HOOVER DIGEST

RESEARCH + COMMENTARY ON PUBLIC POLICY

SPRING 2025 NO.2

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CONTACT INFORMATION

Comments and suggestions:
digesteditor@stanford.edu
(650) 497-5356

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ON THE COVER

Lloyd George called it "paramount lord of industry." To Upton Sinclair, it was King Coal, indispensable fuel in almost every part of the habitable world. Here, a drowsy cat conveys a homey conservation message in a British poster from World War II. All industrialized nations struggled to manage coal, needed to build weapons, drive ships and trains, light streets, and heat forges and homes. This poster was among many suggesting that saving coal was a small but vital sacrifice everyone should make. If that message didn't work, rationing would. **See story, page 212.**

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HOOVER DIGEST

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Isolationism Is Not "Great"

Trade, investment, and migration made the world prosperous. Economic fragmentation can only make it poorer.

By Raghuram G. Rajan

Donald Trump's re-election as US president sent shockwaves around the world, but his victory is just the latest episode in a continuing saga. The old Western consensus in favor of globalization started breaking down in the 1990s and early 2000s as emerging markets began realizing its benefits. It accelerated with the global financial crisis, the COVID-19 pandemic, and growing geopolitical tensions. Now, with Trump's goal of increasing import tariffs, the richest, most powerful country in the world is turning against the global order it built, and it is not alone in doing so. The world is fragmenting, slowly but surely—global trade as a fraction of GDP has been flat since the financial crisis, and foreign direct investment has fallen. Meanwhile, the number of trade restrictions that countries have imposed annually has grown more than tenfold since 2010.

Why is the United States rejecting the system it created, and why is this pattern emerging across the industrialized world? Some reasons are well known, but they need to be knitted together. And as global challenges that

Raghuram G. Rajan *is a senior fellow at the Hoover Institution and the Katherine Dusak Miller Distinguished Service Professor of Finance at the University of Chicago's Booth School.*

KEEP THEM ROLLING: Cars line up inside a BYD factory in Thailand. Chinese manufacturers of electric vehicles such as these often build better and cheaper cars because of innovation and lower labor costs. Many other countries are embracing Chinese-style industrial policy, with government subsidies for key domestic firms that they expect will become national champions in the industries of the future. [Creative Commons]

require cooperation, such as climate change and migration, mount, countries will eventually want to draw together again.

THE MANY FACES OF COMPETITION

As the disappearance of comfortable middle-class jobs for moderately skilled workers has upended the prior economic and political consensus, the blame has been placed on trade competition. Everyone can see when the local manufacturer closes down and shifts operations to Eastern Europe, Mexico, or China. Yet the more significant killer of routine jobs, by far, is technological change, whether it is the tax accountant losing her job to a software program such as TurboTax or an autoworker displaced by a machine. This is true even in emerging markets—as in India, where much of cellphone assembly, the quintessential low-skill manufacturing job, is now done by machines, not by workers.

Artificial intelligence promises yet more disruption. It is hard, however, to protest steady technological change. Politically, the foreign producer offers an easier target.

As technological progress hollows out jobs in the middle, global competition for the manufacturing jobs that remain has increased. It used to be that the developed-country workers were far more productive because they were better educated and skilled and had access to better infrastructure, more capital, and more intellectual property. Their higher productivity once offset the higher wages they were paid. This is no longer true in a growing number of sectors: the rest of the world is catching up to, even leapfrogging, the developed world.

For instance, Chinese electric vehicles are often better and cheaper than EVs made by traditional Western manufacturers because they are designed from the bottom up around the digital core and do not attempt to wrap the new technology around the old car. Workers in many emerging markets use the same machines and often work longer for less pay, which is why Apple has not manufactured anything itself since 2004, instead outsourcing manufacturing to firms, such as Foxconn, that produce in the emerging world.

As technological progress hollows out jobs in the middle, global competition for the manufacturing jobs that remain has increased.

Technological change and foreign competition for the remaining "good" jobs have also become more salient politically because comfortable middle-class jobs for the moderately skilled were typically filled by men, often from the majority group. They are the ones seeing the greatest relative fall in status, especially as today's good jobs entail more intellectual and less physical work and women are far more able to compete. And unlike the victims of technological change in the past or those in less democratic countries, they are vocal and can organize politically. That, according to the AP VoteCast survey of more than 120,000 voters, 60 percent of white men (versus 53 percent of white women), 48 percent of Latino men (versus 39 percent of Latina women), and 25 percent of black men (versus 10 percent of black women) voted for Trump is consistent with which groups are most dissatisfied with continuity, though there are other explanations, of course.

There is no surefire way to move more workers from precarious jobs to good jobs in the face of technological change. Experimental policies to help workers adapt will take time to show results, and it will take more time for successful experiments to be rolled out widely. A cautionary note is that through the first Industrial Revolution ending in 1840, workers' wages stagnated in Britain—a phenomenon termed "Engels's pause." Only subsequently

did livelihoods improve. Worryingly, it is hard to point to any large developed-country government in the post–financial crisis era that has made citizens confident about the future—and that's even though unemployment across the developed world is at historical lows.

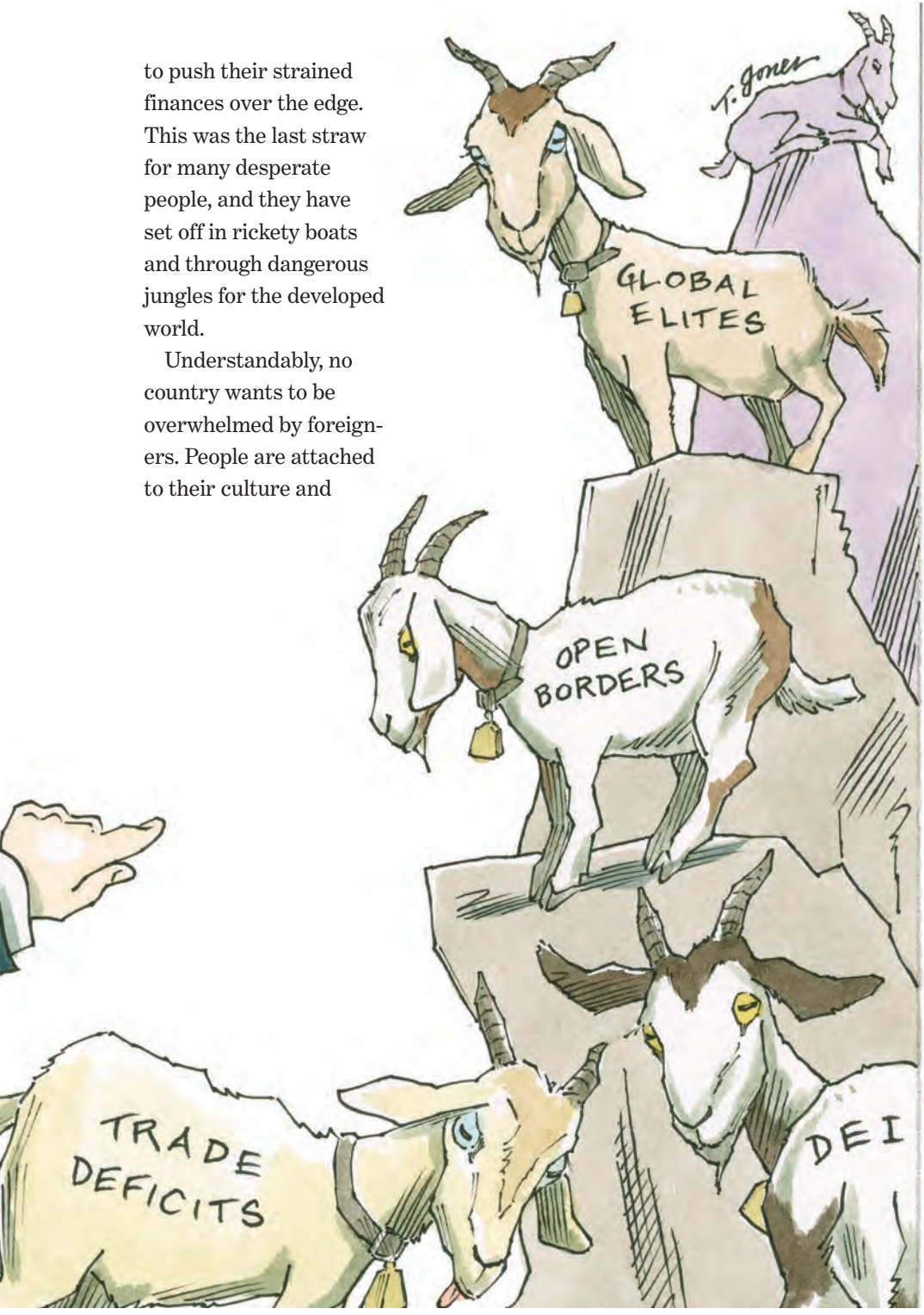
But if developed-country workers are hurting from technological change and competition, workers in poor developing countries have it much worse. The prices of many commodities, those countries' traditional exports, have barely increased in recent years. The growth path followed by successful emerging markets focusing on manufacturing-led exports is narrowing because of protectionism, automation, and extreme competition. In addition, in the global south, traditional livelihoods such as agriculture are threatened by climate change and conflict.

The pandemic was a further blow—despite the very limited assistance developing-country governments provided their populations, it was enough

[Taylor Jones—for the *Hoover Digest*]

to push their strained finances over the edge. This was the last straw for many desperate people, and they have set off in rickety boats and through dangerous jungles for the developed world.

Understandably, no country wants to be overwhelmed by foreigners. People are attached to their culture and



traditions and would rather immigrants assimilate. These broader concerns are accentuated in a left-behind population that sees the immigrant as competing with them.

In truth, the most desperate immigrants often take jobs that the native population shuns—indeed, that only previous immigrants did, one reason that existing immigrants sometimes oppose new immigration. Immigrants are often a source of energy and vitality, provided they get the right supports initially. With Western populations aging and their entitlements underfunded over the medium term, sensible immigration policy that accepts both the most- and least-qualified immigrants in reasonable quantities will keep the workforce younger and ensure a country's long-run fiscal health.

Global challenges that require cooperation will eventually draw countries together again.

BLAME VS. SCAPEGOATING

However, any country that adopts reasonable immigration policies today in the otherwise broadly hostile environment understandably fears that it will be swamped—Canada is a recent example. So, what has been the political reaction to these hard-to-solve problems?

When a political party has no answers, there is still a time-tested alternative for gaining popularity: the politics of polarization—that is, blame others and block the sources of change where possible while plying supporters with fiscal largesse.

For instance, these parties blame globalist elites for opening borders to goods while protecting their own service professions; the diversity-and-inclusion bureaucracy for opening doors to the supposedly less competent while closing doors for the meritocratic; multinational corporations for urging open borders while moving investment to the cheapest countries; foreign manufacturers for cheating while taking advantage of free trade; and so on.

The finger-pointing is not entirely baseless. Take, for example, the allegation, often pointed at China, that foreigners cheat. One claim is that China has stolen intellectual property. This is likely true, but as development economist Ha-Joon Chang has argued, so have most countries in their development stage, though perhaps less so than China. Eventually, countries start creating more of their own intellectual property, as the Chinese are now doing in areas such as EVs and batteries, and then they

protect IP more. While the desire to punish past actions is understandable, China may well be more willing today to commit to curbing its infractions.

Another claim is that China subsidizes manufacturers, for instance with cheap credit. This is probably also true. However, every country subsidizes. For instance, the extensive developed-country supports to corporations during the pandemic were subsidies, as is the Federal Reserve and Treasury's implicit and explicit support to the US financial sector. And now many countries are embracing Chinese-style industrial policy, with government subsidies for key domestic firms that they expect will become national champions in the industries of the future.

In sum, it is not sufficient to say China subsidizes, but rather that it subsidizes more than developed countries. One crude measure of public support is the growth in government indebtedness. By this metric, no country or region is blemish free. A full accounting for subsidies is difficult but necessary—the International Monetary Fund (IMF) and the World Trade Organization (WTO) have started such analysis, but much more work is needed.

Perhaps the greatest antidote to subsidies embedded in new industrial policies that governments are embracing is that they rarely work. China has built such massive overcapacity in the industries it helped, such as solar cells and EVs, that few firms are making profits. This experience is likely to be repeated by countries subsidizing chip manufacturing. Eventually, experience will compel governments to back off from intervening.

In the face of technological change, there is no surefire way to move more workers from precarious jobs to good jobs.

In the meantime, however, scapegoating the foreigner and trade leads to non-solutions that deflect the domestic debate away from the right reforms. For instance, the United States already applies substantial tariffs on solar panels from China. In response, China exports solar cells to third countries, which assemble them into panels and then re-export them with a hefty markup to the United States. The shift from direct trade to indirect trade is self-defeating in so many ways, including hampering the fight against climate change. Even if panel imports were somehow stopped altogether and US manufacturers did produce them, it would not create many US jobs—given the high cost of labor in the United States, manufacturers would more likely use machines rather than workers, as we have seen Indian manufacturers do.

If the US trade deficit is seen as a weakness, it would make far more sense to bring it down by reducing the fiscal deficit, since trade deficits reflect, in part, an excess of domestic spending over saving. Conversely, if China views its trade surplus—a measure of its dependence on foreign consumers—as a vulnerability, the solution is to adopt domestic policies that would boost household confidence, encouraging Chinese households to consume more. The United States and China could have a useful dialogue on how each other's domestic actions (or lack of them) are creating global vulnerabilities.

Instead, as the two superpowers point the finger at each other in an environment of rising geopolitical rivalry, distrust and fragmentation increase. For instance, multinational firms have learned that their supply chains need to become more resilient to disruptions. And the Russia-Ukraine war has taught countries not to be dependent on a potential enemy for key inputs. There are sensible ways to achieve more resilience and national security. But in a polarizing world, everyone is a potential enemy, and every product is capable of being weaponized, so these needs become the cover for blatant protectionism on even the most quotidian products.

The unfortunate implication of finger-pointing is that we can be better off by eliminating the ostensible source of disruption. Almost surely, that will not take us back to the much-romanticized past. Not only will the US manufacturing jobs lost to China typically not come back if the United States only applies tariffs, but any effective reshoring of production through more draconian government actions against imports will increase costs. It will render the US airplane exporter—which now has to use high-cost US steel—less competitive, even if retaliatory protectionism does not hit its sales. It will reduce household consumption, as the earphones that used to cost $50 now retail for $100. And it will reduce foreign incomes so that foreigners can afford fewer US goods. Each of these hurts US job creation. Protectionism helped trigger the Great Depression. Few should want to go back to that past, yet so many want to experiment with past follies again.

In a polarizing world, everyone is a potential enemy, and every product capable of being weaponized.

OPENNESS

While history suggests what will not work, it offers no magic solutions on how to enable workforces to adapt continuously to technological change. But

I want to point to two reasons for hope that the trend toward isolationism will eventually be arrested.

First, the electorate, while willing to try anything, wants real solutions. As the polarizers fail, they are thrown out, so long as their countries stay democratic; the United Kingdom and Poland are recent examples. Countries will get windows for sensible reforms, and, hopefully, examples of success will emerge.

Second, many emerging markets and developing countries want to maintain an open world. They will be partners in any effort to construct a new open order, even if the largest economies stay aloof for now. Coalitions of the willing must create foundations for that new order, with others joining as their domestic politics change.

On the domestic side, countries need to equip people for the work of the future, even if the full payoff will come only with time. Wherever possible, arrangements to do so are better coordinated by local government than at the federal or state level.

Countries that seem to have prepared their workers best for technological change are small, decentralized ones such as Switzerland or the Scandinavian economies. Reforms to the ways that countries have of reskilling workers may be more appropriate if designed and implemented locally, as local government, businesses, NGOs, and educational institutions come together to find solutions. This also allows for multiple simultaneous experiments to find out what works.

Protectionism helped trigger the Great Depression. Few should want to return to that past.

More generally, an antidote to the sense of helplessness induced by massive global change is local empowerment, with light-touch federal support where needed. The guiding principle should be that of subsidiarity—devolving powers to the lowest level that can exercise them.

While respecting the principle of subsidiarity, we do need to move forward at the global level. Let me sketch three possible areas.

For one, we need climate action among the willing, or else migration will be the only option in poor countries. Country actions should be differentiated based on capacity and need, a principle more honored in the breach than in the observance. Developed countries and emerging markets should take on the burden of mitigating emissions and finding robust ways of financing the necessary investments. More specifically, the world needs better

measurement and disclosure of emissions and mitigation efforts and clearer national commitments to do so; enhanced carbon-trading opportunities; agreements to exempt green goods from trade protectionism with, if necessary, temporary and limited safeguards to allow domestic industry time to adjust; and greater sharing of green IP.

Developing countries, which face growing climate calamities today, should focus their scarce resources on helping their people to adapt to climate change—for instance, moving homes to higher ground, expanding water harvesting and irrigation, or growing hardier crops—while ensuring that new investment is green. Of course, as developed countries perfect ways of financing green investment, developing countries can use them to attract capital and replace old high-emission capital stock.

Second, we must preserve the momentum for greater openness in other areas as goods trade becomes protectionist. Specifically, improvements in communications technology now allow high-skill services such as consulting, telemedicine, retail financial services, and design to be provided at a distance. Global services trade, already growing faster than goods trade, can explode if we bring down barriers.

Importantly, developed economies have a comparative advantage here; the world's biggest exporter of services is the United States, followed by the United Kingdom. However, service exports also offer an alternative growth path for developing economies. To expand service exports, including from developing countries, we need global agreements on issues such as mutual degree recognition, data privacy and storage, and adequate digital infrastructure to support services trade.

Countries need to equip people for the work of the future, even if the full payoff only comes with time.

Opening up services trade has other benefits. Capable professionals in developing countries can earn good incomes from abroad without emigrating, boosting the local economy with their consumption. Domestic inequality in developed countries will fall as competition increases in previously protected highly paid professional services, increasing their availability and reducing their price. Growth in services consumption is also more environmentally sustainable than goods consumption.

Finally, multilateral institutions have been ineffective thus far in fighting fragmentation, in part because they are dominated by increasingly protectionist developed countries. We must make them fit for purpose through

reforms while envisaging new institutions, such as a World Immigration Organization, that will help inform and coordinate country efforts.

CHANGING OF THE GUARD

For instance, consider the IMF, which was set up with power vested in an executive board dominated by the United States and its allies. Even today, this board micromanages everything down to operational decisions, such as who gets loans.

Not surprisingly, the old powers do not want to cede board power to rising economies. It is telling that China has voting power only as large as Japan at the IMF even though its economy is more than four times bigger; however, the IMF's December 2023 quota review made no change in relative votes. Rising powers therefore do not trust the IMF to be evenhanded, which makes it less able to mediate conflicts and disagreements between countries.

A key reform would be to take executive powers such as individual loan decisions away from the IMF board, vesting them in a technocratic professional management with allegiance to the organizational mission, while making the board responsible only for overall governance. This would depoliticize operational decisions and analysis, making the IMF more trusted and able to come up with unbiased proposals for global problems. It would also make the old powers more willing to cede their dominance since the rising powers would not control operational decisions. Interestingly, it is what economist John Maynard Keynes recommended when the IMF was set up, only to be overruled by the United States.

Similar reforms are possible in other institutions such as the World Bank and the WTO. No doubt the United States will still resist somewhat, but it has come a long way from when President Kennedy said that "we shall pay any price, bear any burden . . . to assure the survival and the success of liberty." Other nations ceded power to Washington because it was willing to fill gaps with its resources and military. With the United States now wanting other nations to assume their fair share of responsibility, it should also be prepared to share power in multilateral institutions. The alternative is to see them become irrelevant.

Cross-border trade, investment, and migration have made the world far more prosperous than could ever have been imagined, but fragmentation will make us poorer. The November presidential election was just one act in an unfolding play. We must resist the play's overall theme that isolationism will make every nation great again.

