

retail landscape. With the New and Old Economy titans getting hitched—AOL-TimeWarner is only the highest profile example—we could also use a clearer idea of where all this convergence is leading. Just keeping an eye on the Bush administration's trustbusters will yield some yarns.

It's rich material. Though rife with abstract theory and inscrutable ratios, the downside of letting executives scheme as they please is higher prices or less consumer choice, or both. The FTC and Justice are essentially doing exactly what Alan Greenspan is doing—fighting inflation—with far blunter instruments. And unless you're Bob Woodward, that guy won't even talk to reporters. ●

STEVEN WALDMAN

I WAS A PASSIONATE ADVOCATE OF MORE PRESS coverage of government—until I went to work in the government. There, I concluded it was just as well the press ignored most of what went on.

In 1995, I took a break from journalism and went to work as a senior advisor to the CEO at the Corporation for National Service, the government agency that runs AmeriCorps, the program that enables young people to earn college aid in exchange for community service. Let me first offer one great big caveat: I think AmeriCorps is a terrific program, one of the best things the government does.

But, not surprisingly, once I arrived at the CNS I soon saw plenty of problems with the way AmeriCorps worked. Most stemmed from the highly decentralized nature of the program. AmeriCorps is made up of hundreds of little programs, each run by a local nonprofit group, and most of the money is distributed through state commissions appointed by the governor. Due to the lack of centralized control, there is a random distribution of high-quality and low-quality programs.

In theory, an aggressive press would be a perfect antidote. Local reporters would bring to public light the problems with local programs, and these could either lose funding or be fixed.

The reality of press coverage was quite different. We were in a dirty fight to save the program from elimination. Each year since 1995, the Republican Congress zeroed out funding for AmeriCorps (mostly just to poke Clinton in the eye). The House oversight committee was constantly looking for the slightest wart that could be used as an excuse to eliminate the program.

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With more than 400 grantees, it is impossible not to not have a few bad apples. One program, for instance, engaged in political advocacy, something that is explicitly against AmeriCorps policy, and was de-funded—but it offered “evidence” to program opponents that AmeriCorps was secretly a vast army of campaign workers for Bill Clinton. Another program overspent on administrative overhead by 40 percent—“evidence” that the entire program was a waste of money.

When dealing with bad AmeriCorps programs we felt like Clinton's staff must have felt in 1992 dealing with “bimbo eruptions.” We'd hear about them and then, in a panic, move quickly to try to fix them and squelch any news reports.

We needn't have worried. The press was so profoundly uninterested in the actual functioning of the programs that few of the bad ones were ever written about. (Few of the good ones were written about, either, but that's another story).

Though this cut against everything I believed about the press' role, as a government official I was hugely relieved that the press was ignoring us. Vigilant local reporting would have surely turned up enough examples to sink the program. We needed a few years of media blackout to get the kinks out.

Of course, this isn't really an argument against press coverage of government programs, but rather an argument against the way the press covers these things, and, just as importantly, the way politicians use the information. The ideal would have been for the reporters to investigate local programs and write about them whether they were good or bad, providing a clear sense of proportion as they were doing it.

The problem is that the investigative mindset of reporters, which views only flaws as newsworthy, creates a perverse incentive within bureaucracies. Even those who are genuinely committed to improving the programs (and there are a lot of them) become antagonistic to real investigation. Why show the inspector general that worrisome conservation corps in Oregon if the results will only end up tanking the whole program? That's the way one starts to think.

Of course my greatest anger is with the politicians who establish this kind of dynamic. If lawmakers rewarded government agencies that were forthright in disclosing problems—rather than punishing them—it would stimulate greater candor and greater bureaucratic interest in improving programs. The press could help, too, by covering not only the bad programs but also the ones working hardest to improve. That's a level of nuance few reporters currently bring to the task. ●

Market Myths

The failings of conservative economics

BY JAMES K. GALBRAITH

WHEN RONALD REAGAN TOOK office in 1981, two books captured the ideological upheaval of the day: George Gilder's *Wealth and Poverty* and Jude Wanniski's *How the World Works*. At the time, many who opposed Reagan treated Gilder and Wanniski with derision, but we underestimated them. Truly, the country's cultural landscape was changing. Socialism, social democracy, social welfare, the social contract, and Social Security were sliding toward disrepute. Henceforward, the market—alone—would rule.

Today, George W. Bush holds the White House, with a palace guard of corporate officers from oil, drugs, aerospace, and mining. Globalization has spawned a "cult of impotence," in Linda McQuaig's fine phrase, whose high priest is Thomas Friedman of *The New York Times*. The number four bestseller on Amazon.com is a fable about mice, mazes, and accepting impotence called *Who Moved My Cheese?* The morals of these facts, if facts have morals, are (1) the market really does rule, (2) you can't do anything about it, and (3) you'd better not try.

And yet, after 20 years, the political magic of the market is played out. In his campaign, Bush recycled Reagan's program, especially tax cuts and deregulation, and added a call for privatizing Social Security and for investing payroll tax dollars in corporate stocks. The voters recoiled, choosing the thematically tone-deaf Al Gore by over half a million popular votes. This was despite the fact that Gore had virtually no program beyond balancing the budget and defending Social Security and Medicare.

It also seems possible that we have now exhausted the potential of purely market-driven economic growth. The

promise of the stock market has gone sour. The high-tech New Economy is collapsing, household and company debts are heavy, and it is possible that interest rate and tax cuts may not suffice to revive either the New Economy or the old. In the California electric-power crisis, we see a confessed failure of deregulation; in the new airline mergers we see monopolies forming. As unemployment rises, calls for government intervention will grow; meanwhile, the public strongly favors tough environmental protection and a higher minimum wage. The Republicans have thus inherited an economic task requiring tools that they oppose, while their free-market mantra has suddenly become, of all things, a liability with the American public.

How could this happen? James Arnt Aune, until recently affiliated with the George Bush School at Texas A&M University, summarizes the libertarian philosophy behind free-market political prescriptions:

"Libertarian policy prescriptions are based on just a few principles, outwardly appealing in their seeming simplicity ... 'simple rules for a complex world.' The first ... is that social problems can be resolved by creating a market. Are schools

failing? Create a free market in education. Is there pollution or waste of resources? Create a market in the resource or the right to pollute; ... Is there a shortage of human organs for transplants? Let people sell their body parts. Not enough babies for adoption? Allow people to sell their babies ..."

And with equal deftness, Aune fingers the trouble: "These principles of 'economic correctness' are increasingly mouthed in the universities and especially in conservative think tanks, but their obvious long-term implications may strike ordinary Americans as horribly cruel. They need to hear this economic gibberish firsthand...Free-market rhetoric is powerfully persuasive only to a certain kind of elite audience; uncoupled from nationalist appeals...it begins to lose its power to moti-

Under review...

Selling the Free Market: The Rhetoric of Economic Correctness

by James Arnt Aune
The Guilford Press, \$23.95

One Market Under God: Extreme Capitalism, Mar- ket Populism and the End of Economic Democracy

by Thomas Frank
Doubleday, \$26.00

After Progress: American Social Reform and European Socialism in the Twentieth Century by Norman Birnbaum Oxford University Press, \$36.00

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