

THE RISE AND DECLINE OF AMERICA'S POSTWAR POLITICAL ORDER • JAMES PIERESON

"A must-read for anyone who wants to understand the 2016 election campaign."

-AMITY SHLAES

IN THE AGE OF BIPARTISAN PERSONAL

and intellectual ad hominem attacks, James Piereson's sweeping *Shattered Consensus* is a model of how to think in public. From liberalism versus conservatism, to Keynes and Piketty, to philanthropy, to higher education, *Shattered Consensus* is an intellectual tour de force that addresses the key policy challenges of our time in a rational and comprehensive way.

The only thing both liberals and conservatives can agree upon these days is that the post war political consensus that began with the New Deal is shattered. Not only does Piereson explain how it came apart—a blend of the burden of liberal

ideas and policy failures and an intelligent and sustained conservative opposition—*Shattered Consensus* argues that the conditions are set for a 4th American Revolution—where conservatism, not liberalism is the right side of history.

Shattered Consensus is the thinking conservative's guide to understanding the past, present and potentially ascendant future of conservatism. And it is the thinking liberal's window into the enemy mind at its best. Whichever side you are on, Piereson's timely book is essential reading as we head full-steam into the 2016 election cycle and deeper into an age of upheaval.

SHATTERED CONSENSUS REVEALS...

Why America never could have developed into the multiracial, multiethnic superpower it is today without a series of dramatic social and political realignments—like the one we are facing today.

Why the collapse of academic humanism has left a generation of undergraduates adrift in a sea of nihilism, relativism, and political correctness.

That political polarization is more deeply rooted in American politics than many are willing to acknowledge. Why recent proclamations on "the death of conservatism" from the left are most certainly prematur—and why liberalism's model of public spending and public borrowing is in peril.

That the left and right have organized themselves into different states and regions where they can implement their visions for social and economic policy—and why the "red state" model is winning.

Why the "age of Keynes" does not represent a permanent stage in the evolution of capitalism—on the contrary, advanced nations are pushing Keynsian economics beyond its limits.

How the shocking JFK assassination marked the beginning of narrative politics in which story arc trumps historical fact.

That we are indeed on the verge of a new era of economic turmoil—not the 'crisis of inequality' that Piketty and Obama envision—but a crash in the entitlement state.

How American higher education morphed, in tandem with the emergence of progressivism, into the uniformly partisan and ideological hotbed for liberal thought we see today.

Why the fracturing of the post-war consensus is necessary to shed the Democratic-welfare regime—and why the new era of American dynamism will be led by ascendant Republicanism.



ABOUT THE AUTHOR

JAMES PIERESON





IN THE UPPER ECHELONS OF CONSERVATIVE THOUGHT, strategy, and philanthropy, James Piereson is among the most influential and respected political minds. He is president of the William E. Simon Foundation and a senior fellow at the Manhattan Institute. He is the author of *Camelot and the Cultural Revolution: How the Kennedy Assassination Shattered American Liberalism* and editor of *The Pursuit of Liberty: Can the Ideals That Made America Great Provide a Model for the World?* His essays on politics and culture have appeared in many newspapers and magazines, including *The Wall Street Journal, The Washington Post, The New Criterion, Commentary, The Weekly Standard,* and *The American Spectator.*

"James Piereson earns the gratitude of curious people, whom he fascinates."

-WILLIAM F. BUCKLEY, JR.

"Brilliant"

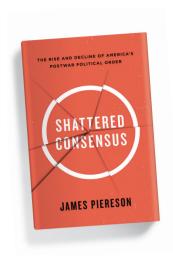
-JONAH GOLDBERG

"Provocative and innovative"

"Piereson has succeeded in providing a fresh and persuasive way of understanding the political and cultural history of America's last half-century."

-FIRST THINGS

SHATTERED CONSENSUS



"This collection of James Piereson's lapidary essays secures his place among America's leading conservative intellectuals and cultural critics."

-GEORGE F. WILL

"James Piereson's insights into various aspects of America's current political order are always well-grounded and well-argued, often unconventional, and sometimes alarming. This is one of the most thought-provoking volumes I've read in a long time."