Successes will be few and far between for a while. Unlike in the past, we have much less belief in a shared destiny—that countries benefit when others are successful, that we can come together to solve the gigantic problems we face. That belief will return more strongly, if nothing else, as we experience the costs of isolationism. The task today is therefore to tackle the root causes of fragmentation, preserve openness where we can, and build necessary institutions where possible so we can regain lost ground and time quickly when that moment arrives.

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A Last Chance for Fiscal Sanity

Runaway federal spending menaces national security. President Trump has an opportunity—a fleeting opportunity—to stop it.

By John F. Cogan

Excessive spending has been a way of life for lawmakers in Washington for more than half a century. Since 1969, federal outlays have exceeded revenue every year, except briefly during the high-tech bubble of the late 1990s. Elon Musk's Department of Government Efficiency has been attempting to put an end to this fiscal profligacy. He will discover that the root cause of this problem lies with the federal government's abandonment of federalism in fiscal matters.

Key points

» The key to excessive spending is the federal government's abandonment of federalism in fiscal matters.

» The Supreme Court, agreeing that Congress could spend to promote the "general welfare," sounded the death knell for fiscal federalism.

» Spending on national defense is wholly inadequate to meet rising global threats.

We have all been taught that the Constitution limits the federal government's powers—that there is a sharp division between federal, state, and local responsibilities. Yet this couldn't be further

John F. Cogan *is the Leonard and Shirley Ely Senior Fellow at the Hoover Institution and participates in Hoover's task forces on energy, the economy, and health care. He is the author of* ***The High Cost of Good Intentions: A History of US Federal Entitlement Programs*** *(Stanford University Press, 2017).*

from the truth in fiscal affairs: it is difficult to think of a single activity that state and local governments spend money on that isn't also financed by Washington's check-writing machine. The feds spend on local roads, social services, police and fire protection, and education. Washington also appropriates funds for building and maintaining municipal parks and playgrounds, bike paths and hiking trails, city sidewalks, bus stops, railroad crossings, traffic signs and stoplights, and beautification projects. This is all in addition to its most costly outlays on the plethora of welfare, disability, health care, and income-support programs.

The federal government has chosen to take on and finance additional responsibilities by using debt alone.

My analysis of federal budget data shows that the chronic federal budget deficits since the 1950s are due to the federal government's failure to raise tax revenues required to finance its spending on state and local activities. The federal government has instead chosen to take on and finance additional responsibilities by using debt alone. This is a sharp, and dangerous, break from its past fiscal restraint.

The founders believed that, among its benefits, federalism would serve as an effective constraint on federal spending and a barrier to structural budget deficits. They figured that a constitutional balanced-budget requirement was unnecessary, and the historical record mainly vindicated them.

From 1789 to the first decade of the twentieth century, Congress largely adhered to James Madison's view that the federal spending power was limited to executing the Constitution's enumerated powers. Congress repeatedly rejected bills appropriating federal aid to elementary and secondary education, income support for citizens, and state grants for the poor. Notable exceptions were made for the Cumberland Road, waterway clearance projects beginning in the 1820s, and cash aid for land grant colleges in 1890. Yet the constitutional barrier that prevented federal spending on state and local activities largely held. The federal government experienced budget deficits only during war and economic

Until the twentieth century, the federal government experienced budget deficits only during war and recession. In other years, it ran surpluses to pay down debt.

recession—and, in other years, ran budget surpluses to pay down any debt it had incurred.

Fiscal federalism started to erode more seriously around World War I. Congress began spending on state and local activities through new programs that matched states' spending on their existing efforts for highway construction, vocational education and rehabilitation, agricultural extension services, and maternal and child health. These small programs were inconsequential for the federal budget totals but nevertheless planted the seeds for future expansions.

The entire increase in national debt is traceable to the federal government's spending on state and local activities.

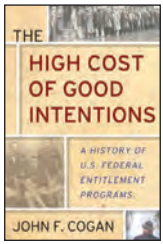
Policy makers finally abandoned fiscal federalism during the Great Depression. It was initially unclear whether this would be temporary or permanent. The Supreme Court, by concluding in the 1930s that Congress had the authority to spend to promote the "general welfare," ensured the latter.

After World War II, and especially during the peak years of the Great Society (1965–74), the federal government greatly expanded its spending on activities that were traditionally regarded as state and local affairs. Federal spending increased from around 18 percent of gross domestic product in the early 1960s to 21 percent in 2019 and an estimated 24 percent in 2024. New expenditures on traditionally state and local activities as a share of GDP accounted for more than the growth in total federal spending during this period. Meanwhile, tax revenues remained mostly between 16.5 percent and 18.5 percent of GDP. In other words, the entire increase in national debt is traceable to the federal government's spending on state and local activities.

The consequences for the national debt are mainly unchanged even if we set aside Social Security and the Medicare Hospital Insurance program. Until the past decade, payroll taxes adequately financed both programs. Only in recent years have they contributed to the rise in national debt.

The abandonment of fiscal federalism has affected more than our towering national debt—it has also begun to undermine our security. National defense should be the federal government's highest priority. Yet since the 1950s, spending on traditionally state and local affairs has taken its place. Funding these projects has come at the expense of the defense budget, which as a share of the federal total has fallen from around 60 percent in the mid-1950s to some 13 percent today. That level is wholly inadequate to meet rising global threats.

The federal government needs to reverse its priorities, prizing national defense and returning state and local affairs to their proper place. Sorting out which programs should go first could be a natural starting point. ◘



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Trust Busters

When can a good economy still feel bad? When rosy scenarios come from people whom the public just doesn't trust.

By Michael Spence

While official sources and the media highlight strong consumer-spending and jobs data in the United States, or tout high US stock-market valuations, more than three-quarters of Americans view economic conditions as poor (36 percent) or fair (41 percent). This disconnect between performance and perception can have far-reaching consequences; it already helped to propel Donald Trump to victory. So, what is causing it?

Here, it's worth considering how market participants deal with asymmetric information—when one party has more or better information than another party or parties. Imagine you were seeking to make a purchase. As a buyer, there is a limit to the information you can

Key points

» In our highly complex economy, much of the data that aid a person's decision-making can't be collected or observed personally. Intermediaries step in.

» Even when the news media highlight the challenging conditions many Americans face, their reports don't seem to make a significant difference.

» Individuals select their group based on shared beliefs, and confirmation bias keeps them there.

***Michael Spence** is a senior fellow (adjunct) at the Hoover Institution, the Philip H. Knight Professor (Emeritus) of Management in the Graduate School of Business at Stanford University, and a professor of economics at the Stern School at New York University. He was awarded the Nobel Memorial Prize in Economic Sciences in 2001.*

glean about your options through direct observation. So, you make your decision based on your beliefs about those options, which extend beyond discernible facts to include unseen or anticipated characteristics.

But the process is not finished when the transaction is complete. You then engage in "discovery"—essentially, observation. If, during this process, you learn things that do not correspond with the beliefs that drove your decision, you modify your beliefs.

In the signaling and screening models that economists use, the choices made by a variety of agents close information gaps and lead to equilibrium: the beliefs shaping demand lead to choices on the supply side that turn out to be consistent with those beliefs. The crucial point is that the direct observation that follows a transaction anchors beliefs and determines equilibrium.

But in our highly complex economy, characterized by specialization and interconnectedness, such observation is not always possible. On the contrary, many or even most of the conditions that are salient for an individual's well-being or decision-making today are not local or subject to personal observation. There can be no comprehensive discovery process ensuring that beliefs are linked to underlying realities.

Where personal verification is impractical or impossible, we rely on informational intermediaries, including the traditional media, government, or experts, such as climate scientists. In our digital age, social media platforms and online sources have also claimed a prominent position in our information ecosystems.

But if these intermediaries are to close information gaps, they must be trustworthy—and Americans are not convinced that they are. A 2023 Gallup poll showed that faith in institutions, from media to government, had reached historic lows in the United States, with only 18 percent of respondents expressing confidence in newspapers, 14 percent in television news, and 8 percent in Congress.

The information-seeking process works only if the intermediaries are trustworthy. Many Americans aren't convinced that they are.

Scientists fare better, with 76 percent of Americans reporting a "great deal" or "fair amount" of confidence that they will act in the public's best interests, though the group that identifies as "highly skeptical" is growing, especially among self-reported Republicans.

Why don't Americans trust the institutions that are supposed to be helping to close information gaps? Rosy news about the economy's performance that fails to account for people's pocketbook realities might be part of the answer.

Income-distribution data can help shed light on these realities. The 2008 global financial crisis—which began with the collapse of a housing bubble—dealt a major blow to the balance sheets of the bottom 50 percent of households. In 2010, this group accounted for just 0.7 percent of total household net worth. A partial recovery followed, but the COVID-19 pandemic and subsequent surge in inflation, which spurred the US Federal Reserve to raise interest rates, produced new headwinds. More than a quarter of US households now spend more than 95 percent of their income on necessities, leaving them vulnerable to even mild shocks and making wealth-building all but impossible.

People start assuming that traditional institutions are either lying or clueless.

This year, total US household net worth stood at $154 trillion, with the bottom 50 percent of the distribution accounting for $3.8 trillion—just 2.5 percent of the total. That works out to $58,000, on average, for some sixty-six million US households, with many owning much less. The top 10 percent hold two-thirds of all US household wealth, and the bottom 90 percent share the remaining one-third.

It is not difficult to understand why Americans might be mistrustful of those delivering a rosy economic narrative that does not correspond with their experience. Even when media outlets do highlight the challenging economic conditions many Americans face, their reports are not translated into policies and actions that make a significant difference. This has been true for at least two decades and undermines confidence in the system as a whole. At a certain point, people may start assuming that traditional institutions are either lying or clueless.

The de-anchoring of beliefs from traditional sources of information leaves the field wide open for alternatives, which may well be unreliable. The Internet—and social media, in particular—both facilitates and complicates this process, as it delivers access to vast numbers of unverified sources. The results can be highly polarizing.

While research into social media's impact on our behavior is ongoing, it seems clear that platforms like Facebook, X, and TikTok have become powerful mechanisms for group formation. The process is self-reinforcing: individuals select their group based partly on shared beliefs, and the group influences members' perspectives. Confirmation bias—the tendency to seek information consistent with one's prior beliefs—reinforces groups' diverging

perceptions of reality. Some controversial beliefs, such as the claim that the 2020 presidential election was stolen from Donald Trump, are not actually beliefs for many, but rather screening devices to verify group members' allegiance to the same "facts."

Against this backdrop, restoring a shared baseline perception of reality as a foundation for economic policy is a formidable task. Americans' sharply divergent economic experiences, rooted in soaring wealth inequality and many other hardships, including the rising costs of health care and college, will only compound the challenge. ■

The Internet delivers access to numberless unverified sources.

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The DOGE House

Don't bet against Elon Musk. It's not that he has magic powers. It's that slashing government waste won't be that difficult.

By Patrick A. McLaughlin

Many Beltway insiders express doubt about the Department of Government Efficiency (DOGE). Skeptics on the left unsurprisingly want DOGE to fail for ideological reasons. More unexpected are conservative and libertarian cynics who, while wishing Elon Musk all the luck in the world, are dubious of success.

To these skeptics, no outsiders could understand Washington's tangled web of statutes, regulations, and administrative practices well enough to deliver meaningful deregulation within 18 months—let alone trim $2 trillion from the federal budget.

Contrary to those insiders, I agree with Peter Thiel's recommendation: "Never bet against Elon Musk." Not for some mystical belief in Musk's charisma, but because history shows deregulation is achievable when approached methodically. This is especially true when you give the insiders the right incentives. Jurisdictions worldwide have shown that significant regulatory reduction can occur in just a few years—and have proven the budgetary and economic benefits that deregulation provides.

Deregulation can save trillions of dollars. The number of regulations on the books has nearly tripled over the past fifty years. These regulatory

Patrick A. McLaughlin *is a visiting fellow at the Hoover Institution and a senior research fellow at the Mercatus Center at George Mason University.*

restrictions stifle innovation and economic growth. My own research finds that average annual economic growth would be nearly 1 percentage point higher if regulations had stayed at 1980 levels. That doesn't sound like much, but it would be 35 percent faster annual growth than what we've actually seen.

Federal tax revenue over the same time period has consistently been about 17 percent of GDP. This suggests that a long-run solution to our budget problems today could involve increasing economic growth via deregulation, simply by virtue of taxing a larger economy.

Upstream of regulations are the thousands of congressional statutes that authorize them. Downstream are millions of guidance documents.

Deregulation in the United States presents a daunting task. Upstream of regulations are the thousands of congressional statutes that authorize them. And downstream are millions of guidance documents that ostensibly exist to help businesses and individuals comply with regulations. In reality, many of these guidance documents become de facto regulations themselves, adding to the economic quicksand that constrains innovation, entrepreneurship and economic growth.

That's a lot of law. The trick will be to deregulate in a way that will withstand the inevitable legal challenges from special interest groups. These challenges will be primarily based on the Administrative Procedure Act, which dictates that regulations must be crafted in a way that is not "arbitrary and capricious." The interconnectedness of laws, regulations and guidance documents makes it hard to remove any particular rule without affecting other rules, but a failure to consider all of the moving parts could risk legal challenge.

Idaho sunsets all regulations every five years unless they are renewed by a new rule.

How can DOGE possibly thread this needle, especially if it lacks regulatory expertise, as alleged by the DC punditry? DOGE's solution lies within the government's ranks. Agency employees—attorneys, economists, and subject-matter experts—who have spent decades crafting new regulations can be incentivized to reverse course. Successful deregulation doesn't require external expertise. It just requires knowing how to rewrite the rules of the game.

Proven models exist. In 2001, British Columbia reduced its regulations by nearly 40 percent within three years. That yielded a 1 percentage point boost in economic growth. In the United States, states like Idaho, Virginia, Nebraska and Missouri have similarly achieved remarkable success by tasking agencies with measurable reduction goals.

Idaho has cut regulations by over 50 percent since Governor Brad Little took office in 2019. Regulators in the state were initially given the task of finding two regulations to modify or eliminate for every new regulation that they wanted to create. Idaho is maintaining this progress through a zero-based regulation plan, which sunsets all regulations every five years unless they are renewed by a new rule.

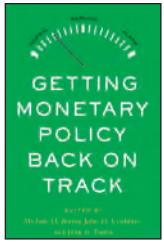
Agency insiders, given clear goals and incentives, can spearhead meaningful reform.

In Virginia, a 2022 executive order requires agencies to find a way to cut 25 percent of the requirements in their regulations. Governor Glenn Youngkin set up a new Office of Regulatory Management to help implement the process. So far, Virginia's regulatory reductions will save residents an estimated $1.2 billion per year—all accomplished by relying on agency staffs themselves to find regulations that could be cut.

These examples showcase how agency insiders, given clear goals and incentives, can spearhead meaningful reform.

Deregulation will still be hard. Any deregulatory action has to go through the same procedure as a regulatory action, which typically takes one to two years to complete. Legal and economic justifications are required, and avoiding legal pitfalls, such as contradicting other regulatory actions taken over the decades of an agency's existence, is one of the reasons there are so many agency bureaucrats in the first place. But those same subject matter experts are the reason DOGE can succeed. They built the current regulatory state, and they can reform it, too.

Elon Musk surely knows this. Successful entrepreneurs don't micromanage. Instead, they empower talented teams with the ability to find innovative solutions. Just like British Columbia, Idaho, and Virginia, with the right incentives DOGE can transform government bureaucrats from rule-makers into rule-reformers. It won't be easy, but the economic payoff will be worth it.



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Perspectives on Political and Economic Governance

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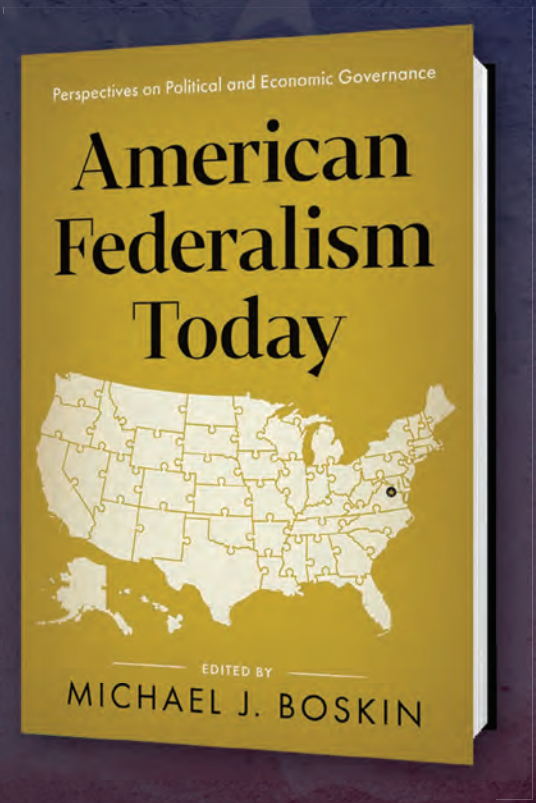

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"I Shouldn't Say This . . ." Or Should He?

We've learned to see President Trump's rhetorical lashings as a tool to get what he wants. But do they work?

By Bill Whalen

Credit Donald Trump with making history on Inauguration Day: he not only was the first modern president to begin a second non-consecutive term but also starred in arguably the first sanctioned political rally *inside* the US Capitol (frigid weather having relocated the outdoor ceremony to the Rotunda).

The first ten minutes of Trump's nearly thirty-minute inaugural address (twice as long as his 2017 address) were a *sotto voce* rendition of election-year grievances: "vicious, violent, and unfair weaponization of the Justice Department," "a radical and corrupt establishment," a "Liberation Day" for America's citizenry. He did shift to more uplifting language toward the end of his oration ("the golden age of America"). But only moments later, at an impromptu appearance in the Capitol's

***Bill Whalen** is the Virginia Hobbs Carpenter Distinguished Policy Fellow in Journalism at the Hoover Institution and co-editor of **California on Your Mind**, a Hoover online journal. He also moderates Hoover's **GoodFellows** video series.*

Emancipation Hall after the swearing-in ceremony, the new president slipped back into campaign mode.

Absent a Teleprompter, Trump called the House investigation of the January 6, 2021, Capitol riot an "unselect committee of political thugs" and branded former congresswoman Liz Cheney "a crying lunatic."

It wasn't the first time Trump had chosen to single out Cheney, the daughter of the former vice president. He has also called her a "low IQ war hawk," earning her a spot on the Trump walk of shame alongside three of his vanquished presidential rivals ("Crooked Hillary," "Crazy Kamala," and "Birdbrain" Nikki Haley), as well as "Tampon Tim" Walz, "Psycho Joe" Scarborough, and California Governor Gavin "Newscum."

The second (unscripted) speech of Trump's first day back in office was longer than the inaugural address, and it included Trump's cautioning: "I shouldn't say this."

Which serves as a warning label for presidential utterances to come. Will Trump's penchant for belligerence and belittling have a deleterious effect on an ambitious "second first term" agenda?

BLUE STREAKS IN THE WHITE HOUSE

Trump isn't the first president whose words raised eyebrows. A half-century ago, with the release of secretly recorded White House tapes, America discovered that a Quaker-bred president possessed a potty mouth (Richard Nixon's salty language gave us the editor's term "expletive deleted"). Then again, Nixon came across as a choirboy compared to his predecessor. Lyndon Johnson's foul words and lack of physical boundaries led one congressman to this assessment: "I wouldn't say Johnson was vulgar—he was barnyard."

Even Trump's predecessor, Joe Biden, could have helped whittle down the nation's debt by installing a swear jar in the Oval Office—Biden reportedly calling Trump "a sick f—" and Israel Prime Minister Benjamin Netanyahu an "a—hole."

Then again, those were Biden's privately uttered opinions. Whereas Trump seems to have little if any firewall between his inner thoughts and what he offers for public consumption.

