but chiefly because I think the occasion of the Manhattan Institute’s 25th anniversary is a useful moment in which to reassess the vocabulary that conservatism has used during its period of ascendancy and to consider, too, how the movement might go about restating its animating ideas so as to foster “fellowship” and “solidarity,” in Conrad’s terms, rather than to reinforce familiar polarities.

Vocabulary is important because policy ideas inevitably express themselves as language, whether it’s the “melting pot” or “maximum feasible participation.” To study the progress of American conservatism during the past half century is to observe that its language offers a complex and

sometimes confusing mix of intellect and emotion. When a conservative speaks of his “faith” in the free market, his “belief” in family values,” or the “blessings” of our constitutional government, he is using the language of religion to convey his preferences for a set of civic principles. So too in the oft-heard phrase “American exceptionalism.” If any single notion describes conservatism in 2004 it is this one. But is it an idea or an emotion?

After all, no two nations have identical histories or characters. Does it mean anything to say that Americans differ from Europeans when “European” is a term of geographical convenience and the nations it covers differ sharply among themselves—the British from the French, the French from the Germans, the Germans in turn from the Italians, and so on? If the contrast is with “Europe,” why don’t we speak of “North American” exceptionalism? To say that we are different from all other nations taken together implies a sameness about everything that is *not* American, primarily because we simply feel ourselves to be different. And this feeling, in turn, has inspired generations of Americans to pursue actions that reify it; emotion has begotten an idea.

So might it also be said of modern policy thinking. It originates in the interplay of two forces present at every transformational juncture in American history: skepticism and faith—the first an exercise of intellect, the latter of emotion. This dialectic preoccupied thinkers during the late nineteenth and early twentieth centuries, a period in which an authentic American philosophy—pragmatism—was born. Louis Menand has evoked the period in his recent book *The Metaphysical Club*. Menand says little about George Santayana, whose ideas were to some extent adversarial to those of the pragmatists. But Santayana made an important contribution to understanding the dynamic interrelation between idea and emotion. In his book *Scepticism and Animal Faith*, Santayana concludes that much rational thinking is a form of faith, for once “we assert that one thing is more probable than another...we profess to have some hold on the nature of things at large, a law seems to us to rule events.”

Faith also fulfills another purpose. It inspires us to put ideas to practical use, lifting them from the flats of abstraction to the bright sharp realm of action. In his book *Pragmatism*, William James contended that in the realm

of experience, “the truth of an idea is not a stagnant property inherent in it. Truth *happens* to an idea. It *becomes* true, is *made* true by events.”

Pragmatism conveys an almost visionary belief in the power of the persuaded mind to make events conform to convictions that it has already arrived at. How, exactly, does truth “happen” to an idea, save by the strength of our belief in it—a belief that translates into the will to act? James’s critical mind impatiently detects the inapplicability of classical philosophy. Its pursuit of knowledge for its own sake happens all too often in a vacuum. But if the seeker is a man in motion, constantly revising his relationship to external reality, then “the possession of truth, so far from being here an end in itself, is only a preliminary means towards other vital satisfactions,” James wrote. “If I am lost in the woods and starved, and find what looks like a cow-path, it is of the utmost importance that I should think of a human habitation at the end of it, for if I do so and follow it, I save myself.” Of course, the pathway may be a dead end. But we can know for sure only by pursuing it as far as it can lead us.

This idea, of roads taken and abandoned, is at the heart of evolving public policy. Since the Reagan years, conservative intellectuals have tended to view all solutions as dichotomous, especially as regards the size—the “growing” or “shrinking”—of government. But these terms are ahistorical and, moreover, misconstrue the way that those with power make decisions. The current expression “big-government conservatism”—a term offered without apparent irony—reminds us that when leaders are presented with concrete problems, they realize how useless ideological precepts are. Real problems need solving.

This is the lesson of applied pragmatism, of flexibility and adaptation. If we follow the chain of writings from, say, the early twentieth century Progressive works of Herbert Croly and Walter Lippmann, through New Deal treatises like Adolf Berle and Gardiner Means’s *The Modern Corporation and Private Property* and Rexford Tugwell’s *Industrial Discipline and the Governmental Arts*, and up through the policy analyses of *The Public Interest*, we see a unitary impulse. It is to formulate answers to concrete questions and to work within existing conditions.

We can say the same of the cadres of young intellectuals who flocked

to Washington during the first “hundred days” of the New Deal. Today, they appear as forerunners of today’s policy thinkers at the American Enterprise Institute, the Heritage Foundation, and the Manhattan Institute. Seventy years ago, “wonks” drafted new laws and staffed new agencies for the purpose of forming a partnership between government and business, setting the agenda that obtains to this day. The emphasis has shifted—the crisis in 1933 resulted from an unregulated government and in the 1970s from an over-regulated one—but the spirit of improvisatory “tasking” was the same. Ronald Reagan, whose political hero was Franklin D. Roosevelt, understood the conjunction of skepticism and faith. In fact, he helped revive it after the balance had been lost.