-WILLIAM KRISTOL, editor of *The Weekly Standard*

"The timeliest of books, *Shattered Consensus* is a must-read for anyone who wants to understand the 2016 election campaign. The book is also crucial reading for those who seek to gain a better understanding of our financial crises, both past and future."

-AMITY SHLAES, author of Coolidge and The Forgotten Man: A New History of the Great Depression

"James Piereson reminds us that so much of what we have been told by modern-day economists is flat-out wrong. America needs to relearn how economies really work, and reading this book is a good start."

-STEPHEN MOORE, Chief economist at the Heritage Foundation



JAMES PIERESON Q&A



"Obama, far from bringing about a renewal of liberalism, is actually presiding over its disintegration."

Why did you write this book?

PIERESON: The aim of this book is to make sense of the rise and decline of America's postwar political order. To a great degree, it is a tale of the rise and decline of the consensus that evolved in the 1940s and 1950s around the role of the federal government in maintaining full employment at home and containing communism and promoting freedom abroad. This consensus came under heavy attack during the 1960s from student protest movements on the left and from the new conservative movement on the right. It held together, barely, during the Reagan and Clinton years in the 1980s and 1990s, but since then it has come apart altogether.

Is President Obama complicit in shattering this political order?

PIERESON: Obama, far from bringing about a renewal of liberalism, is actually presiding over its disintegration. Obama came to power near the end of an era, at a time when America's postwar system was beginning to come apart under the weight of slowing economic growth, mounting debt, the rising costs of entitlement programs,

and a widening polarization between the two main political parties.

Could he have saved this consensus?

PIERESON: Yes. A new president taking office in the midst of the most serious financial crisis since the Great Depression might have tried to repair that consensus by seeking compromises to address the challenges of growth, debt, and entitlements. President Obama instead did something very nearly the opposite.

You talk of an impending 4th Revolution, what are the 3 preceding?

PIERESON: First, the Jefferson-Jackson era stretching from 1800 to 1860, when slavery and related territorial issues broke the prevailing consensus apart. Next, the capitalist-industrial era running from the end of the Civil War to 1930, when the regime collapsed in the midst of the Great Depression; and finally the postwar welfare state that took shape in the 1930s and 1940s and extends to the present, but is now in the process of breaking up.

Each of these regimes accomplished

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something important for the United States; each period lasted roughly a lifetime; and each was organized by a dominant political party: the Democrats in the antebellum era, the Republicans in the industrial era, and the Democrats again in the postwar era.

What is bringing about the demise of the 3rd Revolution?

PIERESON: There are three reasons for thinking that America's third regime is in the process of fading out or collapsing: **debt**, **demography**, and **slowing economic growth**, compounded by political polarization and inertia.

Will the 4th Revolution be a Republican Revolution and why?

PIERESON: Yes, but it with not be easy and in all likelihood messy.

The system, in short, is unlikely to be set right by any preemptive fix. That is where the United States is today: a mature industrial society experiencing slow economic growth in the face of mounting public commitments and a stalemated political system. This process is cumulative and self-perpetuating. It will continue unless brought to a halt by events that call into question the availability of resources to underwrite it.

Is the 4th Revolution necessitated?

PIERESON: No. Americans need to rise to the challenge of forming a new governing coalition that can guide the nation on a path of dynamism and prosperity.

What's it's policy content this new synthesis that

must replace the post war order?

PIERESON: Three major shifts or reorientations must occur:

First, a focus on growth, and the fiscal and regulatory policies required to promote it, as an alternative to the emphasis on redistribution, public spending, and regulation that has characterized the Obama years and the "blue model" generally.

Second, an emphasis on federalism both to encourage experimentation and innovation in the American system and to remove issues from the national agenda where they contribute to division, stalemate, and endless controversy.

And third, a campaign to depoliticize the public sector by eliminating or strictly regulating public employee unions, so that governments themselves are no longer active in the political process and public workers can once again be viewed as "civil servants" rather than as active agents of one of the political parties.

Are there grounds for optimism?

