
REMAPPING DEBATE

Asking "Why" and "Why Not"

Journalists in the service of Pete Peterson

Press Criticism | By Kevin C. Brown | Budget deficit, Media

January 16, 2013 — Each spring since 2010, some of Washington's A-list politicians assemble in the capital to submit to questions from some of the media's A-list journalists on the future of the federal fiscal policy.

These interviews, though, aren't conducted on the steps of Congress, in the Washington bureaus of the nation's newspapers, or in the television studios of major networks, but rather at private "Fiscal Summits" convened by Peter G. Peterson, the billionaire former commerce secretary and co-founder of the Blackstone private equity group.

"It seems to me as a layman that that [the crisis of 2008 and 2009] did not produce the kind of sense of 'we need to put our house in order, we need to talk more about sacrifice, we need to look at the long-term,' and my personal analysis is the reason is unemployment did not reach a high enough rate." — Jon Meacham, 2010

Peterson, however, is hardly a disinterested and dispassionate observer of such discussions. In fact, he is now beginning his fourth decade of arguing that there is no alternative to enacting "entitlement reform" (read: cut Social Security and Medicare) and "tax reform" (read: raise regressive taxes and lower progressive ones) in the name of curbing the country's "unsustainable" debt and deficits.

An essential and successful element of the Peterson strategy is to create an environment where it is widely if not universally believed that there is no alternative to his vision. In this view, it's "not realistic" to believe the country can afford the same programs it once did. Those who are prepared to be "adults" will look at these "hard truths" without flinching and recognize that it is time to take citizens-have-to-do-with-less medicine.

The conceit is that those with "courage" will see past narrow, partisan concerns and embrace an ideal: a bipartisan consensus that has the strength to demand "shared sacrifice" from a childish and selfish populace.

A review of the proceedings of the Fiscal Summits of the last three years makes agonizingly clear that most of the journalists who conducted interviews or moderated panel discussions both reflected and amplified the Peterson worldview — entirely unselfconsciously, it would seem.

So, for example, Lesley Stahl, the CBS “60 Minutes” reporter, was fully a part of the Erskine Bowles and Alan Simpson deficit-cutting team during her interview with both men: “You are going to have to raise taxes and cut things, big things, put restrictions on Social Security. Everybody knows that.”

Virtually none of the reporters thought to ask about or suggest an alternative path, such as preserving Social Security benefits and bolstering the system’s reserve by raising the cap of wages subject to Social Security taxes (currently annual wages above approximately \$110,000 are not subject to any Social Security tax).

And most questioning proceeded either on the false assumption that deficits were derived from excessive spending on entitlements or as though they had mysteriously, but inevitably, come to pass.

Many journalists fairly shouted their personal desire to see greater cooperation and “compromise,” with groups realizing the importance of submerging their interests to the greater good. Who should do the submerging? In 2012, Tom Brokaw had a suggestion in the form of a question to former President Bill Clinton: after Wisconsin Governor Scott Walker pushed through a bill undermining the right of union members to collectively bargain, shouldn’t those workers have just sat down and negotiated with Walker as, Brokaw said, “has been traditionally done in this country” instead of “gather[ing] outside the capitol”?

There were a couple of exceptions to the rule. In a session moderated by Ezra Klein of the Washington Post in 2011, Klein posed a number of questions that reflected an unwillingness to operate from within the Peterson framework. For example, Klein asked New York Times columnist David Brooks whether, instead of blaming Americans for simply wanting benefits without paying for them, the causes of the debt should be located in the Bush tax cuts, two unfunded wars (Iraq and Afghanistan), and the federal government’s emergency response to the financial crisis.