Why is this so? It may be as simple as seeing Donald Trump, an unfettered and unfiltered messenger, as a reflection of times he inhabits and a master of a celebrity culture that helped propel him to national office. And note one subculture that Trump adapted to politics: professional wrestling. Before three presidential runs and an eleven-year run on *The Apprentice*, Trump was a fixture in the world of the then–World Wrestling Federation (now the WWE). He

engaged in phony storylines and, on one occasion, pulled off a product crossover when the female wrestler Maria Kanellis appeared on *The Celebrity Apprentice* (ironically, Trump fired her for engaging in "locker room" talk).

About pro wrestling: the premise is a simple one of "heroes" vs. "heels," both roles that Trump gleefully plays—adored by MAGA supporters, egging on his detractors The "Combatant in Chief" has sat ringside at UFC bouts, the bloody sport of choice for Generation Z. In its heyday, professional wrestling was a world in which language—nationalist, bombastic—flowed freely and insultingly, with little in the way of boundaries other than what's censored on television. In other words, not all that different from the Trump approach to campaigning and governing.

Donald Trump reflects the times he inhabits and the celebrity culture that helped propel him to national office.

WORKING THE INTERNET AND THE PHONES

If one wants to take the wrestling analogy a step further, Trump the politician is half of a "tag team." His partner: social media.

Yes, Barack Obama once was lauded as America's "first social-media president" for his embrace of the emerging technology and his "cool dad tweet." But Trump has used the platforms—X and Truth Social—in ways Obama didn't.

In 2015 and 2016, his constant tweeting rallied his base and stymied Trump's rivals by dominating daily media narratives. But once in office and tasked with governing and not campaigning, Trump's tweeting proved more problematic. The president's spur-of-the moment observations often came across as mean or petty. Moreover, the brickbats and temper tantrums distracted from a pre-pandemic record that was solid on the economy and foreign policy and a valid argument for a second term.

The good news for Trump: now he's on friendlier terms with some prominent foils, such as Meta founder Mark Zuckerberg. The bad news: Zuckerberg doesn't have a vote in Congress. However, 535 men and women do. And the extent that Trump can win them over—if he does so via flattery or flagellation—will determine whether he's the rare president to enjoy a successful second term.

One early sign that America may be in store for a more *realpolitik* Trump presidency: the president-elect's role in helping House Speaker Mike Johnson retain his gavel. Rather than using social media to blast the half-dozen Republican members who initially withheld their support, Trump instead

worked the phones—even while golfing—to guarantee a single-ballot victory for Johnson.

LBJ, a master of political persuasion, would have approved.

RHETORIC CAN'T DO IT ALL

That doesn't mean Trump is immune to old habits. The day before the speaker vote, the president-elect took to his Truth Social platform to say the following about Morgan Ortagus, a State Department spokeswoman in his first term and now a Mideast deputy envoy: "Early on, Morgan fought me for three years but hopefully has learned her lesson. These things usually don't work out, but she has strong Republican support, and I'm not doing this for me, I'm doing it for them. Let's see what happens."

Trump was referring to Republican senators, fifty-three in all, giving him a cushion on more contentious votes, beginning with his cabinet picks. That said, it's the House of Representatives, where Republicans enjoy the narrowest majority in a century, that's more of a problem for the Trump agenda.

Once in office, Arnold Schwarzenegger learned that his shtick didn't guarantee success.

More complicated pieces of legislation—a "mega" MAGA bill, passing budgets, dealing with debt ceilings—will require presidential coaxing. A historic parallel: in late 1993, Bill Clinton and Al Gore persuading reluctant congressional Democrats to go along with the North American Free Trade Agreement.

Such lobbying and arm-twisting campaigns require good staffing and organization. That's why one key to Trump's political future is the success or failure of his chief of staff, Susie Wiles. The daughter of the late sports broadcaster Pat Summerall, Wiles is credited with running a surprisingly disciplined Trump presidential campaign in 2024 and has vowed to limit staffers' access to the Oval Office to maintain message discipline and minimize friction within the West Wing and its competing egos. In the previous and more freewheeling Trump presidency, the first chief of staff lasted a mere six months.

But does bringing calm and order to the Trump White House also necessitate putting the president on a restricted social-media diet—at least, on those occasions when he's fueled more by emotion than intellect?

Which raises yet another question: is it best for this president's handlers to "let Trump be Trump," even if this includes social media posts better left unsent?

It's not the first time a celebrity politician has faced such a dilemma. Back in 2003, California voters installed Arnold Schwarzenegger as their governor—Arnold, like Trump, running on a long list of policy gripes (the state's exorbitant "car tax," reforming workers' compensation, lack of government transparency). And, like Trump, Arnold's campaign relied on clever stagecraft (a rally at the State Capitol during which the candidate played an air guitar and waved a broom to "sweep out the special interests") and signature one-liners ("I'll be back").

But once in office, Schwarzenegger learned that his shtick didn't guarantee success. A year into office, he failed to get Republican legislators elected; in a 2005 special election, an ambitious reform agenda was uniformly rejected. After that latter setback, a "new" Arnold emerged—a governor more concerned about the human condition (climate change) and more willing to cut deals with Democratic legislators he'd earlier dismissed as "girlie men."

Could a similar fate await Trump? Don't bet on it. Arnold faced re-election the same year of his "conversion"; a term-limited Trump, whose party currently controls the levers of the federal government, can't run again.

Plus, the scripts are different. In the first decade of this century, Arnold Schwarzenegger sought the political mainstream. That was after a movie career in which he earned a fortune by swimming in the cinematic mainstream, portraying variations of the same action hero, with the occasional light comedy. In 2006 and seeking a second term in a decidedly blue state amid the backdrop of a bad year for Republicans nationally, Schwarzenegger saw that his political survival entailed terminating the "Terminator" persona.

What is America's cultural mainstream these days? Social media, of course—occasionally informative, but often full of misinformation, conspiracy theories, and rage.

A MAN OF HIS TIMES

In 2025, one could argue that Trump occupies both the political mainstream *and* the cultural mainstream. He won last year's popular vote; per Gallup, his party continues to hold an edge in political affiliation.

And what is America's cultural mainstream these days? Social media, of course—occasionally informative, but often a breeding ground for misinformation, conspiracy theories, and rage. And, at times, unnecessary vulgarity. Many of the celebrities we venerate behave the same way.

Disgruntled progressives will say that in Trump, so-called "low information" voters get the vulgarian they deserve. But in the America of 2025, perhaps Trump and his unfiltered, unapologetic approach to politics is what Americans *want*: a president more focused on the economy, a porous border, institutional decay, and America's standing in the world than a leader of the Free World living in fear of triggered emotions and microaggressions.

A study in civility and tempered words the forty-seventh presidency likely won't be. Then again, voters seem to have known that when they gave Donald Trump a new lease on his political life.

A small-screen nation addicted to social media and coupled with a president who can't stay off his device? Sounds like a four-year marriage of convenience.

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A Political Carter Doctrine

As a candidate, Jimmy Carter reshaped the primary process to favor renegades and outsiders, especially those who campaigned early and often.

By Paul E. Peterson

The late Jimmy Carter was the first political unknown to secure his party's nomination and the presidency by winning primary elections. In so doing, he changed American politics—probably for the worse.

Those who vote in primaries differ from a cross-section of the public even when everyone votes and the electorate is evenly divided between two parties. Only half the public votes in either party. The midpoint of opinion among those who cast Democratic ballots is well to the left of that of the public, and the middle position among Republicans voters falls well to the right.

Bias in primary elections is magnified by low participation rates in primary elections. Campaigns can be intense, media coverage extensive, and the competition for the party nomination fierce, but the percentage casting a ballot in primaries can still be surprisingly low. In March 2016, on Super Tuesday, only 24 percent of Illinois adults cast a ballot featuring Bernie Sanders and Hillary Clinton, and just 16 percent came to the polls to vote for Donald

Paul E. Peterson *is a senior fellow at the Hoover Institution, a participant in the Hoover Education Success Initiative, and senior editor of* ***Education Next.*** *He is also the Henry Lee Shattuck Professor of Government and director of the Program on Education Policy and Governance at Harvard University.*

THAT FACE: Jimmy Carter, clad in jeans and carrying his luggage as he traveled, entered every 1976 primary but the one in West Virginia. He spoke frequently and correctly anticipated that early wins would multiply media publicity, recognition, and audience size. [Jimmy Carter Library and Museum]

Trump or one of his Republican opponents. That contrasts with a 57 percent turnout in the general election in Illinois the following November.

Lower turnout accentuates divisiveness, as those motivated to cast a ballot are often the ones who take more extreme positions on issues. Candidates are thus encouraged to take positions that attract support from those on the edges of the opinion distribution. Depending on party affiliation, either borders should be wide open or a wall should be built; individuals should be banned from carrying guns or else machine guns should be made available to all; subsidies for higher education should be eliminated or college tuition should be abolished.

AN UNKNOWN

These are tendencies, not inevitabilities. Moderate candidates can win their party's nomination if they already hold the presidency, are widely recognized as the next in line for the Oval Office, or their main opponent is painted as an

unelectable extremist. What makes Jimmy Carter of special interest is that he won his party's nomination and the general election even though he was a nationally unknown former governor from the southern state of Georgia, who took moderate stances on the issues of the day.

Before Carter, obscure political figures from small states, such as Abraham Lincoln, won their party nomination when party bosses found it necessary to work out compromises in the backrooms of convention halls. Primaries did not appear until Oregon introduced one in 1908. Other states were hesitant to follow suit: just seventeen elected only 37 percent of the delegates attending the Democratic nominating convention in 1968. Thirty-four percent of Republican delegates were also chosen this way.

Carter is of special interest because he won his party's nomination and the general election even though he was a nationally unknown moderate.

In 1968, anti–Vietnam War protests and police thuggery in Chicago prompted major restructuring of the Democratic Party's delegate selection process. The new rules called for proportional representation from each state based upon the share of votes cast in primaries or open-door caucuses. A key designer of the new rules, South Dakota Senator George McGovern, won the party nomination in the next election as an exceptionally liberal, anti–Vietnam War contender, handily disposing of his primary opponent, the moderate senator from Maine, Edmund Muskie. But well to the left of general-election voters, McGovern suffered a crushing defeat.

Learning from the debacle, Carter took a dramatically different approach. His career in politics seemed to have been ended by Georgia's one-term limit for governors. An ambitious man, he expanded his horizons, announcing a campaign for the presidency two years before the 1976 general election. A full-time campaigner, he entered every primary but the one in West Virginia, traveled widely, and spoke frequently. He concentrated on Iowa's wide-open caucus and New Hampshire's primary, correctly anticipating that early wins would multiply media publicity, public recognition, and audience

Modern momentum theory—those who win early win it all—owes its origin to Carter's strategy.

size. Modern momentum theory—those who win early win it all—owes its origin to Carter's strategic calculations.

CASCADE OF OUTSIDERS

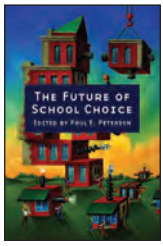
Carter scrupulously avoided veering to the left, running instead under the slogan "America needs a government as good as its people," a message the country was eager to hear after the trauma of Watergate. Clad in jeans, carrying his luggage as he traveled, the peanut farmer lived the message he preached. A Sunday school teacher who frankly stated he had been born again, he appealed to evangelical Protestants, an emerging political force. Though he spoke with a Southern accent, he escaped the racist charges by embracing the Civil Rights Act and strengthening his ties to the African-American church community. He called for lower taxes on all but the rich, proposed creation of a department of education, and took moderately liberal positions on other issues.

To his advantage, opponents relied upon narrow constituencies: George Wallace on the "Old South," Morris Udall on environmentalists, Henry Jackson on those worried about the Soviet Union, and Jerry Brown, a latecomer to the campaign, on young Californians.

As the possibilities provided by primaries became apparent, political forces on the edges of the spectrum gained strength.

Carter convinced the country that presidential primaries made the country good again. The logic of the primary system that Carter mastered would eventually take hold, though it would take decades before all the pieces fell into place. Initially, politics did not change dramatically. Bill Clinton did his best to copy Carter, Obama ran only barely to the left of Hillary Clinton, and Republicans deferred to whoever was next in line, whether it be a Bush, Dole, Romney, or McCain. But as the possibilities provided by primaries became increasingly apparent, political forces on the edges of the spectrum gained strength. Primaries enabled Pat Buchanan, Tea Party groups, MAGA activists, and the Freedom Caucus on the right and gave opportunities to Bernie Sanders, Elizabeth Warren, and Alexandria Ocasio-Cortez on the left. Appeals to progressives undermined the popularity of the Biden administration and the candidacy of Kamala Harris, who might have defeated Trump had Biden pursued more moderate policies as Bill Clinton did.

McGovern designed the modern primary system, but it was Jimmy Carter who showed how to win primaries with a middle-of-the road strategy that yields victory in November's general election. Ironically, it was Carter's "goodness" campaign that legitimized a primary system that generates so much divisiveness in today's politics. ◘



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Security Begins at Home

Americas first: **we've neglected Latin America and the Caribbean** for too long.

By Joseph Ledford

Secretary of State George Shultz often advised, "Foreign policy starts in your own neighborhood." The United States must prioritize diplomatic relations, economic engagement, and security cooperation in the Western Hemisphere—indeed, it is foundational to the implementation of any American grand strategy designed to achieve aims of a global nature.

The United States cannot successfully confront its enemies, support its allies and partners, and maintain its leading role in the world if its geopolitical neighborhood is insecure and unstable. The pursuit of regional stability, an aim enshrined in the Monroe Doctrine, has an underlying strategic principle that remains vital for policy makers today.

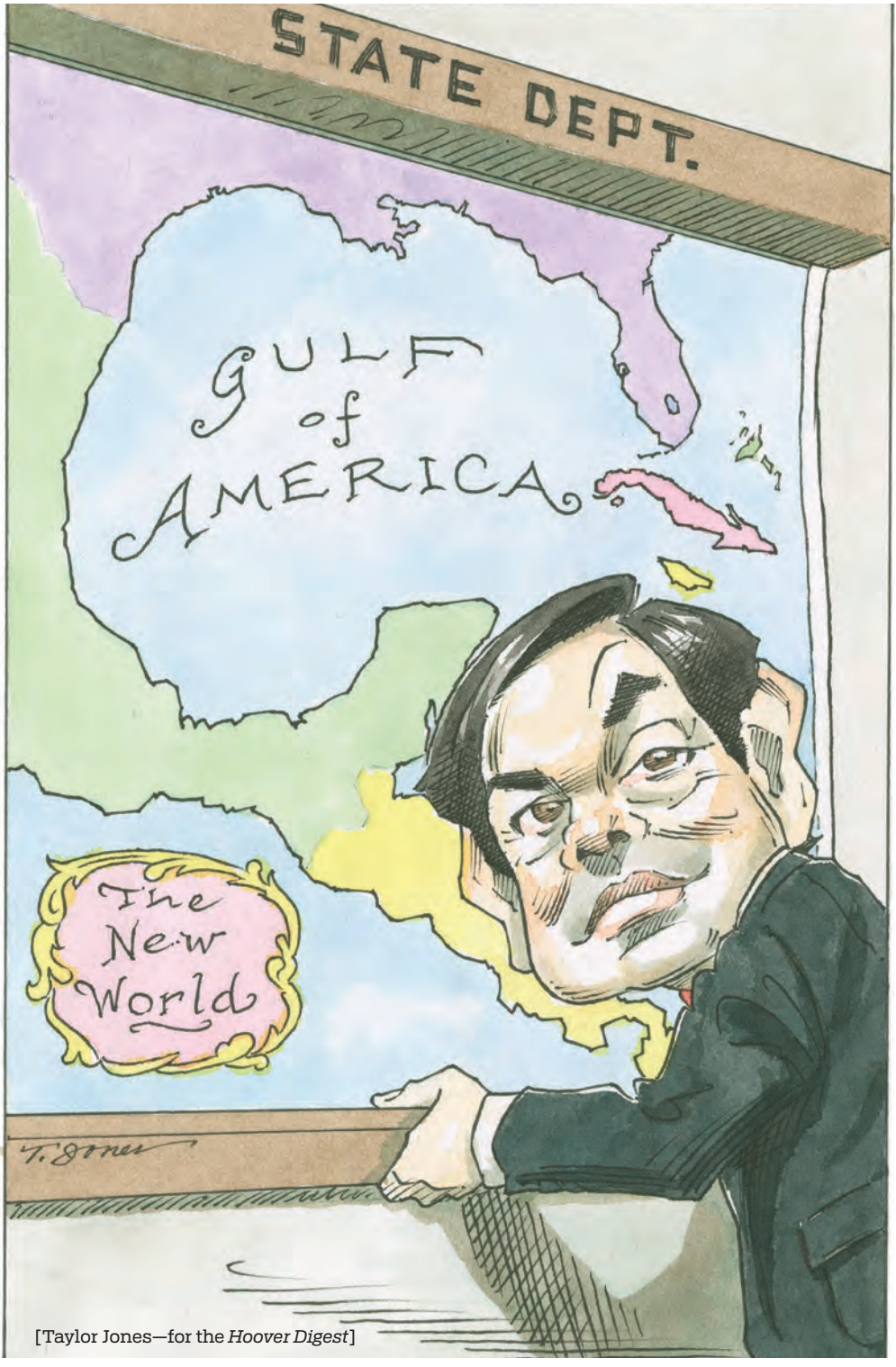
Key points

» The pursuit of regional stability was enshrined long ago in the Monroe Doctrine.

» Whatever threatens Latin America and the Caribbean has an impact on American national security.

» Binding, sustainable long-term economic cooperation will lead to regional integration, joint security measures, and stronger hemispheric relations.

***Joseph Ledford** is a Hoover Fellow and the assistant director of the Hoover History Lab at the Hoover Institution, where he also serves as the vice chair of the Applied History Working Group.*



[Taylor Jones—for the *Hoover Digest*]

Whatever threatens Latin America and the Caribbean (LAC) has an impact on American national security. "If your neighborhood is unhealthy," Shultz warned, "you're going to have all sorts of problems." This dilemma of hemispheric security has vexed decision makers throughout the nation's history. Even now, the formidable power of the United States does not confer complete protection within its own hemisphere. Such a paramount concern for security in the Western Hemisphere has underpinned an enduring bipartisan consensus on preserving regional stability. As a priority for policy makers, however, its significance rises and falls with each administration. For Shultz, and for President Ronald Reagan, effecting a neighborhood policy was the first order of business in foreign affairs.

The fentanyl epidemic, and the drug cartels supplying it, evokes the life-and-death matters binding the hemisphere.

The United States has lost touch with its neighbors. Migration at the US-Mexico border has roiled American politics. Alongside immigration, preventing narcotics from entering the homeland tops the concerns of Americans. The fentanyl epidemic, and the drug cartels supplying it, evokes the life-and-death matters that bind the hemisphere. Ordinary Americans surely hold an abiding interest in hemispheric affairs, even if foreign policy does not always reflect it.

Uncle Sam's absence in the Americas grants our rivals greater leeway to displace the United States and further their malign influence in the Western Hemisphere. Washington's inattention to its neighborhood proves stupefyingly self-defeating amid a struggle to prevent China and its despotic partners from upending the American-led global order.

The United States must exercise common strategic sense and reorient hemispheric relations. The American government possesses the tools and resources to do so, but it requires volition. Facing a period of increasing danger and uncertainty, policy makers must follow Shultz's guiding principle for American statecraft: the United States must put the Americas first. President Donald Trump, for his part, has assembled a team of serious foreign policy hands like Secretary of State Marco Rubio who understand the strategic importance of the LAC region and will help resolve hemispheric challenges.

WELL MET: US Secretary of State Marco Rubio, right, meets with Panama's President José Raúl Mulino in Panama City on February 2. Rubio's visit evoked those carried out by President Reagan and his secretary of state, George Shultz, in the region. Shultz called such visits "gardening." [Freddie Everett—US Department of State]

ADVERSARIES SURGE

Prioritizing hemispheric security will not guarantee every initiative succeeds, but it places an administration in a better position to project power throughout the globe. Reagan and Shultz, for their part, aligned national power with grand strategic purpose in a bid to win the Cold War—and it started with a neighborhood policy. They notably visited several Latin American countries early in the first Reagan administration, conducting what Shultz called "gardening." This is the consistent practice of cultivating relationships with allies, partners, and potential friends. Regular engagement, especially meeting counterparts in their home country, not only strengthens relations but also eases the hard work of diplomacy if difficult issues arise. Above all, it builds trust.