Conservatives today could reap large political benefits if they set aside the false dichotomy between “liberal” and “conservative” policy that has done so much to divide the intellectual class and with it the electorate at large. Every twentieth-century president since the first Roosevelt has governed from the center, though he may push that center a few degrees left or right.

It is in fact this continuity from executive to executive (and from one party to the next as the two trade power) that has sharpened the hard-edged political rhetoric of the last 40 years. Our two-party system narrows ideological differences but that comes at the cost of heightened partisanship. But tactical rhetoric, while it has its uses at election time, is, or should be, irrelevant to the formulation of policy. Conservative intellectuals understand this, I think, but they don’t always acknowledge it. Too many succumb to the convenient program of attacking a sometimes-chimerical liberalism. This is the principal weakness in contemporary conservative thought. It had been identified by the neo-conservatives in the late 1960s and early 1970s, but today many of those thinkers ignore or forget the useful critiques they once offered.

The most misguided attack on liberalism is the charge that policy planners in the 1960s were irresponsible sybarites, champions of the “adversary culture.” But John F. Kennedy’s New Frontier and Lyndon B. Johnson’s Great Society were not countercultural repudiations of free enterprise. It was JFK, remember, who embraced a systems-management approach to

government, controlled by master planners. His mistake was not liberal delusiveness but its opposite. He failed to grasp that the masters of high reason operate in a cocoon untouched by worldly skepticism (Conrad or Santayana could have set him straight). “Pure logic,” as Santayana remarked, has “no necessary application to anything.” The most gifted planner in JFK’s cabinet, Secretary of Defense Robert McNamara, the “whiz kid” analyst from the Ford Motor Company, would disastrously apply a business-management model called Program Planning and Budget System to waging war in Vietnam—a war McNamara believed that the United States could not win but must avoid losing. The result: years of futile conflict and millions dead.

Another familiar argument, that guilt-ridden liberals indulged or even encouraged the decline of the inner city, is likewise an urban legend. It was a liberal politician, Senator Robert F. Kennedy, who in 1964 pioneered a partnership between Manhattan corporations and ghetto leaders when he organized the Bed-Stuy Corporation “to help deliver new federal services,” writes Evan Thomas in *Robert Kennedy: His Life*. “Kennedy had a group of businessmen who were willing either to invest some capital and know-how or find some others to do it for them, but they knew little about the needs and wants of a Brooklyn slum.” The problem was bringing the business leaders and community leaders together and getting them to listen to each other. “The next challenge was to find some seed money. Businessmen would not invest until they had could see a viable organization in place.”

It was Kennedy’s vision of cooperation between the two groups, or cultures, along with his many speeches criticizing excessive dependency on government, that led the conservative writer and *City Journal* contributing editor Michael Knox Beran, in his book *The Last Patrician*, to argue that Kennedy was an advocate of “Emersonian self-reliance,” whose repudiation of the welfare state anticipated Reaganism.

The Manhattan Institute has flourished in part because its farsighted leaders have always understood the uses of nonpartisanship. Larry Mone, remarking recently on the support the institute gave Charles Murray so that he could finish his book *Losing Ground*, went on to note that the

project reached fruition when a Democrat, Bill Clinton, adopted the welfare reform bill of 1996. (Clinton cited Murray as an important influence.) There is no starker example of what William James meant by a “verified and validated idea,” an idea “*made* true by events.”

It is fitting that the idea was sponsored in New York, where the nexus between idea and event is more evident than in Washington, D.C. But don't Washington think tanks like the American Enterprise Institute, the Cato Institute, and the Heritage Foundation, and others have the advantage of operating inside the beltway, within earshot of the nation's decision makers? Yes, but those lines of access often are blurred, if not exactly concealed, since politicians as a rule do not want it known that others are doing their thinking for them. But in New York, the requirements are different. The city's culture is very public, and its institutions flourish only if they are visible. The Manhattan Institute's great contribution has been to create a “public space” for thinking and advocating policy, something no other such organization has done in the history of modern New York.

Ecumenical in its interests, attuned to the city's diverse intellectual energies, organically rooted in the city it is named for, the Manhattan Institute might well become the engine of a new conservatism unafraid to declare its many victories and to acknowledge, with Joseph Conrad, the “latent feeling of fellowship with all creation” and the “subtle but invincible conviction of solidarity” to which all intellectual activity should consecrate itself and to which conservatives in particular should rededicate themselves at this moment of their zenith.