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IS AMERICA THE NEW FRANCE? HOW PRESIDENT OBAMA'S
POLICIES ARE TRANSFORMING THE UNITED STATES

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P R O C E E D I N G S

MR. VAISSE: Hello everybody. My name is Justin Vaisse, I am a Senior Fellow at the Center on the US and Europe. I would like to welcome you here at Brookings for a debate on the new direction America is taking, a debate on the scope and the interpretation of the changes we have witnessed in the last 100 days, or 99 days I should say.

We have picked a catchy title to encapsulate these changes, a title that some will find slightly scary: "Is America the New France?" But really, they should think again. If America was the new France,

- You would get from here to New York City in an hour and a half in a high-speed train like the TGV;
- 80% of your electricity would be carbon-free because it's nuclear;
- Everybody would have robust health insurance and you would live longer;
- Of course, the food and wine would be much better.

(Laughter)

But beyond the jokes lies a serious question about the possible turn of the American experiment. Two months ago, when President Obama unveiled his proposed budget and his far-reaching reforms, many commentators decided this amounted to a radical departure from the past, putting the US on the road to becoming a European social democracy.

Roger Cohen (from the *New York Times*) wrote that "One

France Is Enough", and assured the reader that "in America's core values, un-Gallicized, lies the long road to redemption", while David Brooks warned against "a transformative relationship that turns us into France."

And it is true that in setting aside funding for universal healthcare and high-speed trains, increasing federal intervention in the markets, embracing green industrial policy and greater social equality, the new administration bears more than a passing resemblance to countries like France.

But before jumping to conclusion, there are at least three questions to answer about the current turn of events. The first one is the following:

Is there such a thing as an "Obama revolution" – are the reforms contemplated by this administration far-reaching enough in their scope to be compared to the historical changes that presidents like Franklin Roosevelt, Lyndon Johnson or Ronald Reagan brought about?

Second question: Are these changes putting America on the path of becoming a European social democracy – and if the answer is yes, is that a good or a bad thing?

The third question: Does it help to think in terms of models and metaphors, or are these misleading oversimplifications? It is not only that Americans don't like to think of themselves as anything other than Americans or, worse,

as following a model. It is also that maybe we are operating on stereotypes rather than realities – whether for France and Europe or for the US.

Let me give you one example. Instinctively, you would think that the French model would be closer to the heart of liberals here. But just 3 days ago, Senator Lamar Alexander, a conservative Republican from Tennessee, extolled the virtues of France in his response to President Obama's weekly radio address. He was bashing the Democrats for not following the French model on nuclear energy, but not only – and let me quote from him:

"We Americans always have had a love-hate relationship with the French. Which was why it was so galling last month when the Democratic Congress passed a budget with such big deficits that it makes the United States literally ineligible to join France in the European Union.

Now of course we don't want to be in the European Union. We're the United States of America. But French deficits are lower than ours, and their president has been running around sounding like a Republican – lecturing our president about spending so much."

And indeed, as you may know, the big question of the past two years in Paris, since Nicolas Sarkozy was elected, has been: Is France

the new America? – which makes the point that maybe our Transatlantic models are not working very well and don't describe the true situations.

To help us entangle these questions, we have four distinguished panelists, and I will introduce them in the order that they will speak. Clive Crook here on my left will speak first. After being with *The Economist* for 20 years, Clive is now Chief Washington Affairs Commentator for *The Financial Times*. That would normally keep any of us busy, but Clive is also writing for *The Atlantic*, and for *The National Journal*. And it is for this last Journal that he wrote a very thoughtful [column](#) last month about this precise question of whether Obama is turning America into a European social democracy, so he will give us his opinion on that.

Pietro Nivola will speak next. He's a Senior Fellow in Governance Studies here at Brookings where he hold the Douglas Dillon Chair. After being Director of Governance Studies for four years, he's now Codirector of the Red and Blue Nation Project which studies the implication of partisan polarization in America, and this is precisely the question that we will be asking Pietro: Is the American public ready to become French? Or rather, what part of the American public or the elite is ready for this? Joke aside, is the political environment permissive for an ambitious progressive agenda where the Government would assume a much larger role to the extent that it defines the Obama Revolution?

Bill Galston, who is sitting next to Pietro, is also a Senior Fellow here at Brookings where he holds the Ezra Zilkha Chair in Governance Studies. A former advisor to President Clinton and presidential candidates, Bill is an expert in domestic policy, political campaigns and elections, and he's also involved in the Red and Blue Nation Project. We will ask Bill not only his take on whether America is becoming French, but, more importantly, if these labels "France" and "America" are as clear-cut as they seem to be, and if they help us to understand the current changes or not.

Last but not least, Jonathan Rauch is a senior writer and columnist for *National Journal* magazine, and a correspondent for *The Atlantic*. But he's also a guest scholar here in Governance Studies. Jonathan is a policy commentator and a few years ago he was awarded the National Magazine Award for Columns and Commentary, which is the equivalent to the Pulitzer Prize in the magazine world. We will ask Jonathan whether we really are at a turning point in the American experience and whether this is limited to the election and the administration of Barack Obama. In other words, what are the longer-term tendencies, especially in the comparisons between America and Europe.

So I'll stop speaking now and will let Clive give us his answer to the question.

MR. CROOK: Okay, thanks very much. You frame the issues very well, but I have to say that, as a Brit, I'm always tempted to throw away my notes and challenge your conflation of France and Europe. There is more to us than France, my friend!

MR. VAISSE: We might get to that, when we --

MR. CROOK: I was very struck by the amount of resistance, and I'll even say anger in some quarters, about [my column](#), which argues what I thought was a fairly kind of benign and straightforward proposition. I thought some of the wrinkles in the issue were interesting, but not the large claim that Obama is attempting to push the U.S. decisively in the direction of European-style social democracy. That seems to be close to self-evident. But the resistance it arouses is very striking.

Americans, with all due respect, are very, very reluctant to accept that, and that piece started off with an anecdote, during the debate on Jim Lehrer program on PBS where David Brooks went up against Mark Shields, and Brooks did say, and quote, you know, use a quote, "American won't be comfortable with what Obama is trying to do if he turns it into France." And at that Shields objected: "straw man, straw man!" that's not even worth discussing.

But in my mind, you know, what is it about the European model that supporters of Obama don't like? I've yet to hear any aspects,

really, of what will (indistinguishable) tax risk that European social democracy, that Barack Obama and his Democratic party are in the mood to say doesn't work? They recoil at the idea that the U.S. is moving in that direction, but I have yet to hear an instance -- perhaps we'll hear some during the course of the discussion -- I've yet to hear an instance of what one might describe as a characteristically European economic institution or attitude toward capitalism society that Obama isn't actually in favor of. So I think that's where I start.

Now, one kind of channel of resistance to the claim that Obama is aiming to push the U.S. decisively in the direction of European-style social democracy is that it's all so complicated, it's all very difficult, and these are stereotypes. We got a flavor of that in what you were saying in one of the questions that you put up, and, well, of course, it's true. It is a simplification, and there really isn't any such thing, if you want to take it seriously, as a European model. Europe is still an association of nation states, and there are enormous differences within Europe. I would take the view that Britain is closer to the U.S. than it is -- meaning more similar to -- than it is to, let's say, Germany, or Italy, or France.