Unfortunately, policy makers have not followed Shultz's advice. America's neglect of its neighborhood has not gone unnoticed by its adversaries. The despotic quartet of China, Russia, Iran, and North Korea have advanced their malign influence in Latin America and the Caribbean. China, above all, has been bidding for regional dominance. Chinese economic, diplomatic, and military ties with LAC have grown exponentially. Trade and development have been driving forces, with the Belt and Road Initiative attracting twenty-two countries in the Western Hemisphere. Trade between LAC and China has increased from $12 billion to $315 billion during the first twenty years of this century and may double in the next decade. Chinese investment continues apace, as well. The United States may still hold the status of top trading partner for the LAC region, but China is inching toward taking that title.

As LAC countries pursue a strategy of "active nonalignment," China's aggressive posture reaps tangible benefits for Beijing. It establishes a bridgehead for the Chinese Communist Party (CCP), especially in South America, where China has become the region's top trading partner and ingrained itself into the region's digital and physical infrastructure. Chinese involvement in Peruvian critical infrastructure showcases the CCP's ambitions. In Lima, China Three Gorges Corporation and China Southern Power Grid International now control the electricity sector. In the city of Chancay, China's COSCO Shipping has just unveiled a $3.5 billion megaport, much to the consternation of US policy makers and Pacific Island countries.

Inaction carries a steep price in a world of strategic competition. "The United States is present almost everywhere in the world with a lot of initiatives, but not so much in Latin America," Peruvian foreign minister Javier González-Olaechea explained to *Wall Street Journal* reporters. "It's like a very important friend who spends little time with us." Washington should take note.

Ronald Reagan and George Shultz aligned national power with grand strategic purpose. But it started with a neighborhood policy.

Despite overlooking neighborly invitations, the United States has noticed the CCP's disconcerting security assistance and intelligence activities. China exports advanced surveillance technology to not only assist authoritarian countries like Venezuela and Cuba but also to spread its illiberal model of governance to other LAC nations looking to control their citizens. China has placed police outposts and private security companies in the hemisphere. It offers military training and professional education programs, as well as law

enforcement training exchanges, notably with Cuban and Nicaraguan police forces. Chinese arms and military equipment sales remain steady, with Beijing's autocratic regional partners making the bulk of the purchases. In Cuba, China operates electronic spy stations to collect signals intelligence on US military activities, the space industry, and shipping, even capturing electronic data from ordinary citizens. As with the Soviet Union in the Cold War, the United States confronts its top geopolitical rival just off its shores.

China, above all, has been bidding for regional dominance.

Although less ambitious than China, Russia also prioritizes a substantial presence in the Western Hemisphere. Moscow has sought to deepen its engagement with a region that attracted Russian attention long before the era of great-power competition. In that spirit, Russia keeps its closest ties with Cuba, Nicaragua, and Venezuela, which remain stalwart allies in Russia's hostility against the United States. Russia also sustains a strong partnership with Brazil, a founding member of the BRICS organization and a trading partner on which Russia has become increasingly reliant for diesel fuel.

Moscow sells billions in arms to the region and seeks to enhance military cooperation with friendly countries. Russia has dispatched its best diplomats to the Western Hemisphere, where they cultivate partnerships and lobby to further Russian interests. The region's ambivalent response to Russia's war against Ukraine provides a case in point. Yet Russia wields more than silver-tongued diplomacy to counter the United States in its own hemisphere: Vladimir Putin deploys information operations to diminish America's regional standing, mold public opinion, and promote the image of a kinder, gentler Russia.

Like Russia, Iran preserves a host of diplomatic, economic, and security relationships in the region, particularly among the anti-American cadre of Cuba, Nicaragua, and Venezuela. Hezbollah, the Islamic Republic's terrorist proxy, also operates in South America. In the Triple Frontier area between Argentina, Brazil, and Paraguay, Hezbollah operatives provide services for criminals and conduct a wide range of illicit ventures: arms dealing, counterfeiting, money laundering, narcotics tracking, piracy, and an assortment of other crimes. Millions in profits from these activities flow into the

Latin America and the Caribbean can fuel the energy transition and provide skilled labor for the future.

Middle East to finance terrorism. And Hezbollah remains eager to continue bringing this destruction to the Americas.

In addition to state powers and their proxies, transnational criminal organizations present an acute threat to the Western Hemisphere. Of these, drug cartels pose the biggest security dilemma. Cartels engage in arms dealing, commodities theft, extortion, human smuggling, kidnapping, money laundering, murder, and sex trafficking, all the major illicit activities expected from well-funded and organized criminal outfits hellbent on profit. The cartels' enterprises spread corruption, foment violence, ruin legitimate businesses, and destabilize Colombia, Ecuador, and Mexico, while adding to the humanitarian catastrophe at the US-Mexico border and contributing to more than a hundred thousand annual overdoses in America. Drugs also have emerged as a major element of the US-China strategic competition, since China has assumed a vital role in the Sinaloa and Jalisco fentanyl operations, exporting fentanyl precursor chemicals and pill-making equipment, encouraging manufacturers, and providing crucial money-laundering services.

DEMOCRATIC LANDS PUSH BACK

Some political trends do indicate a brighter future for the region. They do not suggest another *década perdida* (the economic crisis of the 1980s). Despite democratic backsliding in a handful of countries, and authoritarian outliers in Cuba, Nicaragua, and Venezuela, democracy has spread across the Western Hemisphere. Democratic governments rule to varying degrees of law. These governments are not perfect, and the United States may not always prefer the governing parties, but engaging with consolidated democracies in LAC will prove easier and more feasible than in the past.

Favorable economic conditions abound. A promising, steady GDP growth, which the region had not experienced in years, has taken hold since the COVID pandemic decimated the region. Although this growth may be lower than in other regions—it is projected by the World Bank to reach 2.6 percent in 2025—conditions are ripe for further investment, increased competition among firms, and American engagement to spur additional growth.

The Western Hemisphere houses vast repositories of critical minerals, including copper, lithium, nickel, and graphite. LAC can fuel the energy transition and power electric vehicles, but the region possesses more than strategic commodities. Advanced pharmaceutical industries that can benefit the United States are also to be found. So too are competitive workforces for semiconductor and automotive industries in countries like Brazil, Costa Rica, the Dominican Republic, Mexico, and Panama. On the demographic front, according to the International

Monetary Fund, LAC may sustain a robust labor force, particularly if women continue joining at rates that close the participation gap between the sexes. With all these factors in force, the lofty goal of hemisphere-wide integrated supply chains is both within reason and within reach.

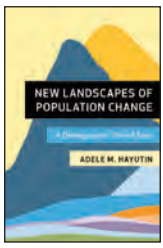
WHAT NOW?

In his bid for a new hemispheric order, President Trump at the outset of his second term sought to preserve the sovereignty of the Panama Canal and dispatched Rubio on a historic visit to Central America, where the secretary of state strengthened America's partnerships with Panama, Costa Rica, El Salvador, Guatemala, and the Dominican Republic on a range of economic and security issues. Whether on trade, migration, or defense, the Trump administration aims to reinvigorate America's relationship with its neighbors to work toward solutions based on shared interests.

Indeed, the Trump administration has a historic opportunity to parlay the encouraging developments under way in the Western Hemisphere into long-term prosperity and stability. In doing so, Trump must dispense with nonbinding, status quo forums dedicated to pledges and declarations under former president Joe Biden's Americas Partnership for Economic Prosperity initiative. Instead, Trump must seek binding, sustainable long-term economic cooperation that leads to regional integration, joint security measures that address twenty-first-century challenges, and cultural exchanges that strengthen hemispheric relations. Off to a strong start, Trump and his team must continuing visiting our neighbors and fostering continentwide goodwill. Cultivating an integrated and secure hemisphere is a long-term objective that will span multiple administrations, but it can begin now.

The Americas beckon Americans. In recalling George Shultz's wise counsel, America must greet the neighborhood and tend the diplomatic garden. ◘

Special to the* Hoover Digest. *Adapted from* Americas First: Reorienting US Foreign Policy, *a publication of the Hoover History Lab.



Atlantic Crossing

Why should the United States pay a disproportionate share for the defense of NATO? American presidents have been asking the question ever since the alliance was born. Trump could force NATO to adapt to new realities.

By Charlie Laderman

"The prime obligation of the defense of Western Continental Europe rests upon the nations of Europe," thundered the former president of the United States. Until those nations paid up and started spending more on their own defense, the United States should not "land another man or another dollar on their shores." And if they refused to do so, he suggested, the United States could pull back from continental Europe and rely on its air and naval forces to defend its homeland and surrounding oceans. Across the Atlantic, there was uproar and anxiety. "Where does this leave us poor Europeans?" lamented an editorial in the *Guardian.* From the White House, the Democratic president charged his

Key points

» The "Great Debate" over sharing the security burden erupted in 1950 and never ended.

» Truman's national security doctrine centered on a forward US military presence, international alliances, and executive power.

» European governments used the "peace dividend" to cut defense spending even more sharply, leaving them more heavily dependent on US military power.

***Charlie Laderman** is a visiting fellow at the Hoover Institution and senior lecturer in international history in the Department of War Studies at King's College London.*

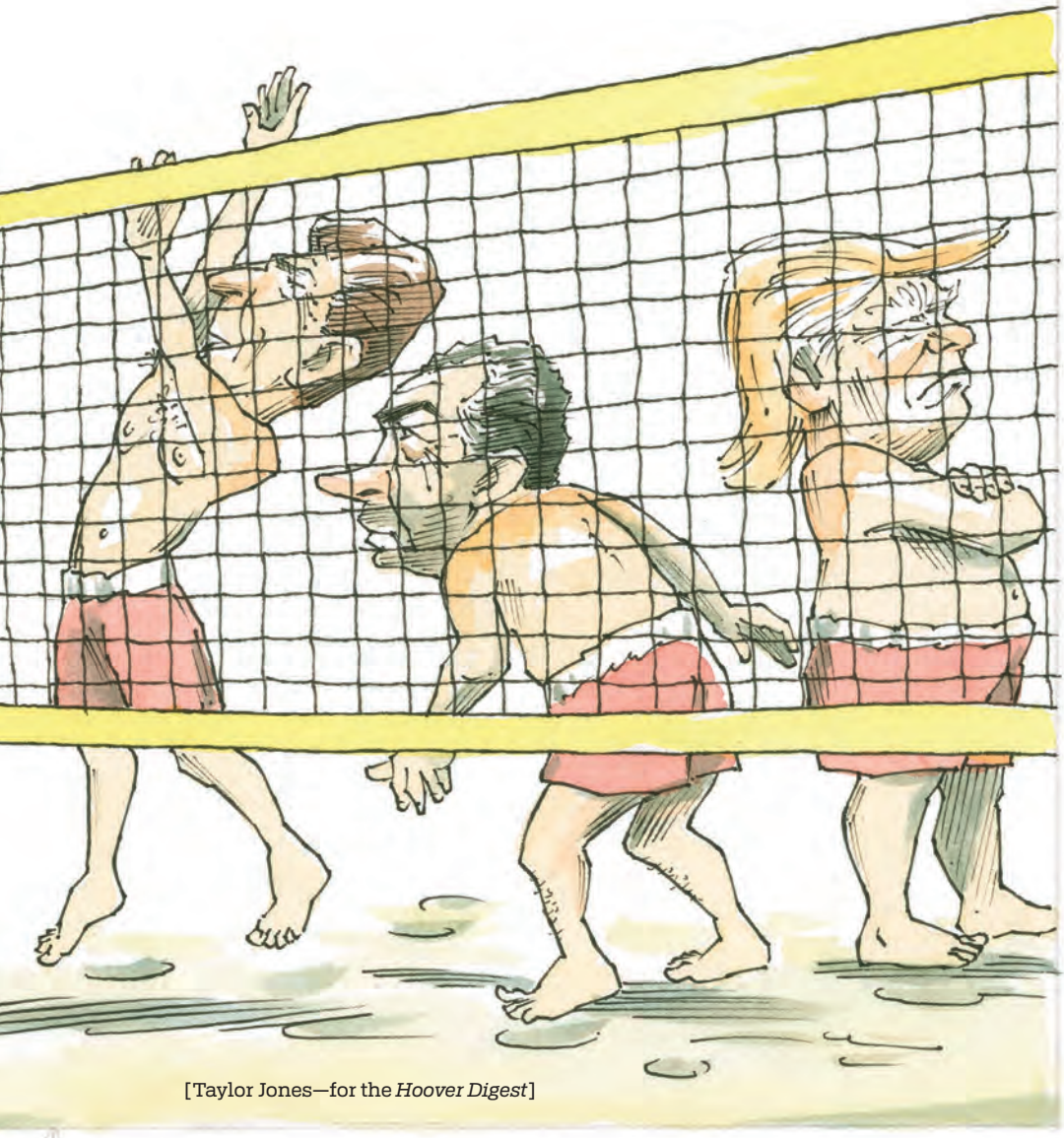
Republican forerunner with isolationism and lambasted his speech as a gift to Moscow.

Herbert Hoover's speech in December 1950 kicked off what became known as the "Great Debate" over US foreign and defense policy. For almost a decade, indeed practically ever since Donald Trump descended the golden escalator at Trump Tower, we have been in the midst of a new incarnation of that debate. As in 1950, it centers to a large extent on burden-sharing among allies, and whether the United States would be better served focusing its attention on Asia and leaving the defense of Europe to the

Europeans. It is a debate that would have continued, in some form and in some tone, regardless of who won the election.

IT'S COMPLICATED

The original Great Debate, arising shortly after the North Atlantic Treaty was passed, sprang from the Truman administration's decision to dispatch a large contingent of US troops to Europe under the command of General Dwight D. Eisenhower, who had steered Allied armies to victory in Europe



[Taylor Jones—for the *Hoover Digest*]

in the Second World War, as the new head of an integrated NATO force. Alongside Hoover, the principal opponent of the administration's commitment of ground forces was Robert Taft, the senator from Ohio, whose high standing with his colleagues had earned him the nickname "Mr. Republican." Though both staunch opponents of the Soviet Union, Taft and Hoover were concerned about expensive overseas commitments and distrustful that Europeans would do enough to help themselves.

With American forces on the back foot in Korea, and the Truman administration already under fire for having "lost" China, their views struck a chord with considerable sections of a war-weary public. A sizable number of senators from both sides of the aisle shared their concerns about Congress conceding too much power to an assertive executive. Underlying them was a suspicion that the Europeans were taking advantage of the American security guarantee and a sense that the US would be left holding the bag for the continent's defense.

***"Where does this leave us poor Europeans?" lamented a 1950 editorial in the* Guardian.**

The Great Debate ended in a clear victory for the Truman administration. Congress approved the deployment of US troops in Europe. Eisenhower returned from Europe and retired from the military, prevailing over Taft for the Republican presidential nomination and then capturing the presidency. As president, Eisenhower helped entrench Harry Truman's national security doctrine, which contemplated a forward US military presence, a network of international alliances, and the concentration of unprecedented power in the executive, including control over the decision to deploy nuclear weapons.

This policy success should not disguise the level of ambivalence that remained among many senior American officials about the sustained presence of US troops in Europe. Reflecting anxiety in the Senate was Resolution 99, which, though it approved sending troops, stressed that Europeans should be responsible for the bulk of NATO's ground forces. It was envisaged that, in time, the US could draw down its land forces and that any additional troops would require Senate approval. Concerns about the uncompensated extension of American military resources were not confined to resolute sceptics like Hoover and Taft. Leading officials in successive administrations also discreetly harbored them. While highly critical of Taft and Hoover in public, Dean Acheson, Truman's fiercely loyal secretary of state, privately took the

view that in the long term it was "probably neither practical nor in [the] best interests of Europe or [the] US that [there] should be a US commander in Europe or substantial numbers of US forces on [the] continent."

EISENHOWER'S RESERVATIONS

While Acheson would waver on this point, Eisenhower was more steadfast on the need to draw down the US deployment as soon as practicable. He was a far more committed advocate of American alliances than Taft or Hoover, but he shared their worry that open-ended overseas commitments could financially exhaust the United States. He differed with them over the timing and tactics for drawing down US troops in Europe, but ultimately agreed that a large American contingent could not remain on the continent indefinitely.

While commander of NATO forces in 1951, he maintained that "there is no defense for Western Europe that depends exclusively or even materially upon the existence, in Europe, of strong American units." America could not be "a modern Rome guarding the far frontiers with our legions" and it was imperative that Europeans "regain their confidence and get on their own military feet." This continued to inform his outlook as president. Indeed, he told the NATO secretary general in 1959 that Europeans should be "ashamed that they were so reliant on the United States for their security and expressed his fear that they were on the verge of "making a sucker out of Uncle Sam."

Despite these frustrations, Eisenhower did not significantly draw down the US contingent in Europe. Attempts to establish a European Defense Community that would enable the withdrawal of US troops were thwarted when the French government, which had initially floated the idea, reversed itself in the face of parliamentary opposition, particularly over concerns about German rearmament so soon after the end of the war. In turn, US strategists assessed that only a powerful Germany, with nuclear weapons, would be sufficient to allow the United States to withdraw its forces and preserve deterrence against the Soviets.

Eisenhower's views should not disguise the level of ambivalence among many senior US officials about the sustained presence of troops in Europe.

Eisenhower appeared open to the idea, but his successors, beginning with John F. Kennedy, recognized that neither America's allies in Western Europe nor the Soviet Union were prepared to accept a West Germany with nuclear weapons. The only plausible counterbalance to Soviet power in Europe, for

friend and foe alike, was therefore the enduring forward US military presence that brought Europe decisively under the American nuclear umbrella.

COLD WAR CERTAINTIES

Pressure for the Europeans to step up their spending and enable at least a reduction in US ground troops still bubbled up intermittently, particularly in the Senate. Especially notable was the campaign led by Senate Majority Leader Mike Mansfield, a Democrat from Montana, in the late 1960s and early 1970s. Mansfield proposed cutting around half of US troops in Europe, seeing no reason 250 million Europeans could not muster the forces to "defend themselves against 200 million Russians who are contending at the same time with 800 million Chinese, but [instead] must continue after twenty years to depend upon 200 million Americans for their defense." This argument appealed to a considerable number of senators, weary with the ongoing war in Vietnam and concerned about the balance-of-payments deficit arising from stationing US forces in Europe.

But Richard Nixon's argument that "as the most powerful member of the alliance, the United States bears a responsibility for leadership" helped defeat Mansfield's proposals. A majority in the Senate shared the fear, privately expressed by Nixon's national security adviser and later secretary of state Henry Kissinger, that the Europeans would not step up if the Americans pulled back. It was more likely, Kissinger suggested, that "when big brother even appears to falter, the little brethren will not move forward courageously—as we seem to think—but, on the contrary, they will anxiously take several steps backward."

Secretary of Defense Robert Gates warned Europeans that their unwillingness to invest in their own defense risked dooming NATO to a "dim and dismal future."

This argument held sway for the rest of the Cold War and continues to resonate to this day. In the 1990s, after the collapse of the Soviet Union, US forces were indeed drawn down. But European governments took advantage of the "peace dividend" to cut their defense spending even more sharply, leaving the continent's defense more heavily dependent on US military power. By 2011, Secretary of Defense Robert Gates was warning Europeans that with the United States shouldering roughly

75 percent of NATO's defense spending, their unwillingness to invest sufficiently in their own defense risked dooming the alliance to a "dim and dismal future."

Gates was speaking as someone for whom European stability, "with NATO as the main instrument for protecting that security," had "been the consuming interest of his professional life." For him, "the benefits of a Europe whole, prosperous, and free after twice being devastated by wars requiring American intervention was self-evident." His concern, however, was that "future US political leaders—those for whom the Cold War was not the formative experience that it was for me—may not consider the return of America's investment in NATO worth the cost."