JOURNALISTS WORKING AT PETERSON FISCAL SUMMITS, 2010-2012

Maria Bartiromo, 2011 (host, CNBC’s “Closing Bell with Maria Bartiromo”)

Tom Brokaw, 2012 (former anchor and managing editor, NBC Nightly News)

Erin Burnett, 2012 (host of CNN’s “Erin Burnett OutFront”)

John F. Harris, 2012 (editor-in-chief of Politico)

Gwen Ifill, 2011, 2010 (senior correspondent of “PBS NewsHour”)

Ezra Klein, 2011 (columnist, Washington Post)

Jon Meacham, 2010 (former editor-in-chief, Newsweek)

Bob Schieffer, 2010 (host, CBS “Face the Nation”)

Lesley Stahl, 2010 (reporter, CBS “60 Minutes”)

George Stephanopoulos, 2012 (host, ABC’s “This Week”)

David Wessel, 2012, 2011 (economics editor, Wall Street Journal)

George Will, 2011 (columnist, Washington Post)

Judy Woodruff, 2012, 2011 (host, “PBS NewsHour”)

Judy Woodruff, of the PBS NewsHour, generally asked questions from within the Peterson frame, but, at one point in 2012, posed a question that perhaps all the journalists should have been thinking about as well. She asked Rep. Christopher Van Hollen, Jr. (D-Md.) if “Democrats like you, by participating in forums like this one that is all focused on austerity, on cutting the deficit and the debt...really become also window dressing for a conservative agenda that is anti-jobs and anti-recovery and wrongheaded economics?”

Over the course of the three years of fiscal summits that Remapping Debate examined, the other journalist interviewers and moderators hewed strictly to the conventional Peterson wisdom. What follows are annotated illustrations of this recurring problem.

To see observations and critique follow the footnotes at the end of each highlighted section to the bottom of the page.

Maria Bartiromo

Interviewing Representative Paul Ryan (R-Wis.), chair of the House budget committee (2011):

“This plan did not talk about Social Security, restructuring Social Security. You’ve talked about it before, but it is not part of this plan. I wonder **if you had dealt with Social Security**¹ that perhaps you would not have to have some of the other spending cuts that you are talking about — on education, food stamps, cutting services on the people who desperately need those services.”

Tom Brokaw

Interviewing former President Bill Clinton (2012):

“We seem to be moving to more deeper and deeper into the extreme poles, and leaving out the mass of the people. How can you activate that group that does want to do **the responsible thing?**² Should there be some kind of an **extraordinary coalition that goes beyond Simpson–Bowles**³ that becomes a political movement in this election year, and says, in effect, we are linking arms and saying to these two candidates: ‘we want something done that is **realistic**⁴ and we want it done urgently.’”

1 Bartiromo only imagines playing different programs off one another.

2 Brokaw indulges in two fantasies here: that cutting spending is responsible and that he knows that the “mass of people” actually want to take that route.

3 Simpson-Bowles is his starting point; the issue is how do you give that “sensible” center enough political muscle to impose its view.

4 The classic code: adults know that wanting to maintain a robust safety net is just not possible.

Interviewing John Boehner (R-Ohio), speaker of the U.S. House of Representatives (2012):

“One final question, and this goes to sort of, I think, the frustration so many Americans feel about the political process right now. You’ve been doing this for 22 years, and a lot of people have talked about you wanting to have a legacy, to make a difference, to go out and have this on John Boehner’s name. **Do you think that democracy is part of the problem? That in a democracy people are always going to vote for more things, they are never going to vote to take them away.**⁵ Now the payroll tax is down; good luck ever having it go back to the way it was. Good luck with a lot of these things. Is democracy going to be what sends us over the cliff?”

John F. Harris

Moderating a discussion on “Finding the Political Will to Act,” between and among Senator Rob Portman (R-Ohio); Rep. Xavier Becerra (D-Calif.); Kathleen Hall Jamieson, public policy professor, University of Pennsylvania; and Patricia Murphy, political journalist, Daily Beast (2012):

To Kathleen Hall Jamieson:

“Is there an answer — is it a pox on both your houses – or is one component of this more responsible for **the 2011 failure to get a grand bargain?**⁶ Democratic intransigence over spending or Republican intransigence over taxation — both equally to blame or would you say in the current political dynamic one of those components is more?”