So Europe is, itself, a wide range of -- has a wide range of constitutional arrangements, a wide range of attitudes, and yet I don't want to run away from the claim I'm making about where Obama wants to take

the country. Yes, these categories, you know, the American model, the European model, are simplifications. I'll even go further, actually, and say one of my -- when I came to the U.S. in 2005 and began writing about the regulatory regime, my own prejudice that America was more of a regulation economy than Europe actually evaporated. That is not a claim I would any longer want to defend. I think in many areas the U.S. is more regulated than Europe, and the only striking exception is the labor market, and that is a very important exception, but nonetheless the U.S. has a formidable appetite for regulation, so that difference I wouldn't underline.

But having said that, there are differences, big differences, in political and economic attitudes, and I think those are very pronounced: attitudes to taxes and spending. For instance, America has a completely different default response to questions about how big the government should be and how big the overall tax burden should be. Even bigger, even broader than that, I perceive a profound difference in attitudes to the question of what society owes its citizens, and what citizens connects back to the government. Maybe perhaps I see this more clearly as a foreigner in the U.S., and let me say in case it isn't already obvious, I'm a born-again admirer of the U.S. I'm attempting to immigrate and hope to become a U.S. citizen, so for me you are not getting a disdainful, you know, European condescending view of the U.S.: Just the opposite, I'm an admirer. I just

want to preface what I'm about to say with that.

(Laughter)

There is a distinctively U.S. tradition of individual self-determination and self-reliance, and along with that a skepticism about what you might call communitarian objective and the notion of what society owes you as an individual. And in many respects I just see a very stark difference here between the U.S. and Europe, and that difference, I think, goes to the heart of many of the differences that have evolved in institutions and policies.

As a European coming to America, I was particularly struck that I should just -- I first became acquainted with this in the '80s, I lived in D.C. for 18 months in '85 and '86, and it's a work ethic. Try calling someone in Europe after 4:00pm on a Friday, and, well, you'll have to use their cell phone or call them at home, and make allowance for the fact that there's a good chance that any European you want to call on business is going to be on vacation. When I worked for The Economist, I had six weeks' vacation, paid vacation. I felt that wasn't enough for my purposes, you know. I take the European view that people should have a life outside work, so I bought back another four weeks. I did this for years. So I had 10 weeks vacation a year, six of them unpaid.

When I did my contract negotiation at The Atlantic, which was

my first employer when I came to the U.S. and made a pitch for a similar kind of deal, I was more or less laughed out of the room. I mean this is unthinkable.

Now, maybe -- I don't know how many academics are in the audience, you guys have your own rules, right? But out there in the world of business this is chalk and cheese, and Americans work a lot harder than Europeans. That is, okay, a reckless generalization, but I'm willing to stand by it.

And then on questions of attitude, too, again on this issue of what the government owes to society and what the government owes citizens, look at U.S. attitudes to car bailout. GM is going to go bust one way or another. It will be restructured either in or out of bankruptcy, and this is largely because of a popular anger at the notion of bailing out the company that's been failing for years. The almost universal attitude seems to be let it go. This is unthinkable even in Britain, which I regard as a mid-Atlantic country, let alone in continental Europe. There, of course, the government should step in; of course, the government should do whatever it takes to keep these businesses going. It isn't even discussed, you know, it's truth they regard as self-evident.

Look at attitudes of the bank bailout, the hostility to the top and all the rest. And look at the way that's constraining the response to the

financial crisis going forward. So much of the (indistinguishable) maneuvering, so much of the Fed is doing is about avoiding the need to go back to Congress for more money because they know that Congress isn't going to give them more money because people in the country won't stand for it. Again, this is a distinctively American trait and a distinctively non-European trait.

Another instance, the U.S. attitude to distressed mortgage borrowers. Look how controversial the scheme to bail out distressed borrowers, people are being evicted from their homes. Many are -- I've read a couple of columns saying that the government should be doing more to stop that process, not from compassionate grounds, although that's a factor, but because, I've been arguing, that it's important to arrest the decline in the housing market, and this is one way to do it.

Now, let's put the rights and wrongs of that argument to one side. What struck me was the anger that you elicit from many Americans. Those people borrowed too much. They borrowed more than they could afford to pay, screw them. You know, that's the attitude. Again, you would find some people in Britain and France and Germany who would say that kind of thing, but a far, far smaller proportion than you see in the U.S.

And finally, I'll stop my list because I cannot cope with this, it is a striking fact, is it not, that in the U.S. white working class men lean to the

right. Find me an instance of that in Europe.

Okay, so it's a big simplification to talk about U.S. model versus the European model, but I want to, and I'm anticipating some objections to what I'm saying from the people on my left here: I don't think it's an oversimplification, it's a useful simplification. It's not a distortion, and it's instructive. It's instructive about differences and attitudes and outcomes.

Are the differences narrowing because of Obama or because of other reasons? Well, yes, they are. I think plainly they are, and it's true that they're narrowing from both directions. The European Union has for the most part been a liberalizing, in the European sense -- there's another difference -- a liberalizing project, okay, that the E.U. has leaned against traditional nation-state regulation. There's been a certain amount of deregulation in Europe because of the European Union and because of enhanced trade and capital flows, and flows of migrants within Europe. There's also been an tendency to look again a tax rates and worry about the competitive implications of high taxes both on capital and on labor. So it's been pushing in a market-oriented direction; as you might say, it's been pushing in an American direction.

And in some ways I think it's worth noting that the E.U. was first conceived as a way to emulate and compete with the U.S. And I think

that's how it's working out, and it's partly by design. And so, yes, the gap is narrowing from the European direction, but, certainly, it's also narrowing from the U.S. direction. I think the economic crisis has shaken confidence in the Americans' way of capitalism. That's one factor, this huge crisis and the questions it's raising in people's mind about whether, you know, capitalism, rather than (indistinguishable), employs really is such a good thing.

At the same time, it just so happens Obama is a remarkably popular and very impressive president who also happens to be a bold, progressive liberal in the American sense. So that's a fact to be considered.

And then one thing I think is worth mentioning -- there are many other instances we could discuss later -- but one thing that's worth underlining or focusing on is what Obama intends to do on health care. I mean if you ask me what is the biggest single differences of all the differences between European model and the American model, the answer that springs instantly to mind is universal health care. In this respect, the U.S. is an outlier, it's just an extraordinary anomaly, and Obama intends to fix it, and I think most Americans, according to what they say or what they tell pollsters, want him to do it.

So if that happens, and I think it will on Obama's watch, maybe not fully universal health care but a big step in that direction, and

again putting to one side all the arguments about the model of delivery, whether it's single pay, or whatever it might be, there's a whole range of models across Europe. But the principle of universal, as it were, state-guaranteed access, if Obama does that, then that is a giant stride, I think, in the direction of European social democracy.

So this convergence, some of the movement is from the U.S. and it's very difficult, I think, to deny that Obama wants to accelerate it: universal health care, far more redistributed tax and wage subsidy systems.

Worth noting in passing something else that most Americans refuse to admit -- I've got the reference ready for you if you want to check it -- according to recent OECD study, American has the most redistributed income tax system of any major economy. The thing that you need to bear in mind about the U.S. income tax system is that it's so badly designed it raises virtually no revenue. But it is highly redistributed. It is highly progressive, and more progressive than Britain's, so bear that in mind, and that's before Obama gets to work; that's before the tax increases kick in.