More than any other major US political figure since the 1950s, Trump has consistently, vehemently, and publicly questioned NATO's relevance and America's commitment to it.

ENTER TRUMP

Gates's fear proved prescient. Over the course of his political ascent, Donald Trump has regularly suggested, often vituperatively, that he believes the cost of NATO outweighs the benefits. These views were evident long before. As early as 1987, during an interview with Larry King, Trump declared that "if you look at the payments we're making to NATO, they're totally disproportionate with everybody else's." NATO was taking "tremendous advantage" of the United States, according to Trump. Washington's focus should be on "making lots of profit" to "defend our homeless, and our poor, and our sick, and our farmers" rather than "giving it to countries that don't give a damn for us to start off with." More than any other major American political figure since the inception of the Great Debate, Trump has consistently, vehemently, and publicly questioned the relevance of NATO and America's continued commitment to it.

There is no direct analogy between Trump and Truman's opponents. While Hoover and Taft were fiscal conservatives, seeking to rein in expensive overseas commitments in pursuit of a more balanced budget, Trump's skepticism about NATO sits alongside spending plans and tax cuts that are poised to add trillions to America's already unprecedented federal debt, according to the nonpartisan Committee for a Responsible Federal Budget. Neither Hoover nor Taft shared Trump's mercantilist approach to trade, nor

did they praise any Soviet leader in the way that Trump has extolled Russian President Vladimir Putin.

Despite fears that a second Trump presidency will lead to the US quitting NATO, however, a "radical reorientation" of the alliance appears more likely. According to a report in *Politico* based on interviews with parties linked to Trump's national security team, the strategy that team is developing for NATO bears a close resemblance to the one advocated by Hoover and Taft that emphasized air and naval power and eschewed substantial ground troops. The United States would maintain its nuclear umbrella over Europe but, at the same time, drastically reduce its ground forces, "significantly and substantially downsizing America's security role." This would leave the bulk of security provisions almost entirely in European hands, short of a full-blown crisis. This is now more necessary than ever, Trump's advisers claim, because China is the principal threat, and the United States does not have sufficient military resources to go around.

"Whatever its flaws, modern Europe is the greatest accomplishment of US foreign policy."

Some who served in senior national security roles during Trump's first term, such as A. Wess Mitchell and Jakub Grygiel, agree that resources are stretched, but argue that it would be wrong to deprioritize Europe. In their view, Europe remains America's most significant economic partner, it is geopolitically critical for US power projection across Eurasia, and enduring transatlantic political and cultural ties remain foundational to the American global role. Moreover, they stress, "whatever its flaws, modern Europe is the greatest accomplishment of US foreign policy." And the repercussions of failing to contain Russian aggression on the continent would reverberate in other theaters too.

It is unclear whether conservative Atlanticists of this stripe will have any significant role in a new Trump administration, however. In any case, they would be swimming against the tide. An April 2024 Pew poll suggested that 55 percent of Republicans or those who lean Republican had an unfavorable view of NATO. More reflective of the party's current mood is Elbridge Colby, a senior Pentagon official in Trump's first term whom Trump picked to be the Pentagon's undersecretary of policy in his second administration. Colby has stressed that "Asia is more important than Europe" and that the United States must "withhold" troops from Europe—even on pain of leaving

it exposed to Russian aggression—to focus on deterring China. It is time for NATO, Colby argues, to revert to its "original idea" and for "European allies to take primary responsibility for their own defense." The crucial question now, just as it was during the Cold War, is whether the Europeans are willing or able to step forward to fill the gap. The answer remains unclear.

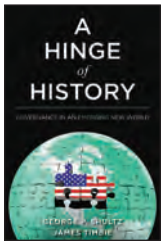
WILL EUROPE MOBILIZE?

There are some signs that Europe is starting to wake up. Thanks in part to Trump's pressure during his first term and, more significant, because of Russia's full-scale invasion of Ukraine in 2022, twenty-three of the thirty-one non-US NATO members are on track to meet the alliance's 2 percent-of-GDP target for defense spending. Poland has gone even further, spending more than 4 percent of GDP and with plans to approach 5 percent this year. But as Polish Prime Minister Donald Tusk recently put it, much more is going to be required of the entire continent regardless of who is the US president. "Some claim that the future of Europe depends on the American elections," Tusk suggested, but actually "it depends first and foremost on us.... Whatever the outcome, the era of geopolitical outsourcing is over." Benjamin Haddad, France's minister for European affairs, voiced similar sentiments on the other side of the continent, maintaining that "we cannot leave the security of Europe in the hands of voters in Wisconsin every four years." It was time, Haddad declared, to "break out of collective denial: Europeans must take their destiny into their own hands, regardless of who is elected president."

These are strong sentiments, but they need to be turned into substance, and fast. While Poland and the Baltic nations continue to ramp up spending, other members of the alliance are lagging. Since 2015, France and Germany have added only a battalion's worth of forces and Britain, though from a stronger position, has lost five. More coordinated spending between the European members of the alliance is required, with a greater focus on developing combat-ready troops, and the continent's defense-industrial base requires revitalization. The haphazard and sluggish production of arms and shells for Ukraine does not inspire confidence.

The return of large-scale war to the continent has not yet awakened enough European governments to the scale of defense planning and spending required to address Russia's current threat. It remains to be seen whether a president who declared that he would not protect "delinquent: nations from Russia will in fact do so. What is clear is that Trump believes that the "prime

obligation" for the defense of Europe rests on Europe itself and is likely to predicate continued American protection on Europe's doing more for its own defense.



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Northern Exposure

Presidential pressure about Greenland, even if it comes to nothing, is based on sound historical and strategic reasoning.

By Thomas H. Henriksen

President Trump's reawakened appetite for Greenland, the world's largest island and a Danish territory, has startled many Americans. The president has not ruled out the use of high tariffs or even armed force if the Danes decline to sell it to the United States.

Trump's interest has in fact been rekindled from his first term in the White House. Then, too, he offered to buy it, but the interest he expressed in 2019 fell by the wayside amid other issues. Denmark's prime minister, Mette Frederiksen, also poured cold water on the idea, both then and today.

Among other surprising statements, Trump has also included Canada and the Panama Canal in his wish list. He toyed with the use of "economic force" to compel Canada to enter US statehood. In his inaugural address, Trump

Key points

» Post–Cold War superpower rivalries have magnified concerns about foreign breaches of US spheres of influence all around the world.

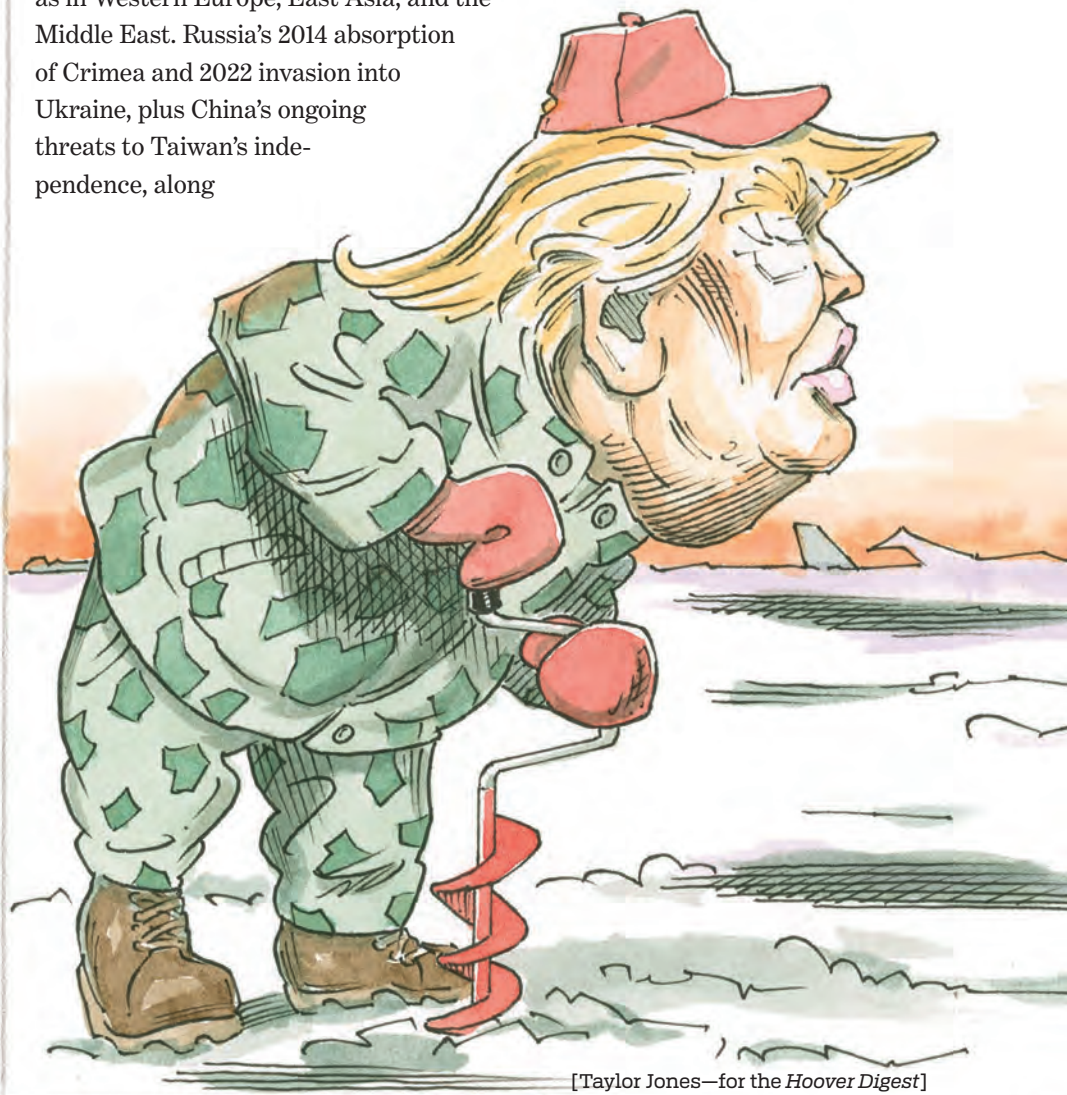
» Greenland has economic enticements in addition to security advantages.

» Trump's statements about Greenland can serve as a warning shot across the bow for both Russia and China.

Thomas H. Henriksen *is a senior fellow (emeritus) at the Hoover Institution.*

voiced the use of strongman tactics to bring the Panama Canal back under US sovereignty. (Washington's interest in construction of the ocean passage dates back to the early twentieth century, and President Jimmy Carter's 1977 treaties transferred the isthmian canal to the Panamanian government in 1999.) Trump has accused Panama of price gouging against US shipping and of yielding control to China.

Post–Cold War superpower rivalries have magnified American concerns about foreign breaches of US spheres of influence in the North Atlantic and Arctic as well as in Western Europe, East Asia, and the Middle East. Russia's 2014 absorption of Crimea and 2022 invasion into Ukraine, plus China's ongoing threats to Taiwan's independence, along



[Taylor Jones—for the *Hoover Digest*]

with Sino-Russian cooperation in the Arctic and even joint naval exercises off Japan, have rattled the international order. America, China, and Russia all seek to expand and safeguard their spheres, not unlike nineteenth-century European imperialism.

Since World War II, the Pentagon has pushed further outward around the globe to establish bases to protect the American homeland at greater

OPEN WATERS: US Space Force Colonel Jason Terry, left, and Canadian Rear Admiral David Patchell examine an iceberg at Pituffik Space Base in the summer of 2023. The two oversaw an annual joint exercise, Operation Nanook, involving the US Navy and the Canadian navy and coast guard. Pituffik, formerly known as Thule Air Base, operates under an agreement with Denmark.
[Lt. Alex Fairbanks—US Navy]

distance. Those frontiers are facing Russian and Chinese challenges. Trump's territorial-expansion ideas represent an updated interpretation of the nation's defensive posture after 1945.

DENMARK AND NATO

Washington's interest in Greenland goes back to the nineteenth century, and it resurfaced at the beginning of the Cold War. President Harry Truman secretly offered to buy Greenland in 1950, ignoring Denmark's not-for-sale sign. As in today's world, Truman saw the strategic value of Greenland for the defense of the Arctic and North Atlantic to ensure an independent and democratic Europe free from Soviet domination. Then, as now, the Danes showed no desire in selling their centuries-held possession. Washington dropped the idea and applied no pressure on its longtime Danish ally. Denmark too is a founding member of the North Atlantic Treaty Organization.

NATO membership offered Demark security from Soviet threats. The Atlantic alliance's guarantees also extend to Greenland. On its own, Denmark—a nation of five million—cannot defeat Russian aggression. Even with a modern, well-trained, and well-armed military, it cannot defend its lightly populated island protectorate or the Arctic without a NATO backed by the United States. The NATO allies, in return, need Denmark and its Nordic neighbors to secure the Baltic Sea, the North Sea, and the Arctic region.

America, China, and Russia all seek to expand and safeguard their spheres, not unlike nineteenth-century European imperialists.

Greenland and the United States already maintain defense ties that grant the Pentagon a space base at Pituffik (formerly Thule), 750 miles north of the Arctic Circle. The Pentagon stations radar antennae at the installation as part of the American early warning system for ballistic missiles bound for US soil from Russia. The base also houses space surveillance capabilities and anti-missile defenses.

GREENLAND'S TREASURES

Denmark's sale of overseas lands would not be without precedent. In 1917, the kingdom sold the Virgin Islands (St. Thomas, St. Croix, and St. John) to the United States because its impoverished Caribbean holdings needed extensive economic investments. The Woodrow Wilson administration paid $25 million in gold coin. By purchasing the Danish West Indies, Washington sought to protect the Panama Canal from foreign powers operating in the Caribbean.

Greenland is not without enticements, including a geostrategic location near the Arctic Circle, abundant natural resources, and expanding shipping lanes. Shrinking ice stands to open shorter transit routes between Asian and European ports—a huge commercial advantage, setting the stage for great-power competition for dominance in the waterways of the high North. Ship traffic has increased 37 percent in the past decade. China has shown heightened interest in Greenland, where it has tried to boost its mining endeavors and aspires to new routes through the Arctic region. In November, Beijing and Moscow decided to work together to develop shipping avenues in the Arctic. In 2018, the Pentagon succeeded in blocking Beijing from financing three airports on Greenland.

Thawing ice sheets and glaciers could clear the way for oil and gas exploration and the mining of critical minerals. Rare-earth elements, abundant in

Greenland, are essential to a wide range of modern technologies including weapons, smartphones, computers, electric vehicles, wind turbines, medical imaging equipment, batteries, and many others. China possesses a near-monopoly of some of the world's rare minerals—which places the United States and other countries at a disadvantage in the global high-technology race. Greenland's harsh climate, lack of infrastructure, and minuscule population do work against extracting the rare earth elements, so substantial investment and government attention would be needed. Trump's pressure calls could help to wake up financial investors and extractive industries to the urgent task.

In 1917, Denmark sold the Virgin Islands to the United States because its impoverished Caribbean holdings needed extensive investments.

There is also genuine merit in the concerns for Greenland's security in the face of Russian and Chinese military power and diplomacy. The United States recognized these fears in its 2024 strategy assessment.

AN UNCLEAR FUTURE

Again, neither Denmark nor self-ruling Greenland is officially interested in selling the island. The Danish prime minister has said no, and Muté Egede, the prime minister of the autonomous territory, wants the ties with Copenhagen severed but does not want the United States to rule his country instead. He and many of his countrymen prefer total independence from Copenhagen's management of its international affairs. Such a move, however, might end the Danish subsidies that keep the island economically afloat.

There's genuine merit in the concerns for Greenland's security in the face of Russian and Chinese power and diplomacy.

At the same time, the Danes depend on their association with Washington and other NATO capitals to secure their future, both remembering German occupation during World War II and watching the current Russian invasion of Ukraine.

Behind closed doors, the Danish government has reportedly telegraphed a willingness to enter private talks regarding military and commercial ventures. The best option for the United States entails privileged economic and defense deals leading to American advantages and firmer Greenlandic

security, plus the development of the island's natural resources. It seems highly likely that the Trump administration will strengthen the US military presence on Greenland. Trump's insistence could lead to these ends more quickly than might traditional diplomacy, which ties negotiations in red tape.

Even after Greenland fades from the White House's public agenda, a breakthrough agreement cannot be permanently ruled out. Trump has raised an awareness about the international salience of the Danish possession. His rhetoric could be interpreted as a warning shot across the bow of an acquisitive Russia or a mercantilist China to leave this part of the world alone. Trump may have posted his own no-trespassing sign on the island, calculating that playing a bold hand against Moscow and Beijing may be the best way to keep them at bay and to keep Greenland safe within the US orbit.

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The Trump Card Is AI

The United States is still ahead of China in artificial intelligence. Here's how to keep it that way.

By Dario Amodei and Matt Pottinger

Legislators on both sides of the aisle recognize that the United States must lead the world in artificial intelligence to preserve national security. This gives the Trump administration a chance to establish a historic advantage for the United States and the free world.

AI will probably become the most powerful and strategic technology in history. By 2027, AI developed by frontier labs will likely be smarter than Nobel Prize winners across most fields of science and engineering. It will be able to use all the senses and interfaces of a human working virtually—text, audio, video, mouse, keyboard control, and Internet access—to complete complex tasks that would take people months or years, such as designing new weapons or curing diseases. Imagine a country of geniuses contained in a data center.

Dario Amodei *is CEO and a co-founder of Anthropic, which makes the AI system Claude.* ***Matt Pottinger*** *is a distinguished visiting fellow at the Hoover Institution and a former deputy national security adviser. He participates in Hoover's project on Semiconductors and the Security of the United States & Taiwan, and the Program on US, China, and the World. He is the editor of* ***The Boiling Moat: Urgent Steps to Defend Taiwan*** *(Hoover Institution Press, 2024).*

The nations that are first to build powerful AI systems will gain a strategic advantage over its development. Trump administration officials can take steps to ensure the United States and its allies lead in developing this technology. If they succeed, it could deliver breakthroughs in medicine, energy, and economic development. It could also extend American military pre-eminence.

AI will probably be the most powerful and strategic technology in history.

If they fail, another nation—most likely China—could surpass us economically and militarily.

It's imperative that free societies with democratic oversight and the rule of law set the norms by which AI is employed. They won't be able to do so if totalitarian governments pioneer these technologies.

CONTROLLING THE CHIPS

Export controls, which ban shipments to China of the high-end chips needed to train advanced AI models, have been a valuable tool in slowing China's AI development. These controls began during the first Trump term and expanded under the Biden administration to cover a wider range of chips and chip-manufacturing equipment. The controls appear to have been effective: the CEO of one of China's leading AI firms recently said the main obstacle he faces is the embargo on high-end chips.

China is trying to work around US controls, including by using shell companies to set up data centers in countries that can still import advanced US chips. This enables China to train its AI models on state-of-the-art chips and catch up with US competitors.

The Trump administration should shut down this avenue of circumvention. One solution is to ensure that data centers in countries that China might use to skirt export controls are allowed to access US-designed AI chips only if they adhere to verifiable security standards and commit not to help China's AI efforts. AI hardware exports should be tracked. We should also ensure that frontier AI remains under our security umbrella by keeping the largest and most critical AI data centers within the United States and its closest partners.

It's imperative that free societies with democratic oversight and the rule of law set the norms by which AI is employed.

Skeptics of these restrictions argue that the countries and companies to which the rules apply will simply switch to Chinese AI chips. This argument overlooks that US chips are superior, giving countries an incentive to follow US rules. China's best AI chips, the Huawei Ascend series, are substantially less capable than the leading chip made by US-based Nvidia. China also may not have the production capacity to keep pace with growing demand. There is not a single noteworthy cluster of Huawei Ascend chips outside China today, suggesting that China is struggling to meet its domestic needs and is in no position to export chips at a meaningful scale.