To Patricia Murphy:

“We heard President Clinton here say, you know what I think that the — I’m paraphrasing here, but I think fairly — that the stars might be aligned after [the] election, perhaps in a lame duck session after the election or early in 2013, and you hear this line a lot, the argument being that enough factors are converging – the debt limit runs out, the tax cuts expire, the sequestration measures go into effect, in particularly at the Department of Defense in a big way – what is your guess? **Is there a grand bargain to be had late in 2012 or early in 2013?**⁷ that eluded Washington in 2011?”

Gwen Ifill

Participating in 2010 and 2011:

Not apparently caught within Peterson frame.

5 If you allow power to be in the hands of the people, they’re just going to act like children. Isn’t there some other alternative?

6 Harris treats it as self-evident that getting a “grand bargain” would have been a good thing, and thus the questioning proceeds from within that limited premise.

7 Ever hopeful.

Ezra Klein

Moderating a panel discussion featuring David Brooks, columnist, New York Times; former Senator Alan Simpson, co-chair of the National Commission on Fiscal Responsibility and Reform (Bowles-Simpson commission); David Cote, chairman and chief executive officer of Honeywell and member of Bowles-Simpson commission; Tamara Draut, vice president of policy and research, Demos; and Megan McArtle, business and economics editor, The Atlantic (2011):

To Alan Simpson:

[Klein is referring to the Bowles-Simpson proposal that the Social Security retirement age be increased.] “One of the interesting — I don’t want to call it a disconnect — but tensions, is that when you poll very specifically on things like Social Security, you do begin to see a bit of a gap open up between sort of people in DC, particularly policy folks in DC, and the public. When you directly poll the public and ask them would you prefer to see Social Security or Medicare, their spending gaps or revenue gaps closed through tax increases or raising retirement age and doing a similar benefit cut, tax increases tend to dominate those polls. But in Washington you have a real sort of affection, or, I think, it is almost a consensus position that raising the retirement age makes sense. And what worries me when I look at that is that in Washington, it seems to me, that people want to work long past the retirement age, they like their jobs, they like what they do. You pretty much have to carry people out of the U.S. Senate. Conversely, in the country people don’t retire at age 65, they retire at age 62, they retire on average immediately. So do you think that there is a difference between — a significant difference, if you really sit down and explain it to people — between what the **public would like to do on entitlements and what elites would like to do**⁸ entitlements?”

Jon Meacham

Interviewing Peter Orszag, director of the Office of Management and Budget (2010):

“Based on your experience in the last 18 months or so, do you believe that our political system as currently constructed...can make the kinds of fundamental reforms that I know you support and a lot of the folks here do? Is it a likely scenario that the **political will can be mustered**⁹ without a precipitating crisis?”

8 An exception to the rule: Imagining that there can be a difference (and that the elites may not be right).

9 One could almost miss it, but “fundamental reforms” and “political will can be mustered” are not neutral terms. As becomes clear in the next excerpt, Meacham himself believes that cutting spending — which could be described as a radical assault on the idea that prosperity should be spread to and among more Americans — is the courageous and necessary way to go.

“Do you think...on the crisis of ‘08 and ‘09 — it seems to me as a layman that that **did not produce the kind of sense of ‘we need to put our house in order, we need to talk more about sacrifice,**¹⁰ we need to look at the long-term,’ and my personal analysis is the reason is unemployment did not reach a high enough rate. That tragically **more people are going to have to be out of work before the sense of crisis comes together**¹¹ in order to force long-term reform. Do you agree with that?”

Bob Schieffer

Interviewing former President Bill Clinton (2010):

“You set up a commission on entitlement reform, **it was very successful in outlining how serious the problems were, but it didn’t come up with solutions,**¹² you weren’t able to get them. What advice would you give to Erskine Bowles and to Alan Simpson as they start out on this commission?”