He is proposing a huge public investment program even down to a high-speed train, wider access to subsidized education. The proposed EFCA (Employee Free Choice Act) is part of his thinking, that bigger and stronger unions are a good way to prosecute the anti- inequality agenda. How European can you get? That's actually pre-Thatcher European. So I

honestly don't -- well, I'm waiting to see whether people are intending to deny that this is what Obama's doing. If he manages to deliver his agenda, it would be a momentous shift.

I'll just wrap up -- I may have spent too long already -- with two questions: Can an America that's more like the European Union retain its distinctive strength? In other words, can you have more social protection, more effort to reduce in equality, more as it were government mandated government finance social insurance, and at the same time hang onto your work ethic, your drive, your self-reliance, and your urge to compete and innovate.

Well, I think the answer is no, I don't think you can. At any rate, I think it ought to be uncontroversial, ought to be but is not uncontroversial to say that there's a tradeoff here and many are unwilling to acknowledge it. I think the prevailing mindset is that the U.S. can look to Europe, choose the best things about it, the things that work including universal health care, and once that agenda has been fully implemented, you'll still be, you know, the hard-driving, hard-working, enterprise-revering America. I doubt it. But at any rate, as I say, there's a tradeoff here.

Second question: Is the U.S. more like Europe than Americans actually want? This is, obviously, a key question, and the answer actually isn't clear to me. I think Obama's policies do seem -- I'm

talking about folding evidence here -- do seem to be somewhat out in front of public opinion, is striking of, the polls say, that he seems to be more popular than many of his policies, taken one at a time.

And I do think there's a strong side of what you might call unresolved tension in the Obama project, and it's what the administration is saying on tax. And the message is: You can have universal health care, massively expanded public investments all to be spent on good things -- no quarrel with it -- bigger wage subsidies for the working poor, all of these great things, and it's going to be paid for by the richest few percent.

This is wrong. I think it's plainly wrong just as a matter of fiscal arithmetic, it can't be done, least of all with your broken income tax system. And I even think that Obama knows it's wrong. He knows it's wrong when he says it. Look at the budget which makes no more than a 50 percent down payment on the costs of health reform; I'd argue that it makes the down payment on about a third of that cost.

And even budgeting, as it were, deliberately for a shortfall, even leaving out the full cost of his signature reform, after 10 years the economy has a permanent ongoing budget deficit off 4 percent of GDP a year. So take that number, subtract some of the administration's optimism in its economic forecast; also make allowance for the fact that the down payments on health care reform covers about a third of the bill, and you're

looking at a long-term fiscal gap which is a scary number, 8 percent of GDP, according to some Brookings scholars who have looked at this.

Well, 8 percent of GDP just happens to be what the present federal income tax raises in total, so that is the cost of the Obama program. I've been arguing lately in columns I've done for the FT and National Journal that the U.S. is going to need a big new broad-based tax, something like a value-added tax, And that's what it would take to bridge the fiscal gap I've just described. If Obama is serious about doing what he says he wants to do, the U.S. is going to have to have, I think, a VAT.

But in the end, I think that's what the U.S. will get, but it could go either way. And I just ask you to imagine an America with universal health care and the VAT is, let's say, 10 percent -- and Britain's at the moment is 17,5%, let's assume America starts, you know, with a more modest 10 percent, who could in 10 years argue that the U.S. is not moving in a meaningful way towards the European model? And if there are to be no broad new taxes, because if what I've said about American attitudes to this question is true and people are reluctant to face that consequence, and Obama is actually sparing them the inconvenience of having to think about it because he's telling them they won't have to pay, if in the end there is no new VAT, if there is no substantial increase in taxes, then something else is going to have to give. And I'm not sure what that's going to have to be.

With that I'll stop.

MR. VAISSE: Thanks, Clive.

Pietro, is the American public ready to go in the direction of a European social democracy ?

MR. NIVOLA: Yeah, I'm happy to try to tackle that question, but Clive has raised so many interesting issues here I just want to highlight a couple of things.

I think the first, the point he just made about the VAT is critical. I mean for America to have its, sort of its version of the French Revolution without a VAT is a little bit like having the French Revolution without singing La Marseillaise, so I agree with you there.

I also think that it's important his point about the progressiveness of the U.S. tax system. I mean you wonder which of these two countries is the more socialist when you look at the U.S. tax system, and we have a higher marginal, you know, top marginal tax rate, income tax rate than France does, a higher corporate tax rate. We have a negative income tax in the form of the earned income tax credit. Forty percent of our taxpayers are essentially off the hook from paying any federal income tax and, of course, again we don't have a federal VAT.

I just wanted to say another thing. At one point you said Americans work harder than the French. I think this -- than the Europeans

do -- on the whole that might be true, but I'm always struck by certain types of Europeans who work so hard that it's unbelievable, and I'm thinking particularly of French waiters, and French cooks.

(Laughter)

I mean I challenge you to go to an American restaurant where you still the cook out there at two or three o'clock in the morning cooking up meals for people and the waiters serving everybody in the wee hours. So there are some fundamental distinctions there.

Okay, let me go to Justin's question. I think, you know, when one tries to compare America with France one wonders, okay, which America and, for that matter, which France? Is it the America of the elites, or is it the public at large. And if it's the public, which side, the left side or the right side? In terms of whether the American public is ready for sort of the French style social democracy or -- and I kind of agree with Clive that the Obama agenda is leading in that direction -- I think there are three features about the public's reception of this expansionist government that France's occasion, if you will.

One is that despite the economic emergency, it's really striking how distrustful and skeptical Americans remain about the capacity of government to solve the most basic problems, especially the economic problem.

Secondly, inasmuch as people are interested in what Obama is up to, their interest does not extend to paying for the bill, paying the taxes for this.

And, finally, there's a huge chasm between the Red side and the Blue side of America, between Democrats and Republicans. So what are the implications of this? And I'm going to cut right to the chase.

In terms of the implications, the public as a whole is kind of supporting Obama: They like him, personally. They're supporting his agenda, but in a guarded and fragile way. Now, if you look at the left side of the spectrum, they're right in stride with Obama. In fact, they are several paces ahead of him. They're sort of the Jacobins, if you will, and it makes him look like the Girondins, so that's on the left side.

The right side of the spectrum here in this country is a totally different story, and I guess the bottom line is that if you could -- in public opinion polls, if you could strip out the Republicans and send them off, you know, package them and put them all in Louisiana and ship them back or whatever, take them out of the surveys, then indeed you'd find American public opinion very much approaching the general or prevailing preferences in France and the attitudes in French political culture. That would certainly move the needle closer to France.

Now, okay, let me go back through the three points. I mean in

terms of the doubts and distrust in the public, you can see this from, you know, everything from the bailout last -- of the financial sector in the fall to the questions of the auto bailouts and even the stimulus, they're at best, you know, you get 50 per cent -- you know, just barely over half of the public supporting, for example, the stimulus package. I mean it's a pretty slim majority.

If you ask, should the government step in to bail out the automobile industry and especially to do that repeatedly, there is opposition to that. And anyway, I mean what this has meant is that even the Obama administration has had to sort of gear toward caution, and it explains Geithner's sort of -- Geithner's plan not to nationalize the banks; it explains why the administration sort of is willing to flirt with the prospect of actual bankruptcy of the automobile companies and so on.