Whoever advances most during the next four years will be in a much stronger position in the decades that follow.

Because of America's current restrictions on chip-manufacturing equipment, it will probably take China years, if not decades, to catch up in chip quality and quantity. The CEO of ASML, the world's largest maker of semiconductor manufacturing equipment, has said that these restrictions will cause China to "lag ten to fifteen years behind the West" in high-end chip manufacturing. That could give the United States a head start during a critical window.

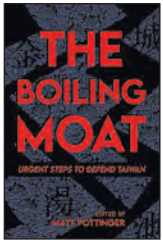
Whoever advances most during the next four years will be in a much stronger position in the decades that follow, given that AI gains will likely compound on one another.

DATA CENTERS

The export and security terms that the United States sets will define the chip market for producing powerful AI systems. Countries that want to reap the massive economic benefits will have an incentive to follow the US model rather than use China's inferior chips.

Along with implementing export controls, the United States will need to adopt other strategies to promote its AI innovation. President Trump campaigned on accelerating AI data-center construction by improving energy infrastructure and slashing burdensome regulations. These would be welcome steps. Additionally, the administration should assess the national security threats of AI systems and how they might be used against Americans. It should deploy AI within the federal government, both to increase government efficiency and to enhance national defense.

Trump has likened AI to a "superpower" and has underscored the importance of the United States staying "right at the forefront" of its race against China. His administration's actions will help determine whether democracies or autocracies lead the next technological era. Our shared security, prosperity and freedoms hang in the balance.

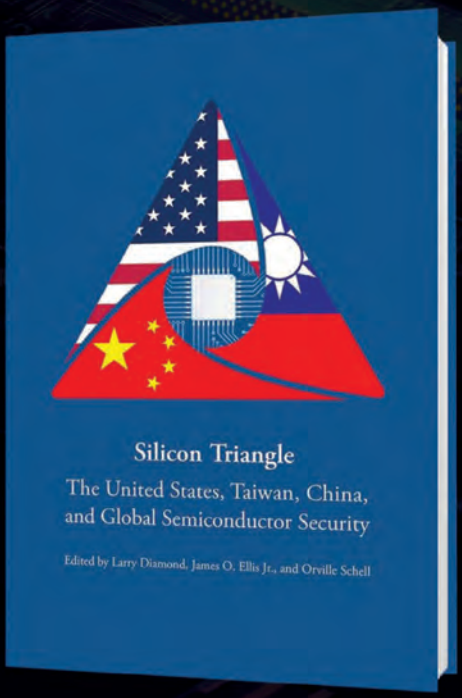


FROM HOOVER INSTITUTION PRESS

SILICON TRIANGLE

The United States, Taiwan, China, and Global Semiconductor Security

Edited by Larry Diamond, James O. Ellis Jr., and Orville Schell



A working group of industry and policy experts contemplate the future role of semiconductors on the security, economic prosperity, and technological competitiveness of the United States, Taiwan, and China.

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If China Strikes Taiwan

The American military is utterly unprepared. **So is the American economy.**

By Eyck Freymann and Hugo Bromley

China's military exercises in the waters around Taiwan late last year—the largest in almost three decades—highlighted the growing risk of a total breakdown in US-China relations. A full-scale invasion of Taiwan is one eventuality; in 2023, the CIA director, William Burns, noted that China's president, Xi Jinping, had instructed his armed forces to be ready for an invasion by 2027.

That isn't Xi's only option. He could use his far larger coast guard and military to impose a "quarantine," allowing merchant shippers and commercial airlines to travel in and out of Taiwan only on China's terms. This strategy would mirror Beijing's moves in the South China Sea, where its coast guard is trying to assert control over waters and atolls that are part of the Philippines, a US treaty ally.

If China forces a confrontation over Taiwan, which Beijing claims as its own territory, the United States will need to respond decisively. The

Eyck Freymann *is a Hoover Fellow at the Hoover Institution and a non-resident research fellow at the China Maritime Studies Institute, US Naval War College.* ***Hugo Bromley*** *is a research fellow at the Center for Geopolitics at the University of Cambridge. They are the authors of the Hoover research paper "On Day One: An Economic Contingency Plan for a Taiwan Crisis."*

CHIP SHOT: An aerial view shows a Taiwan Semiconductor Manufacturing Company factory under construction in Phoenix in 2023. TSMC produces about 90 percent of the world's most advanced computer chips, with the most cutting-edge chips still being made in Taiwan. [TrickHunter—Creative Commons]

implications are enormous, potentially including a global economic crisis far worse than the shock caused by the COVID-19 pandemic.

Right now, America isn't ready.

As a report from a House panel concluded in 2023: "The United States lacks a contingency plan for the economic and financial impacts of conflict" with China.

Addressing this lack of preparation must be a bipartisan priority. The Trump administration must work with Congress and allied governments to develop a coherent plan that clearly outlines a vision for the global economy during and after a crisis that is anchored in American economic leadership.

The most obvious economic implications relate to semiconductors. Taiwan Semiconductor Manufacturing Company produces about 90 percent of the world's most advanced computer chips. Some are now made in Arizona, but TSMC's most cutting-edge chips are still produced in Taiwan. Industries from autos to medical devices depend on these chips; if Taiwanese chip production is disabled, the global economy could be plunged into a deep slump. If TSMC's factories fall into China's hands—it relies on TSMC's chips, too—Beijing could seize a competitive edge, including in the development of

artificial intelligence technology, and have American and European manufacturers over a barrel.

But an invasion or quarantine of Taiwan matters economically for reasons far beyond semiconductor production. Two commitments form the basis of the economic order in the Indo-Pacific. The first is America's warning, in the Taiwan Relations Act of 1979, that any violent move to threaten Taiwan's political or economic autonomy would be a matter of "grave concern" to the United States. The second is China's commitment, in 1982, to pursue unification with Taiwan through peaceful means, which Xi himself describes as part of the political foundation of US-China relations.

The implications are enormous, potentially including a global economic crisis far worse than COVID-19.

If the United States failed to act in response to an invasion or quarantine, allies including Japan, South Korea, Australia, and the Philippines would become more vulnerable to economic coercion in turn. America's relationships with its closest allies would be called into question.

The United States, then, needs economic contingency plans for any Taiwan crisis.

SANCTIONS WOULD FALL SHORT

Economic sanctions like those America has employed against Iran and Russia might seem superficially attractive, but because of China's central role in global supply chains, similar efforts that disrupt its ability to trade would be self-defeating.

Indeed, imposing sweeping sanctions on China would undermine the international economic system that the United States is uniquely positioned to protect. Allies and neutral countries alike might refuse to cooperate with an American-led sanctions regime, given the huge costs of compliance for their own economies. Many Americans would find the probable rise in prices of consumer goods untenable.

Our leaders must face reality: China cannot be sidelined or expelled from the global economy. Instead, the United States needs an affirmative vision for how it would respond in a Taiwan crisis to defend the global economy. Such a plan would involve three key elements.

During and after any Taiwan crisis, markets would be in a state of panic. The Federal Reserve would need to coordinate with other countries' central

banks to provide liquidity to prevent global financial collapse. And to sustain business confidence in the international trading system, the United States and its allies should establish and fund an Economic Security Cooperation Board, open to all nations except rogue states. This board would combine financial support for member countries with a framework for enforcing trade policies rooted in American national security interests.

A system of predictable, incrementally increasing tariffs on Chinese imports could shift production without causing sudden inflationary pressures.

Washington would also have to work with allies on a crash reshoring of critical products from China on which America and other countries have become heavily dependent, including active pharmaceutical ingredients and drones.

To reduce reliance on noncritical consumer goods from China—think toasters and toys—the United States should adopt a gradual approach. A system of predictable, incrementally increasing tariffs on Chinese imports could guide manufacturers, importers, and retailers to move production out of China without causing sudden inflationary pressures—unlike President Trump's approach of threatening immediate high tariffs to bargain for concessions. Washington shouldn't try to direct the production of noncritical goods. Instead, it should work to create a level playing field, allowing countries to compete to attract production that moves out of China.

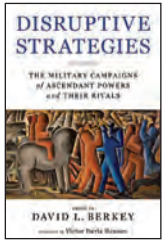
TIME TO PREPARE

Putting this vision into effect would not be easy. China would very likely retaliate, including by punishing foreign companies in China. Still, building an inclusive economic security framework would be the best defense against the threat of disruption to trade and financial markets. To maintain international solidarity, a US-led coalition would need to aid all countries that are the target of Chinese economic coercion.

China wouldn't just be targeting one island nation. It would be seeking to forcibly reshape the Indo-Pacific order and the global economy.

Gaining political support for the kind of spending this would require wouldn't be easy. A reasonable first step would be congressional hearings on the economic impact of a confrontation over Taiwan, with the eventual goal of drafting legislation that can be pulled off the shelf if a crisis arrives.

Whatever the answers, Washington needs to address these questions before something happens. Remember: if China invades or quarantines Taiwan, it wouldn't just be targeting one island nation. It would be seeking to forcibly reshape the Indo-Pacific regional order and undermine the rules-based global economy. Without a plan, a Taiwan crisis risks undermining the foundations of American prosperity and security. ■



China Stares Back

Even as Hoover fellows Erin Baggott Carter and Brett L. Carter teach university students about China, they see signs of Chinese repression right in their classrooms.

By Chris Herhalt

Lecturing on authoritarian regimes, with a focus on China, Hoover fellows Erin Baggott Carter and Brett L. Carter share an interest in gauging the scope and scale of the Chinese Communist Party's repression of citizens through innovative research. Lately, they both say they can feel the weight of the People's Republic's surveillance, coercion, and intimidation tactics without even leaving their classrooms.

Teaching at the University of Southern California, both Erin and Brett tackle authoritarian regimes, often interacting with pupils who were raised in countries under authoritarian leadership and who have come to study in America.

Increasing repression and censorship by the Chinese Communist Party (CCP) is a common topic for scholars, policy makers in Washington, and

Erin Baggott Carter *is a Hoover Fellow and an assistant professor in the Department of Political Science and International Relations at the University of Southern California.* ***Brett L. Carter*** *is a Hoover Fellow and a faculty affiliate at Stanford University's Center on Democracy, Development and the Rule of Law, as well as an assistant professor at USC.* ***Chris Herhalt*** *is the senior content writer for the Hoover Institution.*

DON'T ASK: A Chinese policeman stands guard at Tiananmen Square in Beijing. Hoover fellow Erin Carter says her students from China are eager to hear the truth about what happened during monumental events such as the Great Leap Forward or the Tiananmen Square crackdown, the history of which has been whitewashed or erased by Communist Party censors. [Jiang Xiaoming—EyePress/Newscom]

journalists. But for Chinese nationals, even when studying abroad in California, it's a risky subject to discuss. Both Brett and Erin have seen the families of students and colleagues back in China visited by state security services after publications, presentations, and even undergraduate papers on topics the CCP regards as sensitive.

Actions like these instill a chill in Chinese nationals studying abroad. No matter where they go, there is the fear that *the party* is always listening.

In his own course, The Political Economy of Autocracy, Brett recently developed a midterm project where students were asked to design their own pro-democracy movement and theorize how they would mobilize supporters, as well as campaign and demonstrate against an authoritarian regime.

"A number of students asked me to delete their papers after I read them," Brett said. All of them were from mainland China.

"For students and researchers, follow-up visits for your family back in China are becoming far more common," Erin says. "And they're escalating in scale or intensity too."

BUILDING A BETTER POLL

For the couple, who frequently collaborate on research to illustrate the scale, scope, and significance of China's repression and surveillance of its own people, the urgency of their chosen topic seems to grow by the day. The Carters' research is a rare window into the views of ordinary people who no longer feel safe offering their views to outsiders, or even each other.

No matter where the students from China go, they fear that the party is always listening.

In their latest paper, co-produced with University of Southern California PhD student Stephen Schick, Brett and Erin attempted to gauge how often ordinary Chinese citizens falsify their true preferences and opinions in polls, out of fear of regime reprisals or unwanted attention from authorities. To do so, they allowed respondents to express opinions they knew to be politically sensitive in an indirect way.

A treatment group of participants were asked how many of three neutral statements they agreed with, in a list format. A control group of participants were asked how many statements they agreed with, but their list contained the same three neutral statements plus one sensitive statement. By comparing the average number of statements that each of these groups agreed with, Brett and Erin could measure the share of respondents who agreed with the sensitive statement, without asking anyone directly whether or not they agreed with it.

During direct questioning during the exercise, responding to simple yes or no questions, upwards of 95 percent of respondents expressed support for the Communist Party.

But using the lists with the sensitive statements, that support fell to about 60 percent.

The study gave the Carters what they were looking for, Erin said: a tiny window into the thinking of people who typically aren't allowed to express how they are really thinking.

"Is there a silent cosmopolitan group that is more liberal or less nationalist than what is commonly assumed?" Erin asked. "Exploring those sorts of beliefs next would be really fascinating."

PROPAGANDA INTENSIFIES

In another exercise, the pair collected propaganda published in the *People's Daily*, the CCP's flagship newspaper, from present day back to 1946.

"What we found is that propaganda about Xi [Jinping] has become as effusive as propaganda about Mao during the height of the Cultural Revolution," Erin said. "To us, what that suggests is China has become tremendously more propagandistic and repressive and that's a call for scholars to try to study China in that light."

The Carters' research is a rare window into the views of ordinary people who no longer feel safe offering their views to outsiders, or even each other.

Since 2018, the Carters have co-written more than a dozen journal articles, working papers, and op-eds in major publications, mostly about autocracies, largely but not always about China.

"We each have a somewhat different set of motivating experiences," Brett says. "But we've arrived at many of the same intuitions about how politics in these sorts of environments works."

"And we share a very similar taste for data," he added.

The Carters met at the Weatherhead Center for International Affairs at Harvard University in the fall of 2012 and started dating the following spring. Their interests appeared to align, first on authoritarian regimes, and then more narrowly on China. They collaborate, theorize, and generate research ideas together in between raising their two small children.

"I think that people are intrinsically curiously about what life is like in different parts of the world, how people elsewhere try to press repressive governments for better living standards, for a better life," Brett said. "We both think we have a responsibility to tell those stories in as compelling a way as possible."

But as democracies backslide, repressive regimes are becoming more closed to outsiders, which spells trouble for the Carters, who face increasing obstacles to studying the states they want to research.

There are fewer than 1,000 American undergraduates studying in mainland China today, compared with about 250,000 to 300,000 Chinese nationals enrolled at US colleges.

"With fewer Western students, researchers, and journalists traveling to China right now, we're losing an incredibly important on-the-ground understanding of China," Erin said.

Erin has been traveling to China and Taiwan since her high school years, and she can see the freedom offered to scholars visiting China slowly erode.

"The reality is that you have to conduct yourself differently in China than you used to. One example is that you used to be able to talk freely with your old colleagues at a university. But now they might have to write up a note about what you talked about and submit it to the party committee at the university."

INCREASINGLY CLOSED

Erin says she always enjoys watching students from China come to her classes, such as one called The Political Economy of China, eager to finally hear the truth about what happened during monumental events such as the Great Leap Forward or Tiananmen Square, the history of which has been whitewashed by PRC censors.

"These are things they have heard of before, but you can see the seriousness with which they grapple with the primary source documents for the first time."

In other moments, students share family stories that allow the class to gain perspectives on the life experience of Chinese who struggled through and survived communist rule.

"You can see the seriousness with which they grapple with the primary source documents for the first time."

One year, Erin said, a student talked about how her grandmother was able to keep the rest of the family fed through the famine caused by Mao Zedong's Great Leap Forward in the early 1960s. Mao's demands to shift agricultural labor into steel production between 1958 and 1962 would lead to at least fifteen million deaths, as food output fell drastically because of the state-imposed disruption.

"One of my students shared with the class that her grandmother had been a student at a boarding school in Beijing. Urban areas had more food than rural areas during the famine," she said. "And this student would save her lunch every day at the boarding school and sneak out every night and walk an hour and a half to her village and give her lunch to her family, and that's how they survived the famine."

Brett recounted one of his students revealing that his father had attended the Tiananmen Square protests on June 4, 1989, in Beijing.

"Apparently, somehow, he made his peace with the regime over the intervening three and a half decades, but the rest of his family remains resolutely opposed (to the CCP)," Brett said.

At Hoover, Brett and Erin mentor students each year selected through the Hoover Student Fellowship Program. Their focus on China makes them particularly interested in the work of Hoover's US, China, and the World Program and the Hoover and National Fellow Seminar Series.

EXPORTING SURVEILLANCE

In their latest project, Brett and Erin chronicle how the Communist Party, through global telecom firm Huawei, is exporting its surveillance and repression technologies around the world. Recently featured in the journal *Perspectives on Politics*, their new paper, titled "Exporting the Tools of Dictatorship: The Politics of China's Technology Transfers," documents instances where Huawei's "safe city" surveillance system packages are sold to client governments, which in turn use them to track down dissidents and journalists.

"These systems have been used to target repression against dissidents, opposition leaders, and journalists in some cases who are engaging in work that regimes would prefer they didn't engage in," Brett said. Journalists reporting on government malpractice or corruption, activists trying to organize rallies, or just disappointed citizens venting frustrations online can get caught up in this repression.

It's a practice that's been documented in a handful of countries, but Erin and Brett say their paper is the one of the first to find systematic evidence of the practice globally.

"There's been no real systematic evidence that these technologies were used for digital repression—this is the first evidence."

In several instances, also documented in *The Wall Street Journal,* Huawei surveillance technology and support engineers and technicians have been placed right inside the headquarters of a client state's domestic security service. From there, Brett says, the Huawei employees will even help the host nation's security services make arrests, Brett said.

Considering the Carters' combined research output, it's hard not to be dismayed about the global backsliding of democracy, as China appears to be exporting its capabilities for repression to other states. They both acknowledge the headwinds facing democracy around the globe are fierce and getting stronger almost by the day.

"I think one of the key questions confronting us all is what the world is going to look like as this new geopolitical competition between East and West intensifies," Brett said.

Part of pushing back on this democratic backsliding will require more research about what free nations can do to encourage democracy, openness, and rights across the globe, and whether current approaches are actually working.

"I think that focusing more on not just this backsliding but developing a clear sense of what the West can do to prevent it . . . That's a really important area for future work," Brett said.

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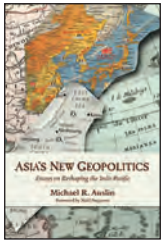

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Make Putin Pay

How the United States can tap seized Russian assets to rescue Ukraine.

By Niall Ferguson and Chris Miller

The key to securing Europe at less cost to US taxpayers may be sitting in European bank accounts. The West has frozen around $300 billion in Russian foreign-exchange assets, but European obstinacy has prevented these funds from being used to compensate Ukraine for war damages. President Trump should insist that the Kremlin's reserves be mobilized to fund Ukraine's reconstruction and future arms purchases.

Russia has caused more than $150 billion in direct damage to Ukraine and nearly $500 billion in economic losses, according to the World Bank. Ukraine will need external funds of that magnitude to rebuild, and more in the meantime to rearm itself with continued purchases of Western weapons.

Trump doesn't want the United States to foot this bill, especially with America's military already spread thin in the Middle East and Asia. European budgeters are planning to increase their own defense spending, as Trump demands, and they will be stretched thin as well. The obvious solution is to use the frozen Russian assets.

***Chris Miller** is a professor of international history at Tufts University and nonresident senior fellow at the American Enterprise Institute. **Niall Ferguson** is the Milbank Family Senior Fellow at the Hoover Institution, where he is chairman of the History Working Group and co-leader of the Hoover History Lab. He participates in Hoover's task forces on military history, digital currency, global policy, and semiconductors. He is also a senior faculty fellow at the Belfer Center for Science and International Affairs at Harvard University.*

The Group of Seven has already agreed to tap the profits from interest produced by the frozen assets. But because of European opposition, aided and abetted by the inept diplomacy of the Biden administration, tapping these profits unlocked only a $50 billion loan for Ukraine and left the underlying assets untouched. This isn't enough.

