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The Economic Club Speaker Series

Bruce Bartlett, author and columnist • September 29

By Jane Schneider

Public works projects could provide the momentum the economy needs to get moving, according to author and columnist Bruce Bartlett, who shared his brand of conservative economics at the first fall program of the Economic Club on September 29. Bartlett is a columnist for *The Fiscal Times*, an online newspaper covering public and personal finance, and *Tax Notes*, a weekly magazine for tax practitioners and policymakers, and has authored seven books.

Bartlett has long been a fixture on Capitol Hill. He began his career working for Congressman Ron Paul (R-Texas) in 1976, learning the ins and outs of the House Banking Committee. Then, under Congressman Jack Kemp (R-New York), he helped craft the Kemp-Roth Tax Bill, which provided the architectural framework for Ronald Reagan's 1981 tax cut. He went on to become a domestic policy advisor for Reagan and then Deputy Assistant Treasury Secretary under the first George Bush before becoming a full-time writer. For nearly four decades, he's written extensively about politics, economics, and the maneuverings of presidents and Congress. During his presentation, he shared his insights on the country's recession, the spiraling debt, and why the House of Representatives has largely grown ineffectual.

Bartlett set the stage by providing insight into the ways in which Washington works. He referenced an incident in which he was unknowingly quoted by journalist Ron Suskind. Bartlett had become friendly with Suskind and shared his opinion during what Bartlett thought were casual, water cooler-type conversations. So he was ill-prepared for a question from a radio talk show host about an article in which Suskind had quoted him. It was an extensive profile on Bush for the *New York Times Magazine* which opened with several direct quotes from Bartlett. He knew he had been referenced in the article (he had spoken with the *Times* fact-checker), but didn't expect their candid conversation to provide direct quotes as a jumping off point for the profile.

It is the self-serving nature of politics that leaves Bartlett rancorous at times (and the fact that reporters like Suskind can get away with it). He drives this point home in his assessment of the House of Representatives, where across-the-aisle deal brokering has all but disappeared. When the House was held by a conservative coalition of southern Democrats and northern Republicans from 1938 to 1974, there was more give and take. "Congress worked well because there were guys you could cut deals with, guys who could go either way," he noted. Today, both parties have become more polarized and self-serving, which has led to considerable gridlock. "Congress must learn to deal unless we want this utter dysfunction to go on indefinitely."

Bartlett described the tough fight Republicans waged at the behest of President George Bush to pass Medicare Part D, the prescription drug program in 2003. Bartlett said members of Congress stayed up late into the night, keeping the voting open for an “unprecedented” three hours.

“They were going to keep the vote open while they lobbied for votes. They even ordered C-SPAN cameras to remain frozen on the Democratic side of the chamber so the public wouldn't see the Republican's furious arm twisting. It took three hours, but eventually, seven Republican votes were found. “I was just flabbergasted,” he said. “That was when I realized that something was deeply wrong with the party I belonged to.”

The problem, Bartlett goes on to say, is that the Medicare bill further inflates the national debt. Bartlett places much of the blame for the debt crisis squarely on Bush's shoulders. In his estimation, Bush “pissed away the enormous blessing left by the Clinton administration.” The national debt at the time Bush took office was \$6 trillion and the federal government was running surpluses.

“It was projected that the debt could be paid off in eight years,” said Bartlett. Instead, Bush increased the debt by \$12 trillion during his tenure with two unfinished wars, the Medicare drug plan, and tax cuts. “Bush ran up the national credit card and left Obama with nothing on spend on. The problem isn't that we're overtaxed. It's that we don't have spending going on.”

With the bursting of the housing bubble, consumers have stopped spending. “Today, they're cutting back to rebuild wealth by saving money. They're paying down debt because they have a target level of wealth they feel they need.” The Fed can't do anymore because they operate by cutting interest rates and those are at a historic low. “To get the economy going we must get momentum going. Something has to kick-start it.

We need public work projects: the improvement of roads and schools,” said Bartlett. Such projects would stoke the economy by providing jobs and increasing spending on raw materials and services. That's the best way to get the economy going.”

Bartlett believes the administration received a bad economic forecast, and that it underestimated the amount of stimulus necessary to pull the nation out of the recession. “We needed a full dosage of medicine and instead, we only got part of it,” he said. Furthermore, the gridlock that exists in Congress ensures that any real fix will be put on hold until after the presidential election.

Bartlett considers himself an independent. “People don't understand where I'm coming from. I still support Reagan and the ideas from the 1980s. Tax cuts were good then, in 1981, but not now, when we're in different economic times.”

As for the upcoming election? In Bartlett's estimation, Romney may be the last man standing but he will have spent too much money during the primary in his battle to win the nomination. “The economic situation gives Obama headwinds to run up against the Republicans, who squandered their opportunity by arguing over who's got the most pure ideology.”