Now, as Clive pointed out, the big ticket item in terms of France-ifying our public agenda is the health care question, and actually prospects for that have improved because in polls well over 60 percent, and in some polls two-thirds of the public would like to see full coverage. They want to see universal health care, French-style universal coverage. But when you drill a little deeper into this question and you start asking, well, what does that really mean, and does it involve a systemic change upending the existing systems, you know, reducing the sort of the role of

private insurance in the system and so on, then suddenly the public is a little less sure about this, and, you get, in fact, in some polls just a bare plurality of 48 percent who want to see a systemic change; over 40 percent of the public not interested in that.

Why is this? Well, when you ask Americans whether they're satisfied with their health care, well over 80 percent say they are getting excellent or good health care. This shows up over and over again. About 12 percent say it's fair and a meager 3 percent of the public says they're really getting poor health care. So, personally, they feel like they're doing okay and they're getting their money's worth.

Now, back to the point about perhaps two-thirds of the public favoring an expansion in coverage. It is true that this is sort of the level that's prevailing at the moment, but, and in fact people are willing to say that they'd like to see universal coverage even if there is a tax increase, but the question is, whose tax increase? If you ask the question properly, as Peter Hart did for the Wall Street Journal poll last month, and you ask the question as follows:

Would I -- I, the respondent in the poll -- be willing to pay higher taxes to ensure that everybody has full coverage? Suddenly the two-thirds majority falls to below 50 percent, and you get 49 percent willing to pay that additional tax against 45 percent who say absolutely not. So

again, when it comes to paying the bill, paying the taxes, there is -- there's resistance to the Obama program.

Let's take another issue, climate change. When you ask Americans whether this is a problem and whether the country should do more, a large majority say absolutely, we've got to do more, it is a problem. They even say we, the country, should do more about this problem even if the countries like China don't do anything, which is amazing.

But then, and then if you say, well, shall we have a cap and trade program? The majority say absolutely, we should have a cap and trade program. But then ask them, do you understand what a cap and trade program actually is? And the answer is... uh... not so sure. And certainly, if you explain to them that under a cap and trade program they're likely to pay higher utility bills, the majorities flip right around, and you get almost, you know, 80 percent of the public saying, oh, in this case I'm not interested in a cap and trade program.

So paying the expense for what is on tap here in terms of the Obama agenda is a problem.

The third thing I wanted to get to is the partisan divide, and this is really important. When you look at the question of health care coverage, an overwhelming share of Democrats favor this expansion and coverage, close to 85 percent in some polls, but only 35 -- only about a third

of Republicans would like to see this.

If you ask the question of, okay, what's the bigger problem with health care? Is it the coverage question or the cost of health care? The overwhelming majority of people who say that coverage is the issue are Democrats; the overwhelming majority of people who say that the rising cost of health care is the main problem are Republicans. And you could go on. The partisan split shows up over things like a stimulus, auto bailout, and so forth.

One of the most telling -- I think the most telling area where you see a difference between Democrats and Republicans is in foreign affairs, so let me just throw out this example:

If you're asking the public whether the Afghanistan war is worthwhile and whether it's important to send additional troops there as Obama is going to send 17,000 additional troops to Afghanistan, is that a good idea? A majority of Americans say yes, and the range is within sort of 53 to 56 percent.

If you poll the French about these questions, you get exactly the reverse. It's somewhere between 53 and 56 percent who say absolutely don't send any more troops to Afghanistan. In fact, get the troops out. So you think that you've got a real distinction there between Americans and Frenchmen on the question of escalating the war in Afghanistan. But if you

want past these lead numbers and you look at them by party, you find that the only reason why a majority of Americans favor ramping up the war in Afghanistan is because of the Republican component.

When you ask is the Afghan war worth it, 77 percent of Republicans say yes, but just barely over 40 percent of Democrats feel that it's worthwhile. So what is the implication of all this? It comes down to if America was solidly Blue, if it were solidly Democrat, we'd very much align with French public opinion. But as soon as you introduce the Red side of America into the story, you get a different picture.

MR. VAISSE: Thanks, Pietro.

Bill, the floor is yours.

MR. GALSTON: Yes. In the interest of time, I will truncate my remarks and just put these things out very quickly but perhaps we can return to some of these points.

A couple of preliminary characterizations about what I'm about to say. My focus is going to be on policies and outcomes rather than values and attitudes. Both of those dimensions are important to an evaluation, crucial to an evaluation of the question on the table, but I'm focusing on policies and outcomes.

Secondly, the issue posed is both an empirical issue and a normative issue. What do the two countries look like? How far apart are

they? That's an empirical question. And, secondly, to the extent that we are moving in the direction of France, would that be a good thing or a bad thing? We've already heard Clive's view on that issue. I may advance a slightly different point of view, but let me just put some facts on the table to help frame the discussion that we're going to have.

The first overall observation is that the conventional view of the difference between the French economy and the U.S. economy is not far from the truth. The French economy in the past 18 years has grown below the OECD average in 15 of those years and below the U.S. average in 13 of those years. The French per capita GDP is more than a quarter lower than in the United States. The overall employment rate is lower, not because people in the heart of the work force with 25-to-54-year-olds work less, but because younger workers and older workers in France work significantly less, about at half the rate of the United States.

Poverty is measured by the OECD in France, is less than half of what it is in the United States. Inequality is more than 25 percent lower, all of that entirely consistent with conventional wisdom.

I did run across one surprise. You may have been reading recently that the U.S. household savings rate plunged to near zero and stayed there for a few years until suddenly when people didn't have any money, they started saving more. Go figure. Well, the household savings

rate in France is in excess of 12 percent, and if we were to move in the French direction in that regard, I think perhaps Clive would agree that that wouldn't be so terrible.

With regard to basic social indicators, the French life expectancy exceeds that of the United States by two and a half years. Its infant mortality rate is half of ours. Its teen birth rate is less than a third of ours, and, yes, Justin, the French diet is, in fact, healthier. The obese and overweight rate in France is only 37 percent versus 67 percent for the United States.

One somewhat negative fact about French society is that it's not a very well-educated society, and I'm talking about postsecondary education here. Only about 26 percent of people over the age of 25 have actually completed meaningful postsecondary education versus almost 40 percent in the United States. And, yes, much of the conventional wisdom about social policies is also accurate. The French out of work benefits, unemployment compensation, other benefits replace twice as big a share of the average working salary as is the case in the United States. There's lots more legally guaranteed parental leave, paid and unpaid.

One of the better things about France is its system of pre-K education for kids zero to five, or in some cases zero to six. It's almost universal, and it's first rate. I wouldn't mind waving a wand and having that

on the American scene.

One of the worst things about French social policy is its public spending for pensions. Twice as high as in the United States, 12 percent of gross domestic product as opposed to six. It is in my judgment the least sustainable aspect of French social policy; it's also the aspect of French social policy that generates strikes and bring down governments with incredible regularity.

By contrast, the French health care system is one that we would do well to take a good look at. Overall, if you combine public and private spending, the French spend 4.5 points of GDP less than we do in the United States. They have a very pluralistic system with a public/private mix, a high degree of choice among providers, a higher level of services delivered, very high quality, and much cheaper per capita in the U.S. even though the French population is significantly older than the U.S. population. They may actually have found the sweet spot between the overly centralized national health service in the U.K. and the overly fragmented and very inefficient U.S. system.

But now let me get to the bottom line, which I think is at the heart of the discussion. The overall public sector. Public spending as a percent of GDP is 15 percentage points higher in France than it is in the United States, and there's a 16 percentage point gap in tax revenues as a

percentage of GDP. That raises a very interesting question: What difference would the full Obama plan make? How much like France would we become if we were to accept it?