Russia has caused more than $150 billion in direct damage to Ukraine and nearly $500 billion in economic losses.

Five factors make now the ideal time to use these funds to compensate Russia's victims.

The first is Trump's return to the White House. President Biden always accepted the lowest common denominator among allies, letting foot-dragging leaders offer speeches rather than substance. Trump knows how to exert leverage—and Europeans know that if they don't act, he'll turn the screws.

Second, the assets have changed. When the war started, most Russian reserves were in the form of foreign-government securities held by European custodians. Now, according to Hoover senior fellow Philip Zelikow, the securities have largely matured into cash. Up to a third may be held in dollars or British pounds—potentially giving Washington and London the ability to act unilaterally.

Third, it's clear that the reserves can be mobilized in ways consistent with international law. Ukraine is owed reparations from Russia. Lee Buchheit, an expert in sovereign-assets law, proposed in 2023 that Western countries could lend to Ukraine cash secured by Kyiv's right to receive these reparations. Assuming Russia refuses to pay, the West could set off the foreign reserves against this obligation.

Alternatively, Zelikow proposes moving the assets to a trust fund to compensate Ukraine for war damages, the same way that Iraqi leader Saddam Hussein's foreign reserves were used to rebuild Kuwait after the Gulf War. Allied powers did something similar after the world wars, using German assets to pay for reparations. The European excuse that international law prohibits moving on the reserves no longer holds water.

The reserves can be mobilized in ways consistent with international law.

Fourth, Russia has less ability to retaliate economically. Any assets that Western firms still own in Russia are increasingly beyond their control.

Income is difficult or impossible to repatriate. The Kremlin is already using strong-arm measures against these firms, and in most cases, they have already written down their value. Moscow can't do much more damage than it already has.

Fifth, many European governments are finally warming to the idea. Europeans realize that Ukraine needs a long-term source of funds, and change is coming in the most important country, Germany.

The Trump administration has a unique opportunity to strike a better deal. Both sides of the Atlantic would benefit from transferring Vladimir Putin's cash to the victims of his aggression—the sooner, the better. ◼

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The Right to Survive

Accusing Israel of war crimes is merely a cynical ploy to prevent Jews—and the Jewish state—from defending themselves.

By Peter Berkowitz

When challenged to teach the whole Torah on one foot, the Jewish sage Hillel replied: "What is hateful to you, do not do to others. The rest is interpretation, go and study." Similarly, one could teach the whole of the international laws of war standing on one foot: "Balance military necessity and humanitarian responsibility. The rest is interpretation, go and study."

Particularly concerning Israel, prominent journalists, professors, diplomats, jurists, and international organizations—to say nothing of numerous ignorant students on America's elite campuses—disregard the balancing test central to the international laws of war. Typically, they exhibit a reflexive hostility to Israel's exercise of its right of self-defense and an unflinching faith in international administrative and judicial intervention to solve the Israeli-Palestinian conflict. As a rights-protecting democracy whose military operates around the world, the United States has a vital interest in countering this weaponization of international law to impair sovereign nation-states' right of self-defense.

Peter Berkowitz *is the Tad and Dianne Taube Senior Fellow at the Hoover Institution and a member of Hoover's Military History in Contemporary Conflict Working Group.*

BALANCE: Israeli soldiers patrol in southern Lebanon. In the arena of international organizations and international public opinion, Israel's adversaries continue to abuse law as a weapon of war. Israel's accusers are frequently unqualified to answer the key question posed by the international laws of war: does the action reasonably balance military necessity and humanitarian responsibility? [Israel Defense Forces]

While perhaps well versed in human-rights law, many—including the most vocal and influential—who are quick to condemn Israel's use of force as criminal tend to care much less about military necessity and know little about military history and strategy. In the extreme, they treat humanitarian responsibility as the sole consideration in determining the lawfulness of military action. Routinely, they issue judgments concerning Israel's armed conflicts that demonstrate unfamiliarity with basic matters—threats, battlefield configurations, combatants' rules of engagement, tactics, weapons, and logistics—on which turn a reasonable determination of military necessity.

In fighting the jihadists who seek its destruction, Israel faces a gross asymmetry. On the one hand, the Israel Defense Forces (IDF) embrace the laws of

war, teach them throughout the ranks, and seek to honor them in battle. In addition, Israel possesses an energetic judiciary that can adjudicate war-crimes allegations. On the other hand, Israel's jihadist adversaries make a mockery of the laws of war. They attack Israel's civilians and use their own civilians as human shields while lacking judicial systems that address war-crimes allegations. Rare is the accuser of Israel who takes these scandalous asymmetries into account.

HONORABLE DEFENSE

Despite international efforts to criminalize Israel's exercise of its right of self-defense, the Jewish state has racked up remarkable battlefield achievements in the months since Iran-backed Hamas perpetrated a massacre in southern Israel. Many experts solemnly warned that Hamas's extensive tunnel system in Gaza and decades of intertwining its military facilities and operations with civilian infrastructure would prove insurmountable obstacles to an effective Israeli counterattack. Nevertheless, by July 2024, Israel had accomplished its legitimate goal of destroying Hamas's capacity to wage war from Gaza. The collateral damage to Palestinian noncombatants and civilian infrastructure was tragic.

Israel since has turned the tide of the larger seven-front war—of which Gaza is one theater—waged by Iran and its proxies against the Jewish state. Israel eliminated leaders of Hamas and Lebanon's Iran-backed Hezbollah. It took out of commission thousands of Hezbollah jihadists and decimated Hezbollah's rocket and missile arsenals. It destroyed much of Iran's air defenses and severely damaged Tehran's ballistic-missile production capabilities. By greatly diminishing Hezbollah, Iran's most powerful and prized proxy, Israel contributed to the stunning recent downfall of the Assad family's fifty-four-year dictatorship over Syria. After Bashar al-Assad fled, Israel substantially destroyed Syria's air force, air defenses, navy, weapons arsenals and factories, and more. And with Sunni Islamists now in control, Syria has ceased to serve as a conduit of arms from Shiite Iran to Shiite Hezbollah.

Many who condemn Israel's use of force care little about military necessity and know little about history and strategy.

Notwithstanding those game-changing accomplishments, Israel still faces daunting challenges. Jerusalem has greatly weakened but has not extinguished Iran's "ring of fire," which Tehran built over several decades to

encircle Israel with jihadist proxies and exhaust it. Iran remains very close to producing nuclear weapons. And in the arena of international organizations and international public opinion, Israel's adversaries continue to abuse law as a weapon of war against it.

In the weeks and months after Hamas' October 7, 2023, massacre, Israel faced vile charges of war crimes and genocide. For example, Sylvia Yakoub, a Foreign Service officer in the State Department's Bureau of Near Eastern Affairs, asserted on X that President Biden was "complicit in genocide"—the most heinous of crimes, which, according to the UN Convention on Genocide Prevention, involves actions "committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group"—for supporting Israel. The Jewish state, she asserted without evidence, "is indiscriminately attacking innocent Gazans." In early January 2024, the International Court of Justice conducted hearings on South Africa's charge that Israel was committing genocide against Palestinians in Gaza. At the end of that month, the court declined to hold that Israel was guilty of genocide but asserted that "at least some of the acts and omissions alleged by South Africa to have been committed by Israel in Gaza appear to be capable of falling within the provisions of the (Genocide) Convention." In November, the International Criminal Court issued arrest warrants for Israeli Prime Minister Benjamin Netanyahu and former Defense Minister Yoav Gallant for war crimes and crimes against humanity.

Israel's enemies intentionally victimize their own civilians to win sympathy abroad and sully Israel's reputation.

In none of these cases did Israel's accusers obtain access to the IDF's rules of engagement, which are crucial to a valid assessment of the lawfulness of Israel's military operations. In none of these cases did Israel's accusers take seriously the tremendous challenges that the IDF confronted in defending itself against enemies who hide behind civilians; build military positions in, under, and around homes, schools, hospitals, mosques, and UN facilities; and intentionally make their own civilians victims of war to win sympathy abroad and sully Israel's reputation. In none of these cases did Israel's accusers consider that by converting civilian areas into battlefields, Hamas and Hezbollah acquired presumptive moral and legal responsibility for the ensuing bloodshed among

noncombatants and damage to private property and public structures and facilities.

RECKLESS MORALIZING

Consequently, it was dismaying last September to see Michael Walzer take to the *New York Times* to join those who disregard military necessity to find Israel guilty of war crimes. An eminent scholar of political theory and a frequent contributor to public debate, Walzer is the author of the classic *Just and Unjust Wars*. He has acquired renown as a man of the left who combines principled argument with a pragmatic temperament and who grasps the complexities of human affairs and the harsh realities of war.

Yet in "Israel's Pager Bombs Have No Place in a Just War," Walzer contended that Israel's detonation from a distance in mid-September of thousands of Hezbollah operatives' pagers and, the next day, its activating of hundreds of exploding walkie-talkies, were "very likely war crimes—terrorist attacks by a state that has consistently condemned terrorist attacks on its own citizens." Israel's attacks on Hezbollah operatives, Walzer maintained, did not respect "the distinction between combatants and civilians." That's because Israel detonated the communications devices "when the operatives were not operating," but rather "were at home with their families, sitting in cafes, shopping in food markets—among civilians who were randomly killed and injured."

Israel should be lauded for the planning, technological wizardry, and execution of the Hezbollah pager attacks—and the civilian lives it saved.

Respectfully but firmly in "Reply to Michael Walzer on Israel's Pager Attack and Just War Theory," my friends Alexander Yakobson and Azar Gat exposed Walzer's failure to take into account the distinctive circumstances in which Hezbollah compelled Israel to act. Those circumstances are crucial to a proper assessment of the military necessities Israel faced in achieving its legitimate military goals while respecting its humanitarian responsibilities.

Yakobson and Gat—the former a Hebrew University of Jerusalem professor of classics, the latter a Tel Aviv University professor of political science—emphasized that Israel's pager attack "was, as a matter of fact, one of the most 'targeted' that a state can possibly launch against a terrorist or guerrilla force operating amongst a civilian population." Moreover, it "was clearly aimed at actual enemy combatants, with far less risk of 'collateral damage'

and indeed inflicting much less actual damage than most such operations." The only people in Lebanon using the outdated pagers, observed Yakobson and Gat, were Hezbollah operatives, of whom thousands were wounded and approximately a dozen killed by the operation. Only a few civilian casualties were reported and no appreciable damage to civilian infrastructure was inflicted.

Contrary to Walzer's condemnation, Israel deserves admiration. Since the law of armed conflict aims to minimize civilian casualties within the boundaries of military necessity, Israel should be lauded both for the planning, technological wizardry, and execution of the pager attacks and for the civilian lives it saved and the civilian infrastructure it spared.

Journalists, professors, diplomats, jurists, and international organizations who charge Israel with war crimes routinely neglect the study of military affairs. They lack knowledge of strategy, tactics, weapons, battlefields, logistics, and intelligence gathering in general, and in particular of Israel's rules of engagement and of Israel's adversaries' monstrous conduct. Therefore, Israel's accusers are frequently unqualified to answer the key question posed by the international laws of war: does the action in question reasonably balance military necessity and humanitarian responsibility?

Until those who charge Israel with war crimes study war, their judgments about the lawfulness of Israel's military operations will continue to reflect reckless moralizing at best and rank antisemitism at worst. ◘

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Forgotten Truths of War

A postmodern fog has blinded the West. There are certain historical truths about how wars start in places like Gaza, and how they must end.

By Victor Davis Hanson

Ran Baratz has offered a sharp critique of Israeli retaliatory action after October 7 ("What's Wrong with the Postmodern Military?" *Mosaic* magazine). His views, coupled with incisive and constructive correctives, touch on a shared worry outside of Israel. Why, he asks, were the Israel Defense Forces (IDF) surprised by the Hamas attack, why were they shocked that the attack was so medieval in nature, and why did it take so long to take the war home to Gaza?

Key points

» In Israel, strategists are captivated by old cliches and new orthodoxies, weaking the IDF's military resolve.

» Ancient aims like unconditional surrender and occupation are supposedly now impossible. Thus, limited war was born.

» Globalism also supposedly convinced the public that it was almost preferable to lose nobly than to win ugly.

More to the point, why have not the Israel Defense Forces thus far been able to translate their brilliant operational and tactical victories into

Victor Davis Hanson *is the Martin and Illie Anderson Senior Fellow at the Hoover Institution, leads Hoover's Working Group on the Role of Military History in Contemporary Conflict, and is co-chairman of the Hoover History Lab.*

favorable strategic resolutions that might have led to more or less permanent victory and an ensuing sustained peace?

A short answer is that neither the war nor Israel's desire to further weaken its enemies is over.

Those responsible for disconnecting tactical from strategic victory, Baratz argues, are not the spirited and heroic Israeli troops in the fields. Rather, he faults the current generation of military and civilian analysts and strategists. Swept up in the trends of the moment, and amnesiac about the historically unique challenges and vulnerabilities of a tiny Israel surrounded by nations comprising some five hundred million Muslims, they became unthinking captives of old cliches and new orthodoxies, many of which are stale carryovers from the Cold War.

Groupthink, insists an Israeli critic, has blocked the normally risk-taking IDF from achieving the complete defeat of its wavering enemies.

Such conventional groupthink, Baratz further insists, so far has blocked the normally risk-taking IDF from achieving the complete defeat of its wavering enemies.

These restraints are not unique to Israel. They are even more endemic within the US military, as evident in its recent misadventures in Afghanistan, Iraq, Libya, and Syria. Baratz cites familiar symptoms that explain why the Western tradition of decisive battle to achieve unconditional surrender has become self-limiting—despite its traditional hallmarks of superior firepower, technology, discipline, and organization. The causes of this confusion and indeed often malaise are well known to Western militaries: the diversion of the armed forces to achieve internal social agendas; the preference for media-savvy, political generals over those with distinguished battle records; and the substitution of new technology for the ancient arts of killing the enemy. Yet, such misapprehensions can prove especially fatal to the Israeli military given the power and number of the IDF's potential enemies and Israel's far smaller margin of error.

NUCLEAR NIGHTMARES

In the eighty years since the bombings of Hiroshima and Nagasaki, followed a few years later by the end of the American nuclear monopoly, strategists assumed that any major conventional war in a strategically important locale by definition had to remain limited as a "police action," often with an aim at "nation building" and to be ended by a "peace process." Ancient

aims like unconditional surrender, occupation, and the defeated coerced to embrace the conditions of the victor were supposedly now impossible. To repeat a World War II–like annihilative end of the war, in the era from the Korean War to the first Gulf War, might spark the intervention of a nuclear patron to save its tottering client. Soon perhaps a 1914-like, guns-of-August uncontrollable nuclear *bellum omnium contra omnes* would follow.

So, Western nations informally sought to fight limited wars even when the danger of nuclear escalation was remote. The odds of stalemate or defeat thereby increased.

Western nations sought to fight limited wars even when nuclear escalation was remote. The odds of stalemate or defeat thereby increased.

After the end of the Cold War, it was felt that self-restraint had somehow contributed to victory over the Soviet Union. Thus, limited warfare would have a renewed life even after the fall of the Soviet Union, when the United States alone was militarily pre-eminent.

There also were internal pressures to mitigate the use of force necessary to ensure an enemy's surrender. The more affluent and leisured that Western capitalist consensual societies grew, the more fertility rates fell, and the more radically egalitarian the societies became, the more in the post–Cold War era the traditional aims of war to defeat, humiliate, and win concessions from the defeated became constructed not just as unnatural but anachronistic and pre-civilizational.

Westerners live in an age where any innate curiosity to understand violence firsthand is slaked vicariously through movies, television, and video games.

In lieu of something like Appomattox or Potsdam, perhaps enemies could instead be won over by propaganda, nation building, or re-education rather than through humiliating defeat. The ultimate trajectory of this thinking was the victorious Taliban in 2021 inheriting $50 billion in sophisticated abandoned American arms, while US troops left quickly—leaving behind a vacant $1 billion US embassy, a $300 million refitted defensible airbase, George Floyd murals on the streets, a pride flag on the embassy website that flew occasionally at US bases, and a gender-studies department at Kabul university.

SHRINKING AWAY

Globalism and its instant worldwide communications supposedly also convinced the public that it was almost preferable to lose nobly than to

win ugly, given the instinct to therapeutic identification with the underdog and the defeated. After tiny Israel beat back its many aggressors in 1947 and became a regional power in 1967 and 1973, Westerners began to consider it a fellow bully and in particular an illegitimate "settler-colonialist" state.

In a Western world where half our youth expect to go to college and be trained by PhDs—and not to enter the military—the operating ethos of that half of the population is to contextualize those who are supposedly misguided enough to attack Westerners. That view was obvious on elite American campuses all last year after the October 7 attacks on Israelis. Protests championed Hamas, used rhetorical gymnastics to explain away and even celebrate the barbaric attacks on Israelis, and sought to pressure elected officials to cut off aid to Israel on "humanitarian grounds."

In an age obsessed with "imperialism" and "colonialism," the use of military force in the West became somewhat suspect. But far worse would be any transparent admission that war would be waged to annihilate an enemy force and thus strip a bellicose opponent of its power of resistance—as the only way to preclude refighting the war or descending into what we in the United States now call "endless" or "forever" wars.

So, in the postmodern Western democracies, there arose a certain end-of-history utopianism in which war is deemed anachronistic and the result of misunderstanding and miscommunication, rather than of innate evil or the desire to gain advantage once perceived deterrence is lost and the stronger can dictate to the weaker.

Classical tactical methods to achieve strategic resolution—pre-emptive attacks, continual offensive operations, and the use of constant, overwhelming, and disproportionate force—are increasingly deemed passé. Western militaries, bowing to civilian or internal concerns about disproportionality, high enemy casualties, culpability for striking first, televised carnage, or nuclear brinkmanship, instead seek ways to finesse wars.

Disproportionality, asymmetry, and a marked difference in material capability and morale—only these lead to strategic resolution.

MISLED BY TECH

How, then, did this generation of strategists attempt to resist aggression and fight opponents with far fewer self-imposed limits, whether nation-states like

Russia, China, Iran, and North Korea or terrorists like Hamas, Hezbollah, the Houthis, and Islamic State?

Apparently, they assumed the vaunted "revolution in military affairs" might offer solutions. Sophisticated drones from on high could pinpoint those "responsible" for enemy aggression, kill them surgically, and thus free the people from their nihilist influence without a messy war. Cyberwarfare could paralyze infrastructure without drawing blood.

What if 100 percent of Gaza has been entered, disarmed, occupied, and purged of Hamas terrorists?

Or maybe new incarnations of the Maginot Line, updated with sophisticated surveillance cameras, acoustic devices, radars, and drones, and supported by artificial-intelligence and cyberweapons, could achieve deterrence without the old methods of robust pre-emptive attacks and periodic occupations.

Baratz astutely either articulates or implies a range of problems with such tactical thinking. Walls, to work, have to be at least successful in slowing down or diminishing enemy forces. But as General George S. Patton once wrote, the price of such passivity is sometimes a false sense of security.

Clearly, the Gaza fence was hardly indominable. Before October 7, 2023, it perhaps helped spread a lethal sense that Gazans were mere neighbors on the other side of a deliberately unobtrusive fence rather than obdurate existential foes who would always interpret any restraint or passivity not as magnanimity to be reciprocated but as weakness to be lethally exploited.

Generals and military planners should not become psychologists who try to outthink enemy populations themselves, as if they alone know how to separate radical and bellicose leaders from their supposedly peace-loving and thus coerced followers. Instead, the ancient idea of overwhelming force and collective punishment reminds civilians, such as those in Germany in 1944 or Japan in 1945, of the consequences of applauding their leaders when winning only to assert their near-innocence when losing.

For a nation-state to survive, it must be educated that the only thing worse than war is defeat or a permanent enemy sword of Damocles hanging over its collective head. Militaries must return to the ancient confidence that it is better to kill more of the aggressors' population than to have lost some of their own. Disproportionality, asymmetry, and a

marked difference in material capability and morale alone lead to strategic resolution.