“President Obama suggested yesterday that he will follow the recommendations of this panel [Bowles-Simpson]. **You think he can keep that promise?**¹³”

“You, better than anyone, will remember the impact of Ross Perot on American politics, and say what you might, **he did make people aware of the fiscal crisis that this country faced.**¹⁴ I’ve always wondered: was the fact that Ross Perot was in that race, did that cause you to focus more on fiscal responsibility? Or what was his impact? I’m wondering, I mean do we need another Ross Perot here these days?”

Lesley Stahl

Interviewing Erskine Bowles and Alan Simpson, co-chairs of the National Commission on Fiscal Responsibility and Reform, or Bowles-Simpson commission (2010):

“If I asked you, each of you, to right now to tell the American people **how dire the situation is**¹⁵ in your opinion, what would you say?”

In answering, Alan Simpson said that “people know something is terribly, terribly wrong,” to which Stahl replied, “but there are ‘no new taxes’ organizations; there are **‘don’t touch my Social Security’**”

10 People were not sufficiently jolted out of their complacency to do the right thing.

11 He feels bad about it, people can’t seem to grasp that reducing entitlements is necessary and inevitable if we are to survive. But ultimately they will be forced to.

12 Schieffer is frustrated that needed reforms — of the Peterson variety — haven’t been able to be made.

13 Will we finally be able to get the job done?

14 Perot had foresight. Do we need a wise man like that again?

15 It simply wouldn’t occur to Stahl or to many of her colleagues that the “debt crisis” either: (a) wasn’t a crisis; or (b) was surpassed by other crises, like crises of inadequate revenue or an out-of-control financial system.

Thus, inquiries that question the Bowles-Simpson premise are generally not asked.

organizations.”¹⁶

“What about the baby boom wave coming into Social Security and Medicare — **that has to be a tsunami**¹⁷ that’s going to hit all of us?”

“I assume you are both pretty optimistic about this. But on day one, which was yesterday, your first meeting, a Republican group held a big news conference and said you were a Trojan horse for a value-added tax commission, and **liberals had another news conference and said we want you — we need to raise spending on infrastructure and education**¹⁸...so it sounds like both sides have shot off their cannons, and then you are going to go inside and have to already deal with something that they have put on the table.”

George Stephanopoulos

Moderating a panel discussion on the “everyday impacts of rising debt and the benefits of fiscal reform,” featuring Alan Simpson; Jay S. Fishman, chairman and CEO of Travelers Companies; Michael Nutter, Mayor of Philadelphia; and Carmen Reinhart, fellow at the Peterson Institute of International Economics (2012):

To Alan Simpson:

“When you get pushback what do you do? And what are the two or three numbers, figures, arguments that **seem to make people understand**¹⁹ everyone is going to have to contribute to this?”

To Jay Fishman:

“How much time — and everybody’s been waiting for this — how much time **are the bond markets going to give our federal government**²⁰ to address this?”

16 Simpson, Stahl thinks, is overly optimistic: people can’t seem to get over the selfish addiction to Social Security benefits.

17 Having drunk deeply of Peterson Kool-Aid, Stahl cannot recognize that Social Security is solvent and can be made more robust without benefits cuts, and cannot imagine that it makes sense that Medicare spending is growing as the nation ages (and thus has to be paid for).

18 A combination of horse-race questioning (how are you going to win), the centrists-must-be-right-because-there’s-opposition-from-both-sides pose, and a failure to consider that perhaps Bowles-Simpson (and Peterson) fail to account for additional spending needs (especially in view of the proposal to artificially cap spending as a percentage of GDP).

19 You and I already understand the necessity; can we explain so even the American people get it?

20 Stephanopoulos appears not to understand the oddity of having the federal government subservient to the wishes of “bond markets”; instead, the threat of market objection is used to hype the idea that debt is a ticking time bomb.