Well, for want of anything better I turn to the most recent CBO analysis of the president's plan published just last month, and here's what they found: If we did nothing, if we maintained current policy over the next decade, our outlays of the Federal Government would be 22.3 percent of GDP. If we enacted the Obama budget, outlays would go up to 24.5 percent. That is a gain of 2.2, an increase of 2.2 percentage points.

Revenues go in the other direction, Obama being accused of being a big taxer; in fact, if we did nothing revenues in after 10 years would be at about 20 percent of GDP; if we enacted the Obama budget, according to CDO, tax revenues would be at 18.8 percent of GDP. Now, that leads to a significantly higher budget deficit which raises a valid question of whether this is sustainable and, if not, how is the gap likely to be closed?

But the bottom line is that the Obama plan net would reduce the 15-point public sector outlay gap between France and the U.S. to gap 13 points. By that standard you would need seven more Obama administrations back to back to turn up into France, an extremely improbable political outcome, which leads me to two broad conclusions.

You know, first of all we're having an American debate about

American problem, and the policy shifts, if they occur -- and I must say I have my doubts for some of the reasons that Pietro has explained very well -- these shifts will be American solutions.

Second and perhaps more importantly, and you see this in Clive's column and in many other commentaries, there is a fear that policy changes of the sort that the Obama administration is recommending, would undermine the distinctively American ethos, which I think Clive has alluded to quite accurately. Now, this is not an unprecedented fear. For example, FDR was accused of both socialism and fascism, of undermining liberty, of breaking the American Spirit. He replied, sometimes imperturbably and sometimes with asperity, that he was just trying to save capitalism from itself. If ever a policy shift could have changed the fundamental culture and identity of America, it was surely the New Deal but, I would argue, it did not.

Yes, eternal vigilance is the price of liberty, but throughout our history vigilance has had a habit of turning into hyperbole, and hyperbole into paranoia. You may agree or disagree with the current administration's agenda, but Obama's no socialist. He's not even much of a social Democrat. At most, he's Reagan with a minus sign, out to do the modern conservatism what Ronald Reagan did to Lyndon Johnson's Great Society. And that, I believe, is what we should be arguing about.

MR. VAISSE: Thanks a lot, Bill.

Jonathan?

MR. RAUCH: Well, I'm the wrap-up speaker, so my duty is first of all to keep it short, which I promise to do, and second of all to say, per John McLaughlin, you're all wrong and, hopefully -- you all are wrong to some extent or also partly right. But the first place where I'd focus attention -- I'm going to kind of do a double flip here -- my view is that Clive is clearly right about the direction which Obama is leading us, which is toward European social democracy; Bill Galston is closer to right about the destination, which is distinct from the direction, but you're all wrong about the differences between France and America, fundamentally.

The first thing to say is, it's important not to talk about Obama; it's important instead to talk about the Obama Era and here's the reason: Yes, President Obama's agenda is very ambitious and you just heard all of the reasons why. No one even mentioned the super-regulator which would allow the government to take over any systemic entity in the marketplace, or the nationalization of student loans and so on. But he won't get all of that. In fact, I'm guessing he'll get only a fraction of it.

However, what's happening now is not just Barack Obama, it's the confluence of three things all happening at once in the current storm. One is the Obama agenda, some of which he will get.

The second is the retirement of the Baby Boom generation

which begins during Obama's first term, and those costs, as you all know, Social Security and especially Medicare grow and grow and grow, at the same time as we have an economic crisis which leaves a huge debt and government deficits which fiscally brings forward the Baby Boom retirement five to ten years. So, suddenly, all of that is upon us, and that means bigger government faster.

The third component of this perfect storm is the collapse of anything like a coherent and politically compelling conservative or libertarian alternative. So for the time being, the left has the field to itself. The results of all that, I believe, will be a step change upward in the size and scope of U.S. government. For the last 40 years with uncanny regularity, U.S. government spending as a share of GDP has been 21 percent. No matter how far out of line it gets decided, it always comes back. I think those days are probably over, and I think we're now talking about a future in which the new set point will be more like 25 or 26 percent of GDP. And that's going to mean a host of adjustments, some of whom you just heard about.

However, as Bill points out, that still leaves us far short of France where the state is more like 50 percent of GDP as opposed to Obama's, here I guess it to maybe 40 percent. None of this, though, I think gets at the real nub of the question which Bill alluded to at the end, and

that's, you know, only going to lose the meaning of what it is that makes America distinct, American exceptionalism. And if you really listen, you know, that's what conservatives are saying. I brought some quotes with me.

For instance, at AEI Charles Murray gave a big speech in which he said, in substance "The slippery slope that America is sliding down towards the European model is going to be stopped only when we are all talking again about why America is exceptional, why it is so important that America remain exceptional. The problem with the European model is that it drains too much of the life from life. The Europe syndrome which is self-absorption in whiling away life as pleasantly as possible." God help us if we should become like those," let's just say it, Clive, lazy Europeans.

In preparation for this talk, looking for data, I went searching through something called The World Values Survey, which is an extraordinary database, a huge battery of questions asked in the same way across dozens of countries, and I compared U.S. and France to find out where we stood.

You've had a lot of data thrown at you. I'm going to check some stuff off, but don't worry about the numbers or anything; it's just to give you a sense of where this lies because what I got was a big surprise. The surprise is this: When you look at the mass of these questions, it is hard to find major disagreement on questions of core values between Americans

and French. Here are, for example, some things we agree completely on, no distinguishable difference:

Levels of happiness and satisfaction with life, very high in both places.

Satisfaction with our household finances, moderately high in both places.

Satisfaction with how democratic our country is, moderately high.

Equal rights for women, we're all very strong on that.

Attitude toward government, believe it or not very similar, moderately supportive of taxing the rich and subsidizing the poor, moderately supportive of the government assuming more responsibilities in life. Fairly firm that government ownership of business should not increase. Both countries have low confidence in government by substantial margin.

There are other sets of questions where we basically agree on, but we're one click apart. And usually, you know, France is one click to the left of the U.S., but not very much. The French are a little more likely to say divorce is okay; they're a little more likely to say women being single parents is okay, so both countries agree that both those things are okay.

Punishing criminals severely, guess which country is tougher on crime? It's France, but only a bit.

We all -- we basically agree state aid for the unemployed is important, that any income inequality should be tolerated. Both countries thing we need to have some inequality to keep the economy healthy.

Both sides agree that we have a substantial amount of freedom of choice and control over our life. I could go on in this way, but you get the point. Again and again I was surprised by how close these two publics are.

There are issues where there is genuine and moderate disagreement meaning the two sides disagree, though they're still basically in the center, and you can guess what those are. They're social issues, right? Homosexuality and abortion. There is a distinct difference there clustering around the center.

Or the question of the connections in luck matter more in success in life than effort and merit? The French are a bit more fatalistic than Americans. We are more likely to say you get by on your merits. The French are more likely to say that competition is harmful than Americans. Again, no surprise there, but notice on a scale of one to ten, they are only a point and a half apart.

There is one, as far as I can find -- maybe you guys can look at this data and tell me -- there is only one area where we are really very, very different, not just clustering at the center but almost at opposite poles,

and cheating from the podium group at the side, I bet you guys can guess what this difference is. Anyone like to shout it out?

I heard it and it's not food, so what is it?

SPEAKER: Sex.

It's not sex. I heard it, it was out there.

SPEAKER: Religion.