PIERESON: Yes, Wisconsin, a traditionally liberal and Democratic state where voters have sustained policies to decertify and strictly regulate public sector unions in order to save taxpayers' money, introduce more flexibility into the public sector, and promote economic growth is showing the way. A century ago, the highly influential "Wisconsin idea" was called upon as a national model for progressive government working in cooperation with the state university to bring the latest research to bear upon public policy. This new version of the "Wisconsin idea" may prove to be equally influential in the decades ahead.



AN EXCERPT FROM SHATTERED CONSENSUS



"The nation has divided into more and more polarized doctrinal groups—into a conservative nation and a liberal nation."

AFTER NEARLY EVERY NATIONAL ELECTION,

there is a new debate as to whether one of the dominant ideologies in American life is expiring. During the 1980s and 1990s, some conservative pundits asserted that "liberalism is dead!" Following the election of 2008, several loud voices on the left proclaimed the "death of conservatism." These were mostly ill-informed forecasts, primarily because liberalism and conservatism are woven into the postwar regime as two sides of the contest over the role of the state in the marketplace. Each side has built up a vast infrastructure of supporting institutions, interest groups, think tanks, television networks, newspapers and magazines. Meanwhile, the nation has divided into more and more polarized doctrinal groups—into a conservative nation and a liberal nation. It is true that one or both of these doctrines could disappear, but only as part of a process that involves the collapse of the postwar regime itself, in much the same way that the secession movement disappeared with the Civil War, and laissez-faire capitalism with the Great Depression.

This polarization is also apparent in other institutions of American life—for example, in philanthropy, a field that is usually thought to be purely charitable in nature and thus nonpolitical. Liberal philanthropy first evolved in the United

States in the 1960s under the leadership of the Ford Foundation and several other large New York institutions. These foundations invented the concept of "advocacy" philanthropy, through which they funded groups in different fields that lobbied, filed lawsuits, and staged protests on behalf of liberal policies. This strategy proved so effective that several conservative foundations followed suit in the 1970s to fund their own mix of advocacy groups, magazines, and university programs. Though the liberal foundations have had far more money at their disposal, the conservative philanthropies have fought them to a draw in promoting their particular philosophy of government and economics.

A somewhat different iteration of this process has played out in higher education, where the liberal-left has seized nearly total control, to the point that conservatives are hard to find on major college faculties. The American university evolved roughly in tandem with American liberalism. In the early decades of the twentieth century, progressives invented a public or political purpose for higher education when they argued that professors and university-trained researchers could staff government bureaus and regulatory bodies as neutral experts to act in the public interest. The university, it was argued, would stand above and outside politics, in contrast

AN EXCERPT FROM SHATTERED CONSENSUS

to economic groups like corporations and labor unions. Liberals in this way gradually took control of higher education under the conceit that their research agenda was neutral or objective in matters of politics and policy. Later, in response to the activism of the 1960s, university faculties embraced the new doctrines of feminism, environmentalism, group rights, diversity, and

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cultural change, at exactly the same moment as liberals outside the academy began to embrace them. It was not long thereafter when liberals came to dominate the Democratic Party. By the late 1970s, the politics of the American university looked very much like those of the national Democratic Party.

Naturally, conservatives and Republicans are about as welcome in that academic setting as they would be at a Democratic national convention. In response, they set up their own intellectual institutions to provide an outlet for their views and to counter the influence of the academy. Here, as in other areas of national life, the opposing sides in the national debate have retreated into their respective subcultures.

Shattered Consensus outlines the lineaments of the postwar consensus and the gradual process by which it has come apart. It does not endeavor to specify when or how the current regime will fall or what will replace it. Rather, it only suggests that a certain degree of consensus is required in order for a polity to meet its major challenges and argues that such a consensus no longer

exists in the United States. That being so, the problems will mount to a point of crisis where either they will be addressed through a "fourth revolution" or the polity will begin to disintegrate for lack of fundamental agreement.

This forecast of a "fourth revolution" in the years ahead does not mean that Americans should be hoarding gold or stockpiling canned food. The

end of the postwar regime need not bring about the end of America. On the contrary, it could open a dynamic new chapter in the American story. The journey is likely to be difficult, but Americans are obliged to remain optimistic even as they contemplate impending upheavals. The United States has survived such upheavals in the past, and a case could be made that the nation has grown and prospered as a result. It could do so again.

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