To Michael Nutter:

“Mayor Nutter, you talked about the importance of making sure that everyone took a cut, that you took cuts as well, but flip the question around. I would think one of the advantages when it works on the local level is that people can actually make the direct connection between the sacrifice they’re making, the tax they are paying, the cutback they have had to endure, and the benefit they are seeing. **What were the benefits that people saw sort of immediately or at least over a reasonable period of time?**”²¹

David Wessel

Interviewing Timothy Geithner, Secretary of the Treasury (2012):

“I think we are in the post-denial phase of talking about the deficit, both Democrats and Republicans — [Geithner interjects, “What follows denial, anger?”] — **I hope so.**²² I think Pete Peterson hopes someday you get to [a] solution, and you’ve got a few months left in this president’s term to get there. But I think that a lot of people are wondering why anybody should believe that our polarized political system is capable of doing something that touches as many people as this. Why should we believe that this can happen?

“When you talk about fiscal issues, the one question you hear often, particularly from audiences like this, is about Bowles-Simpson. Why didn’t the president embrace Bowles-Simpson and say, ‘I don’t like all of it,’ instead of what he did. **Was that a mistake?**”²³

George Will

Interviewing Mitch Daniels, Governor of Indiana (2011):

“The role of public employees’ unions at the state level so far — and perhaps someday at the federal level — will become a big topic of argument **over their role in causing and their possible role in helping to solve the fiscal problem**²⁴ at the state level. What’s been your experience in Indiana?”

21 No challenge to Mayor Nutter as to the downside of everyone taking a cut. Alternative: Didn’t cuts in city government make Philadelphia residents worse off?

22 Wessel couldn’t be more explicit: thank goodness that the period of denial is over; perhaps enough anger will stimulate the necessary solution that Pete Peterson hopes someday will occur.

23 Wessel doesn’t ask “what was wrong with Bowles-Simpson” or “why did the President accept as much of it as he did?”

24 Typically lopsided: Will doesn’t consider that the fiscal problem at the state level in respect to pensions to which workers are statutorily entitled has been the failure of states to make adequate annual contributions.

“You can argue, Governor, that democracies only act on difficult problems under the lash of necessity, when they have no other choice. Hitler was warned about by Churchill, but they paid no attention until they got to the channel ports. In 1983, the Greenspan-Moynahan-Dole commission reformed Social Security because the checks were about two weeks from not being able to go out. **What kind of lash of necessity will it take**²⁵ — what catalyzing event might cause the American federal political system to act?”

Judy Woodruff

Moderating a panel discussion between four members of the “Gang of Six” senators then in deficit reduction talks (2011):

“Senator Durbin, you’ve been a member of this group from the outset. **How hard has it been for the six of you to sit there**²⁶ — three Republicans and three Democrats — to talk about these issues?”

“And Senator Warner the reason I’m asking, I want to press a little bit more on whether everything is on the table, because what one hears on the outside is that one party is implacably opposed to revenue increases; the other party implacably opposed to any sort of significant entitlement changes. So **how is the dynamic inside your group any different**²⁷ from that?”

“Senator Durbin, are you convinced — and I’m going to ask each one of you — **are you convinced that you can sell the rest of the Senate on what you come up with?**”²⁸

Interviewing Representative Paul Ryan, chair of the House Budget Committee (R-Wis.) (2012):

“You were just again, and I’ve heard you in other venues criticize President Obama for demagoguery, playing class warfare in this budget battle by wanting to increase taxes on the wealthy and minimizing cuts in entitlements. **However, the question is raised: is it class warfare in reverse to talk about massive tax cuts which mainly benefit the well off, while conversely cutbacks in Medicaid, food stamps, and the rest hurt people at the lower end of the income scale?**”²⁹

This content originally appeared at <http://www.remappingdebate.org/node/1711>

25 As with other reporters, the possibility is not acknowledged that gridlock could be the function of a significant percentage of elected officials representing a significant portion of the nation’s population resisting a series of policies that would hurt average Americans and enhance the power and privilege of the relatively well-to-do.

26 Translation: Are we really going to have people be responsible and accept the need for change?

27 Ditto.

28 If there were a fuller appreciation that a Peterson-style solution might not be a good thing, there might be more questions about why the “Gang of Six” should be thought to have more wisdom than the rest of the Senate.

29 Another rare exception to the rule.