MR. RAUCH: Correct, it's religion. The United States is a much, much devout society than France. Sixty percent of the French say they never attend religious services, practically never. Only a quarter of Americans say that. "God is important in my life," Americans rate that over eight out of ten, and the French put it at four-point something. Religiosity is the huge difference here, and that, of course, is something Barack Obama doesn't want to change and will not change.

So where do we wind up after all this? I wind up saying, yes, American policy will move a bit in the direction of European social democracy. It would do that with or without Barack Obama because of these larger forces pushing it, but don't worry. We're not all that different to begin with. Outside of the realm of the size of government we're much more alike than we are different, so basically, we're just going to have to argue about President Obama's policies on their own merits and without all that much reference to France.

MR. VAISSE: Thanks very much, Jonathan. You know, maybe I'm going to ask a follow-up question to start the debate with the room, because one of the questions that we've sort of turned around here is that of political culture. And you just gave data on, to the effect that actually we are not that far apart on many questions about values, but still other panelists pointed out the fact that they are remaining enduring differences in political culture between Europe and the U.S., or let's say, with all due respect to my 26 fellow Europeans from other EU countries, between French and Americans, especially vis-à-vis the role of the state, the role of individualism versus collective responsibility, et cetera.

So, Clive you wrote in that column of last month that the interaction between culture and institutions work both ways: "Change the system and with time you will change the culture."

Then Bill argued that not even the New Deal was able to change American political culture to the core.

Then Pietro told us that, well, actually, if you look closer and if you unpack the statistics, you will have a very strong difference between Red and Blue America, and that probably in terms of political culture Democrats would gravitate more towards the French view of things whereas Republicans would be more sort of core American political culture.

And so I would like to get back to you, Jonathan, and ask you,

where do you stand on that debate of the political culture? Do you think the political culture in France and the U.S. are that different, first? And second, do you think that they can change over time? Would you side more with Clive or with Bill on this question?

MR. RAUCH: I think I'm more with Bill on this. I think the political cultures are quite different, but they're much less different than the public cultures in that you have to distinguish the two. I don't think American exceptionalism is a myth, and I think the religion numbers clearly show that and, in fact, a lot of American exceptionalism is closely bound with our piety as a society.

But that said, I think we're already pretty close to France, and we'll probably stay that way on many of the core questions that matter the most, which is why, actually, most of us can go live in France and be perfectly content there. That's not necessarily true with a lot of other countries. And even I've heard tell that some French people can actually live here and not be totally miserably.

(Laughter)

MR. CROOK: Can I -- I want to respond to that.

MR. VAISSE: I was hoping you would, actually.

MR. CROOK: You know, I can't sit just here and you can probably see I'm vibrating. Jonathan and Bill said completely different

things about the key French and how far apart are the U.S. and Europe, and Bill's main point was to say there's a huge difference on GDP, you know, the role of the state in the economy, and Obama's hardly going to alter it.

And then Jonathan says there's actually there's a very little between the two countries and what's the big deal? And then to put the icing on that cake, they say they agree with each other. Now, which is it?

So I'd like to respond to some of these points again. First of all, on a point of clarification, although I confess that I am a born again admirer of the U.S., and I feel more at home here than I do in my own country. The fact is I'm not an evangelist for the U.S. I am not saying that the European model is a failure, and I'm not urging, you know, Americans to do one thing or the other on this.

What I am saying is that there is a big difference, and that Obama is setting out to narrow it in a very significant way, and I think there are tradeoffs. It may be at the end of the day, that the European model is better. You know, I have an open mind about that, actually.

I have a personal preference for the way the U.S. works, but there's nothing wrong with a world in which there are different models. Let there be a Scandinavian model, let there be a British model, let there be an American model, that's fine. I'm not recommending one or the other, I'm just saying they are different.

Now that obliges me to respond to Bill's point about the scope of change. Looking at what Obama is proposing, we're going to go from, you know, 22 to 24 percent of GDP. Well, just hang on one second. The budget grossly underaccounts for the cost of what Obama is proposing to do even in his first budget. I mean this is his first budget put together, in crisis economic conditions. This is not his whole agenda. I mean he's doing what he thinks he can do first time around, and, presumably, there will be more.

If this first budget was properly accounted for, I would say out under the three percent of GDP right there to that 24, but then the question is what else? What else does he proposed to do?

And I think there is another very important point to bear in mind here just on the accounting of the differences, and the U.S. delivers a great deal of what in Europe would be called welfare payment. It's not really welfare because the ending in tax credit, which I think is a very, very good program, is an employment subsidy paid to the working poor. So that, that comes out as taxes. That's not scored to public spending.

In Europe, all those programs are out -- almost all of them -- are out like public spending programs, so that needs to be borne in mind when you make this comparison.

You know, I think that Obama wants to lean to youth tax systems very heavily, and good luck to him, it might be right, to improve

incentives to the working poor and, above all, to raise incomes for the working poor to narrow inequality. And that is not being scored in these numbers of public spending, and it really should be scored as public spending.

And Bill mentioned the French health care. I agree. I think the French health care system is the best in the world, and the way I look at it -- I've made quite careful study of it -- is it's in many ways the American system with a kind of public guarantee standing behind it. All the things that Americans value about their own health care system, and in particular the -- your ability to go directly to a consultant without having to go to a gatekeeper whose responsibility is to ration access to consultants, in that respect, the French system is very much like the U.S. You can go directly to an expert practitioner, and French people do do that.

And the French system has similar structure. It gets better outcomes, and it's cheaper. So what's not to like? Well, I'll tell you, the biggest difference, or the biggest remaining difference between the U.S. health care system and the French health care system is the French doctors are paid a third of what American doctors are paid, and that is sustainable in the U.S. because French doctors are trained for nothing whereas American doctors go into crippling debt in order to train, and then the corresponding enlarging to pay that money back.

So it isn't just a question of looking at the structure of the French system and saying, oh, look how well that works, let's just move in that direction. Well, the key question there is, how do you alter that contract that you have that the U.S. had adopted.

Finally, I just want to express astonishment, and I'll say no more about it than this: Those claims that the New Deal did not alter American political culture, I can't believe that he said that, and I'm astonished, and after the meeting, I will ask Bill for further information.

MR. VAISSE: Okay. Before then, we are going to open the discussion in the room, so please identify yourself, and as my boss Ben Benjamin likes to say, make sure there's a question mark at the end of your sentence.

Yes, sir?

MR. BRIGHTLUKER : Hi, my name is Joseph Brightlucker. I think my first question and my only comment would be that the very first question or the very first sentence of the title of this forum Is America the New France?, is, in fact, a negative -- had a negative connotation in the sense that Americans don't like France. And I think that's the problem.

Outside of Manhattan, outside of the Beltway, and outside of the French Quarter, the American people do largely have a negative impression of France. I think it would be important for not only the United

States and perhaps the Obama administration in some way and the press, but also the French government to increase Americans' awareness of the possible positive aspects of French culture and French society.

Any comment on that?

MR. VAISSE: Okay, does anyone want to comment on that?

(No response)

Clive, I see you were biting your tongue.

MR. CROOK: No. I say I'm not sure how to respond. I mean what elements of the discussion is, I agree, a kind of instinctive suspicion in the U.S. an instinctive suspicion of the French, and sort of instinctive disdain, you might say, and I recognize it, of course, because that is also a British prejudice. But I just put that down -- I put it down to bigotry. I mean of course people have these, you know, these national rivalries. I don't think that really has anything to do with, you know, the substance of the issue we're discussing.

MR. VAISSE: Bill?

MR. GALSTON: Well, I think I would put it this way: the default settings for America is populism; the default setting for France is a form of elitism. And so when Americans encounter someone like Monsieur de Villepin, who gives the impression of looking down his nose at everyone, you know, their reaction is this is quintessentially French and the essence

of what populist America doesn't like about elitist France. That, at least, is the stereotype, but it's an exaggeration of truth, as most stereotypes are. The French society is more hierarchical, there is a greater respect for elites and elite training. You just look at the handful of schools from which the French government's officials and ministers have been drawn for so long, and Americans like to think of themselves as a more horizontal and less vertical society. They're sometimes fooling themselves, but that self-conception, I think, is at the heart of the disagreement.

MR. VAISSE: And then, of course, you have to untangle the vision, the image of France as a model of society and politics, and its image as an international power having a certain foreign policy, because the two, of course, are sort of conflated in the statistics about the image.

MR. GALSTON: And if I may just build on that so that Clive and I can continue our friendly quarrel, if the New Deal had destroyed American exceptionalism, could Ronald Reagan have summoned it as effectively as he did? I don't think so.

MR. CROOK: No, it didn't destroy, but it surely made a huge change. I -- I'm quite --

MR. GALSTON: But I wouldn't bet on that.

MR. VAISSE: I would -- we leave that for after the discussion .
Here in the back of the room, next question?

MR. KELLY: Robert Kelly, National Security Consultant. Could you comment on the perhaps differences between government policies and actual trends in immigration?

MR. VAISSE: Anyone want to address that?

MR. NIVOLA: I'll say one quick word about it, and then probably Bill will. We have a much higher percentage of foreign born than France does. You can use that as a metric for immigration, even though the French percentage is like 8 percent of the population, which is high by European standards.

Now, this is an area where the comparison I think is kind of invidious vis-à-vis France because we've done an exceptionally good job of assimilating immigrants. The French have done, in many respects, much not so good a job.

Why is that? I would put it down to the unemployment level, especially youth unemployment which is close -- remains, you know, has been consistently close to 20 percent in France. It's very hard to assimilate immigrants when you have those levels of unemployment.

MR. GALSTON: If I could just add onto that, I've actually -- this is one of the two questions posed that I actually know something above and beyond -- (Laughter) -- above and beyond what I've swatted up in the past 48 hours, and that is that the French, you know, the French aren't doing

that badly by European and world standards. If you look at surveys of immigrants' attitudes towards different European countries, French immigrants are actually much more favorably disposed towards France and the idea of France that is the case for immigrants in virtually anyplace else in Europe, and there's reason for that, namely, that France like the United States has a universal idea to which immigrants can attach themselves and become French.

And a lot of the French educational system and lots of other aspects of French dealing with immigrants reflect that parallel with the United States. Indeed, another piece of my answer to the first question would be that you have two nations with two distinct senses of universal mission, and if they were the same sense there perhaps would not be disagreement, but the American Revolutionary tradition is one thing and the French Revolutionary tradition is quite another. And both countries are defined by those traditions to this day.

But French immigrants want to become French, and when they get angry, it's because of a sense of exclusion. A lot of immigrants in other European countries and to some extent in the U.K. are much more separatist in their orientation because it is much harder to become German or to become British than it is to become French because of the ethnic national identification as opposed to a more universalistic national

identification.

MR. VAISSE: Harvey, you had a question?

MR. TIGENDAM : Harvey Feigenbaum from GWU. I have a question I guess for Clive and for Pietro.

Clive, it strikes me that your portrayal of the U.S. tax system is a little bit misleading in the sense that Europeans have more regressive tax systems because they have the VAT system, and also a slightly flatter system.

MR. CROOK: No. No.

MR. FEIGENBAUM: But let me continue, and then -- that's actually less, but they also achieve progressivity in a different way, largely through a universal welfare state rather than through progressivity in the tax system. So that's just the comment, I guess.

For Pietro, I'd like to ask you to compare a little bit sort of the American right and the French right, that it seems to me one of the really unusual things about America is that there really is no party anywhere in Europe that, as conservative as the Republican party with the possible exception of either the conservatives in Great Britain or the National Prime in France.

MR. VAISSE: First Clive.

MR. CROOK: I will quickly respond to the tax system. I agree

with the second part of what you said: It's true that one should look at the impact of the government. If you making a redistribution, look at the sunny side on the tax side and take them together, and I agree with that. And, of course, you have had sky-high levels of welfare spending.

So the progressivity of the entire system I'm guessing is stronger in Europe. But what I said about the U.S. federal income tax is correct, just straightforwardly correct. If you look at the income tax system by itself, the U.S. system is more progressive than Britons, more progressive than France's, and on down the line more progressive than any other rich industrial country, and that is before Obama introduces his tax changes a little bit down the road. So I mean that's just true.

MR. GALSTON: What happens when Mr. Brown gets his 50 percent tax bracket in parliament?

MR. CROOK: Well, I'm not sure whether it bridges the gap. We'll have to see. We'll have to see. I mean that kicks into the very high -- very high income rate.

MR. CROOK: But my marginal tax rate in the U.S. is already 50 percent if I include D.C. taxes.

MR. NIVOLA: Exactly, including state income taxes. I mean, you know, the point about the French welfare state being more universal, more robust, is true up to a point, although, you know, this increase in

spending that Jonathan has been describing as taking up federal spending, you know, and if you add state and local expenditures as a share of GDP which we're closing in on 40 percent, possibly higher, we could certainly close in the gap with the French public sector at 50 percent.

But in terms of our welfare state, I mean Clive made a point that's very crucial earlier. Much of our welfare state is essentially off budget. It consists of tax preferences and tax expenditures of various kinds. That's how we handle our pension system, basically, or the 401-K equivalent of a pension system. It's how we handle essentially our health care. It's even how we handle a lot of our housing policy, so very important to sort of try to score that part of the off-budget tax side of the welfare state when you're doing the comparison with French.

Now, to your question about the American right versus the French right, I guess, I think I agree with you, we're unique in this. It's really what differentiates us from Europe. I mean, you know, if you had to, what are the traits of the American -- of Red America? I mean religiosity is one of them, as Jonathan stressed earlier. Patriotism is another, but not in the sort of Jean-Marie Le Pen movement, the nationalistic sense, or a xenophobic sense, I wouldn't say.

Individualism in sort of more in the classical liberal sense, at least for the libertarian component of the Republican base, meaning, you

know, confidence in self, in sort of self-reliance as was suggested earlier, Clive. More comfortable with competition than is typical in, let's say, France. And I'd say less preoccupied with economic inequalities than you would find in France or anywhere else in Europe.

The American right is not Gaullist either. I mean it's, in the sense of, you know, it's not really a State-oriented movement in any sense of the word, and certainly not royalist or fascist, for the most part. So I mean it is kind of a unique movement that you don't find abroad.

MR. GALSTON: That becomes important toward a point I made earlier which is, okay, if when you look at these values numbers, these two are in fact so similar, why do we think we're so different? Well, al reason for that is that American society is very polarized, and we do have a politically coherent and compact and, ideologically, quite firmly conservative -- conservative movement. And it's very loud and vocal, and particularly when it's running the country over a period of time what we tend to do is compare our right with their left. In fact, the centers of the two countries are pretty close together, but it is important to remember the U.S. is a polarized country, and that means the edges are quite far apart.

MR. VAISSE: Yes, let me --

MR. GALSTON: But, of course, that calls to mind, you know, Robert Reich's famous joke that if you averaged out him and Wilt

Chamberlain, you'd be somewhere near the statistical average for the United States -- the question is how many people are actually in that (inaudible) as opposed to a statistical aggregate, and there I think there are signs of drifting towards the polls over the past 30 years. But we may disagree on that.

If you'd like me to stop there, Justin?

MR. VAISSE: I'll take two last questions, if you don't mind, Bill. Andrew?

MR. PIERRE: Andrew Pierre, Georgetown University. This has been a fantastic discussion both conceptually, I think, and factually. Yet I wonder to what extent it would be different if there were one or two Frenchmen on the panel listening to the discussion of their own country.

MR. CROOK: There's a Frenchman right here.

MR. PIERRE: And I know, and I may ask -- I guess I will ask this question to Justin. In particular, French under 40, under 45, who wrote up the post-Cold War, focused on the East-West site, you know, Europe as a whole. The man French persons who have come to the United States or even London to study and to work, and who have a much broader international view, the current Sarkozy government which is not all graduates of Le Ne , to what extent is some of the characterizations that we're making of France, the Old France rather than the New France, and

the United States, of course, I don't need to tell you gentlemen about the United States, but we are much more than France focused now on Asia and Latin America, and those parts of the world.

So maybe Justin should answer the question. Are we sort of having the same discussion we would have had 20, 25 years ago? And how should we be different given that France has changed so much?

MR. VAISSE: We will take the last question, and we'll round up the discussion. Give the mike here to the first row.

MITCHELL: Thanks. Gary Mitchell from The Mitchell Report, and I think I want to put the question in pretty simplistic form, and that is we talk about the Obama agenda, and whether it's like France and not like France. It seems to me that except -- well, the question that sort of comes before that is, if we made a list -- and Clive did make a list of things in the Obama agenda that go from universal health care to some redistributive tax policies to, I would add, greening of the economy to focus on education. It seems to me the question we have to ask ourselves, is this about Obama, or is this about the political and public policy, sort of life cycle of the country was headed.

I don't know if that's what Jonathan was referring to when he -- in his initial remarks, but my ears perked up when he said that. I have a feeling that when we look back with some distance on this thing, we're going

to see a less a function of an individual and more a function of the set of existential realities with which this individual, a) had to deal; and b) was leaning in the direction and/or support of in the first place which accounts for a fairly substantial victory in November mirrored by what happened with the Congress.

MR. VAISSE: Thanks. So I guess what I will do is I will start responding, and then I'll offer the panelist the last chance to answer, Jonathan, in the end to the last question.

And to answer your question, Andrew, I would probably use what Bill said and also what Jonathan said – there is more to the changes in France than Sarkozy, the same way that Jonathan urged you that there is more to the Obama Era than just Obama. And that he's as much the product of his time then he is the actual agent of that change.

And so, yes, I think it is changing, relatively, and we probably wouldn't have had exactly the same discussion then. On the other hand, in terms of political culture and then -- and here I would get closer to the argument that Bill was putting forward, I think that political cultures tend to endure over time, and that the changes that Sarkozy has brought to France and which can broadly be described -- and here I would agree with you on the simplification which can broadly be described as going in a direction that is more or less that of the American model.

Nonetheless, these changes don't amount to a change in the French experiment, if you'd like, and in particular I'm struck by the attempt of Sarkozy to change more than just, you know, the labor market or pension plans, thing like that, but to try to steer the French for taking a different direction, and the resistance that it elicited and now the sort of reduction of the ambition of the scope of changes of the rupture, the fundamental change that Sarkozy is trying to engineer. I think political cultures are very resistant, and that it is one of the ways to explain why Sarkozy is sort of bumping his head on that ceiling and why things, after all, don't change that much. They change only incrementally.

So that would be my very sort of balanced response. But then I leave the end, final words to Clive. Pietro, Bill, and Jonathan.

MR. CROOK: I would just respond to this question that you raised because I think it's very interesting. Is it Obama, if there is a change going on, right? Is it something in the wind? Is it Obama, or is it a political life cycle? And I think the answer is it's obviously both, and it doesn't need to be one or the other. I think that's what make this moment so fascinating is cometh the hour, cometh the man.

You know, Obama is, as I said in my introductory remarks, in my view a bold, progressive liberal, and he's in charge at the time when the country is unusually receptive to that agenda, and that's why I think it could

be, you know, next to use to mark a really significant shift in the American trajectory.

MR. VAISSE: Pietro?

MR. NIVOLA: I don't have too much to add to that except that I would -- well, I will say this: I mean I think that some of the -- I have to agree with much of what Jon said about convergence: It depends where you look. But there is a great deal of it going on that even between the United States and France, and I, you know, I -- when Talleyrand found himself in Philadelphia as refugee from the French Revolution, he's reported to have said, "What kind of place is this? We have 32 churches here and only one dish to eat."

(Laughter)

Well, we've come a long way since those days. I mean American cuisine is not up to French standards quite, but it is just, you know, culturally, there is no question that there's as great deal of convergence going on among advantaged countries including France.

MR. VAISSE: Bill?

MR. GALSTON: Well, I'm going to astound everybody by quoting Karl Marx, to the effect that while men make their own history, they do not make the circumstances in which they make that history. And so, yes, it is so, and there are tectonic plates in American politics and culture

and the economy moving in, pointing in a particular direction, but I think it would be a mistake to underestimate the importance of the decision, they were choices that President Obama has made. He took office with two tensions to resolve: No. 1, the tension between the promise of postpartisanship and the substance of agenda; and No. 2, the tension between the agendas of the campaign gone, and the agenda the crisis forced upon him. And his administration has been defined by the decisions that he's made along both of those axes of tension.

He decided in favor of his agenda, even if it meant the sacrifice of bipartisanship, and he decided against the proposition that many people urged on him that because the event -- the agenda of the events that were force upon him, notably the economic crisis, would have to displace and delay the agenda on which he campaigned. He rejected that proposition and said, "We can move forward only on both fronts simultaneously." That was not baked into the tectonic plates; those were two affirmative defining choices that his president made, and he's wagering his presidency on the viability of those choices.

MR. VAISSE: Jon, a final word?

MR. RAUCH: Well, I think in response to Gary's very apt question or point, we're all agreeing it is both. If you want some sense that the winds are blowing in a certain direction. Guess which president it was

who made the largest entitlement expansion since the Great Society? Of course, the answer is George W. Bush within enormous Medicare expansion in 2003. Now, that tells you there are some very, very strong gusty winds blowing to some extent on health care and global warming.

For example, Bush tried and for a while succeeded in leaning against those winds, and Obama, as Bill just said, is leaning into them, I think maybe too much, actually or leaning with then I guess I should say. I'm worried that he's going to tip right over, but those winds are very important and very real, and they're shaping the larger context, which is why I said it's so important to talk about the Obama Era rather than just Barack Obama.

And a final remark is, you know, it's so refreshing in Washington to hear a conversation about international, political, and social comparison. We just don't do enough of that, and I'm grateful to Justin for bringing -- it's his idea, and I think it's great that we had one of these, and I hope we do more.

PANELIST: Hear, hear.

MR. VAISSE: Thanks. So that concludes the --

(Applause)

Thanks for your presence and have a good day.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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