ANCIENT TRUTHS

Why, after heroic and costly efforts to decapitate much but not all of the leadership of Hamas and Hezbollah and to destroy much of their terrorist infrastructure, cannot Israel tactically defeat enemies, force them to "surrender," and then make them agree to Israeli demands to disarm, dissolve, and disappear?

Was Israel afraid that trying to achieve complete strategic victory might cause the axis of China, Russia, North Korea, and Iran to intervene with threats to cease and desist—or else?

Were there worries, inside and outside the military, that the Westernized world, especially Europe and the United States, would find unlimited use of force barbaric and thus react by cutting off aid and munitions, and close their doors to Israelis in general?

Was hesitation attributable to fear within Israel that it was transforming into something different, falling short of the once-humanitarian vision of the founders (who, it bears reminding, were quite willing and able to seek strategic resolution to survive)?

Given the above, what exactly would Ran Baratz have had the IDF, and its overseers, do to ensure that their tactical victories resulted in final strategic resolution?

All of Israel's current terrorist enemies are supplied and guided by Iran. After Iran sent five hundred projectiles into Israel and Israel responded by dismantling Iran's supposedly formidable air defenses, what might have followed had Israel invested another week in destroying Iran's nuclear capability, with threats to continue on with its military bases and energy sector? Would Iran have been able or willing to supply any further its diminished terrorist appendages?

The "revolution" in tactics and weapons hasn't changed the rules of war—only its velocity and lethality.

What if 100 percent of Gaza has been entered, disarmed, occupied, and purged of Hamas terrorists, in the manner that much of it had already? Would Israel have eventually destroyed the entire Hamas leadership, dismantled the entire subterranean labyrinth, and taught the population that Hamas would be no longer politically viable?

Would neighboring "moderate" Arab countries have been more or less willing to ally with a formidable and unpredictable Israel? And would the United States, even under the sanctimonious and sermonizing Biden administration, privately have been more willing to aid Israelis under such vast geopolitical transformations? Would hostile enclaves and nations, whether in Egypt, Iraq, Qatar, or Yemen, been more or less willing to negotiate with Israel in a post-Hezbollah, post-Hamas, and even post-theocratic-Iran era?

I believe Baratz is right not because I wish him to be, but because I think he has a better understanding of human nature than do his opponents. He understands that the revolution in military affairs, new weaponry, artificial intelligence, cyberwar, and smart bombs and shells have changed not the rules of war but merely the velocity and lethality of it.

The more sophisticated we become, the more difficult it becomes to remember that war is fought collectively by humans. Human nature stays constant across time and space. And thus, it remains predictable and subject to universal laws that, if only understood, can mitigate the violence of war—through strategic victory.

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Let Innovation Bloom

People are always afraid of new tech until they see the benefits. Artificial intelligence? Resist the urge to panic—or to regulate.

By John H. Cochrane

"Artificial intelligence poses a threat to democracy and society. It must be extensively regulated."

Words to that effect are a common sentiment. They must be kidding.

Have the chattering classes—us—speculating about the impact of new technology on economics, society, and politics, ever correctly envisioned the outcome? Over the centuries of innovation, from moveable type to Twitter (now X), from the steam engine to the airliner, from the farm to the factory to the office tower, from agriculture to manufacturing to services, from leeches and bleeding to cancer cures and birth control, from abacus to calculator to word processor to mainframe to Internet to social media, nobody has ever foreseen the outcome, and especially the social and political consequences, of new technology.

Even with the benefit of long hindsight, do we have any historical consensus on how these and other past technological innovations affected the

***John H. Cochrane** is the Rose-Marie and Jack Anderson Senior Fellow at the Hoover Institution, a member of Hoover's Working Group on Economic Policy, and a participant in Hoover's George P. Shultz Energy Policy Working Group. He is also a research associate of the National Bureau of Economic Research and an adjunct scholar at the Cato Institute.*

profound changes in society and government that we have seen in the past few centuries? Did the Industrial Revolution advance or hinder democracy?

Sure, in each case one can go back and find a few Cassandras who made a correct prediction—but then they got the next one wrong. Before anyone regulates anything, we need a scientifically valid and broad-based consensus.

Society is transforming rapidly. Birth rates are plummeting around the globe. The US political system seems to be coming apart at the seams with unprecedented polarization, a busting of norms, and the decline of our institutions. Does anyone really know why?

The history of millenarian apocalyptic speculation is littered with worries that each new development would destroy society and lead to tyranny, and with calls for massive coercive reaction. Most of it was spectacularly wrong. Thomas Malthus predicted, plausibly, that the technological innovations of the late 1700s would lead to widespread starvation. He was spectacularly wrong. Karl Marx thought industrialization would necessarily lead to immiseration of the proletariat and communism. He was spectacularly wrong. Automobiles did not destroy American morals. Comic books and TV did not rot young minds.

The machinery of the regulatory state has never been able to identify the social, economic, and political dangers of technical change.

Our more neurotic age began in the 1970s, with the widespread view that overpopulation and dwindling natural resources would lead to an economic and political hellscape, views put forth, for example, in the Club of Rome report and movies like *Soylent Green.* They were spectacularly wrong. China acted on the "population bomb" with the sort of coercion our worriers cheer for, to its current great regret. Our new worry is global population collapse. Resource prices are lower than ever, the United States is an energy exporter, and people worry that the "climate crisis" from *too much* fossil fuel will end Western civilization, not "peak oil." Yet demographics and natural resources are orders of magnitude more predictable than whatever AI will be and what dangers it poses to democracy and society.

OPPORTUNITIES LOST

The word *millennarian* stems from those who worried that the world would end in the year 1000, and people had better get serious about repentance for our sins. They were wrong then, but much of the impulse to worry about the apocalypse, then to call for massive changes, usually with "us" taking charge, is alive today.

CHAPTER AND VERSE:* Gutenberg Printing the Psalter *shows the unveiling of the Mainz Psalter, the second major book to be printed using moveable type. The printing technology was among a host of inventions, continuing to the present day, that brought unforeseen social and political consequences. Gutenberg's movable type arguably led to the Protestant Reformation and made the Enlightenment possible. [Woodcut after drawing by Adolph Menzel (1815–1905), colored]

Yes, new technologies often have turbulent effects, dangers, and social or political implications. But that's not the question. Is there a single example of a society that saw a new developing technology, understood ahead of time its economic effects—to say nothing of social and political effects—"regulated" its use constructively, prevented those ill effects from breaking out, but did not lose the benefits of the new technology?

There are plenty of counterexamples. Some societies, in excessive fear of such effects of new technologies, banned or delayed them, at great cost. The Chinese treasure fleet is a classic story. In the 1400s, China had a new technology: fleets of ships, far larger than anything Europeans would have for centuries, traveling as far as Africa. Then, the emperors, foreseeing social and political change, "threats to their power from merchants" (what we

[Taylor Jones—for the *Hoover Digest*]

might call steps toward democracy), "banned oceangoing voyages in 1430," as Angus Deaton writes in *The Great Escape.* The Europeans moved in.

Genetic modification was feared to produce "Frankenfoods," or uncontrollable biological problems. As a result of vague fears, Europe has essentially banned genetically modified foods, despite no scientific evidence of harm. GMO bans—including rice enhanced with vitamin A, which has saved the eyesight of millions—are tragically spreading to poorer countries.

Most of Europe banned hydraulic fracking for fossil fuels. US energy policy regulators didn't have a similar power to stop it, though they would have if they could. The United States led the world in carbon reduction, and Europe bought gas from Russia instead.

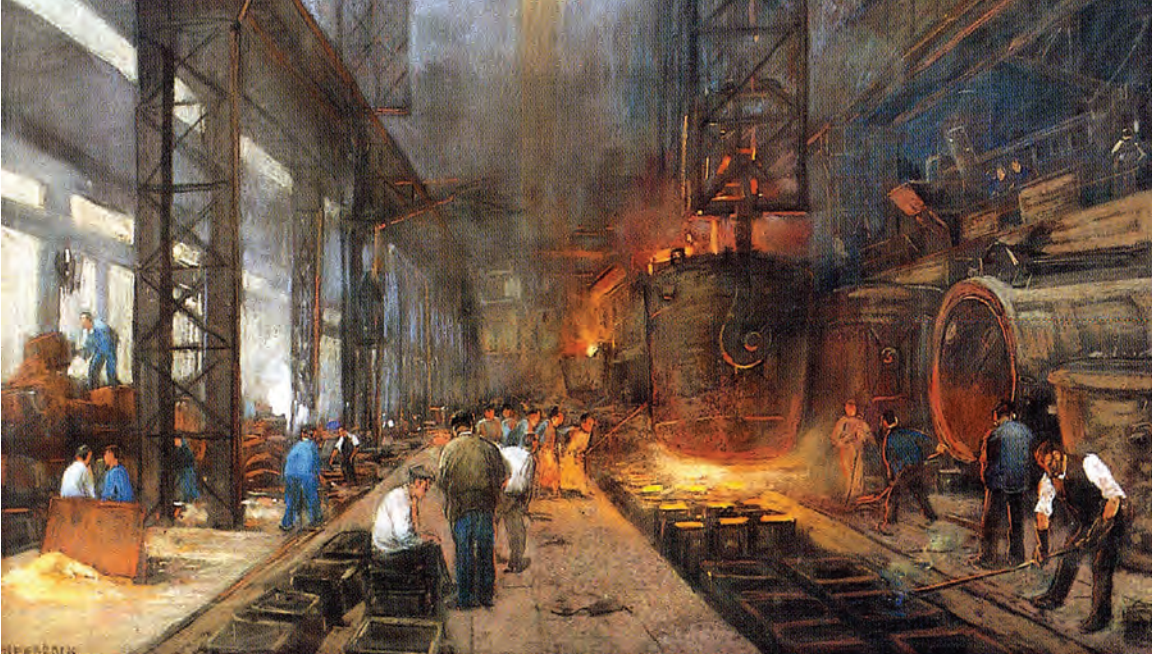
Nuclear power was regulated to death in the 1970s over fears of small radiation exposures, greatly worsening today's climate problem. The fear remains, and Germany has now turned off its nuclear power plants as well.

In 2001, the Bush administration banned research on new embryonic stem cell lines. Who knows what we might have learned.

Climate change is, to many, the current threat to civilization, society, and democracy (the latter from worry about "climate justice" and waves of "climate refugee" immigrants). However much you believe the social and political impacts—much less certain than the meteorological ones—one thing is for sure: trillion-dollar subsidies for electric cars, made in the United States with US materials, US union labor, and page after page of restrictive rules, along with 100 percent tariffs against much cheaper Chinese electric cars, will not save the planet—especially once you realize that every drop of oil saved by a new electric car is freed up to be used by someone else, and at astronomical cost. Whether you're Bjorn Lomborg or Greta Thunberg on climate change, the regulatory state is failing.

Many new technologies, from looms to cars to airplanes to nuclear power, have had dangerous side effects. Costs and benefits were addressed as they came out.

We also suffer from narrow-focus bias. Once we ask, "What are the dangers of AI?" a pleasant debate ensues. If we ask instead, "What are the dangers to our economy, society, and democracy?" surely other things will light up the scoreboard ahead of vague dangers of AI: a conventional or nuclear major-power war, civil unrest, the unraveling of US political institutions and norms, a high-death-rate pandemic, crashing populations, environmental collapse, or just the consequences of an end to growth. We have almost certainly



MEN OF STEEL: This painting from the nineteenth century shows molten iron being poured. Karl Marx, active during this era, thought industrialization would necessarily lead to immiseration of the proletariat and communism. Even in the twentieth century, there were fears that overpopulation and dwindling natural resources would lead to an economic and political hellscape. History proved Marx wrong. [Herman Heijenbrock (1871–1948)]

just experienced the first global pandemic due to a human-engineered virus. It turns out that gain-of-function research was the one needing regulating. Manipulated viruses, not GMO corn, were the biological danger.

SAFETYISM

I do not deny potential dangers of AI. The point is that the advocated tool, the machinery of the regulatory state, guided by people like us, has never been able to see social, economic, and political dangers of technical change, or to do anything constructive about them ahead of time, and is surely just as unable to do so now. The size of the problem does not justify deploying completely ineffective tools.

Pre-emptive regulation is even less likely to work. AI is said to be an existential threat, fancier versions of "the robots will take over," needing pre-emptive "safety" regulation before we even know what AI can do, and before dangers reveal themselves.

Most regulation takes place as we gain experience with a technology and its side effects. Many new technologies, from industrial looms to

automobiles to airplanes to nuclear power, have had dangerous side effects. They were addressed as they came out, and costs were judged against benefits. There has always been time to learn, to improve, to mitigate, to correct, and where necessary to regulate once a concrete understanding of the problems has emerged. Would a pre-emptive "safety" regulator looking at airplanes in 1910 have been able to produce that long experience-based improvement, writing the rulebook governing the Boeing 737, without killing air travel in the process? AI will follow the same path.

The technologies for abating pollution were well understood, local, and measurable. None of those conditions is remotely true for AI.

I do not claim that all regulation is bad. The Clean Air and Clean Water Acts of the early 1970s were quite successful. But consider all the ways in which they are so different from AI regulation. The dangers of air pollution were known. The nature of the "market failure," classic externalities, was well understood. The technologies available for abatement were well understood. The problem was local. The results were measurable. None of those conditions is remotely true for regulating AI, its "safety," its economic impacts, or its impacts on society or democratic politics.

Environmental regulation is also an example of successful ex post rather than pre-emptive regulation. Industrial society developed, we discovered safety and environmental problems, and the political system fixed those problems, at tolerable cost, without losing the great benefits. If our regulators had required Watt's steam engine or Benz's automobile (about where we are with AI) to pass "effect on society and democracy" rules, we would still be riding horses and hand-plowing fields.

WHO REGULATES?

Calls for regulation usually come in the passive voice ("AI must be regulated"), leaving open the question of just who is going to do this regulating.

We are all taught in first-year economics classes a litany of "market failures" remediable by farsighted, dispassionate, and perfectly informed "regulators." That normative analysis is not logically incorrect. But it abjectly fails to explain the regulation we have now, or how our regulatory bodies behave, what they are capable of, and when they fail. The question for regulating AI is not what an author, appointing himself or herself benevolent dictator for a day, would wish to see done. The question is what our legal, regulatory, or

executive apparatus can even vaguely hope to deliver, buttressed by analysis of its successes and failures in the past. What can our regulatory institutions do? How have they performed in the past?

Scholars who study regulation abandoned the Econ 101 view a half-century ago. That pleasant normative view has almost no power to explain the laws and regulations that we observe. Public-choice economics and history tell instead a story of limited information, unintended consequences, and capture. Planners never have the kind of information that prices convey, as Hayek made clear. Studying actual regulation in industries such as telephones, radios, airlines, and railroads, scholars such as Buchanan and Stigler found capture a much more explanatory narrative: industries use regulation to get protection from competition, and to stifle newcomers and innovators. They offer political support and a revolving door in return. When telephones, airlines, radio and TV, and trucks were deregulated in the 1970s, we found that all the stories about consumer and social harm, safety, or "market failures" were wrong, but that regulatory stifling of innovation and competition was very real. Already, Big Tech is using AI safety fear to try again to squash open source and startups, and defend profits accruing to its multibillion-dollar investments in easily copied software ideas. Seventy-five years of copyright law to protect Mickey Mouse is not explainable by Econ 101 market failure.

Free communication is central to the spread of democracy and prosperity. And that communication is frequently disturbing or offensive to regulatory elites.

Even successful regulation, such as the first wave of environmental regulation, is now routinely perverted for other ends. People bring environmental lawsuits to endlessly delay projects they dislike for other reasons.

The basic competence of regulatory agencies is now in doubt. On the heels of the massive failure of financial regulation in 2008 and again in 2021, and the obscene failures of public health in 2020–22, do we really think this institutional machinery can artfully guide the development of one of the most uncertain and consequential technologies of the past century?

And all of the above examples asked regulators to address only economic issues, or easily measured environmental issues. Is there any historical case in which the social and political implications of any technology were successfully guided by regulation?

WHAT REALLY THREATENS DEMOCRACY

Large Language Models (LLMs) are currently the most visible face of AI. They are fundamentally a new technology for communication, for making one human being's ideas discoverable and available to another. As such, they are the next step in a long line from clay tablets, papyrus, vellum, paper, libraries, movable type, printing machines, pamphlets, newspapers, paperback books, radio, television, telephone, Internet, search engines, social networks, and more. Each development occasioned worry that the new technology would spread "misinformation" and undermine society and government, and needed to be "regulated."

The worriers often had a point. Gutenberg's movable type arguably led to the Protestant Reformation. Luther was the social influencer of his age, writing pamphlet after pamphlet of what the Catholic Church certainly regarded as "misinformation." The church "regulated" with widespread censorship where it could. Would more censorship, or "regulating" the development of printing, have been good? The political and social consequences of the Reformation were profound, not least a century of disastrous warfare, but nobody at the time saw what they would be. They were more concerned with salvation. And movable type also made the scientific journal and the Enlightenment possible, spreading a lot of good information along with "misinformation." The printing press arguably was a crucial ingredient for democracy, by allowing the spread of those then-heretical ideas. The founding generation of the United States had libraries full of classical and Enlightenment books that they would not have had without printing.

Regulation naturally bends to political ends.

More recently, newspapers, movies, radio, and TV have been influential in the spread of social and political ideas, both good and bad. Starting in the 1930s, the United States had extensive regulation, amounting to censorship, of radio, movies, and TV. Content was regulated, licenses given under stringent rules. Would further empowering US censors to worry about "social stability" have been helpful or harmful in the slow liberalization of American society? Was any of this successful in promoting democracy, or just in silencing the many oppressed voices of the era? They surely would have tried to stifle, not promote, the civil rights and anti–Vietnam War movements, as the FBI did.

Freer communication by and large is central to the spread of representative democracy and prosperity. And the contents of that communication are

frequently wrong or disturbing, and usually profoundly offensive to the elites who run the regulatory state. It's fun to play dictator for a day when writing academic articles about what "should be regulated." But think about what happens when, inevitably, someone else is in charge.

"Regulating" communication means censorship. Censorship is inherently political, and almost always serves to undermine social change and freedom. Our aspiring AI regulators are fresh off the scandals revealed in *Murthy v. Missouri,* in which the government used the threat of regulatory harassment to censor Facebook and X. Much of the "misinformation," especially regarding COVID-19 policy, turned out to be right. It was precisely the kind of out-of-the-box thinking—reconsidering of the scientific evidence, speaking truth to power—that we want in a vibrant democracy and a functioning public health apparatus, though it challenged verities propounded by those in power and, in their minds, threatened social stability and democracy itself. Yes, uncensored communication can also be used by bad actors to spread bad ideas, but individual access to information, whether from shortwave radio, samizdat publications, text messages, Facebook, Instagram, and now AI, has always been a tool benefiting freedom.

Trust democracy, not paternalistic aristocracy.

And yes, AI can lie and produce "deepfakes." The brief era when a photograph or video by itself provided evidence that something happened, since photographs and videos were difficult to doctor, is over. Society and democracy will survive.

Knowing that AI can lie produces a demand for competition and certification. AI can detect misinformation, too. People want true information and will demand technology that can certify if something is real. If an algorithm is feeding people misinformation, as TikTok is accused of feeding people Chinese censorship, count on its competitors, if allowed to do so, to scream that from the rafters and attract people to a better product.

Regulation naturally bends to political ends. It is, by definition, an act of the state, and thus used by those who control the state to limit what ideas people can hear. Aristocratic paternalism of ideas is the antithesis of democracy.

IN THE WORKPLACE

What about jobs? It is said that once AI comes along, we'll all be out of work. And exactly this was said of just about every innovation for the past millennium. Technology does disrupt. Mechanized looms in the 1800s did lower wages for skilled weavers, while it provided a reprieve from the misery of

farmwork for unskilled workers. The answer is a broad safety net that cushions all misfortunes, without unduly dulling incentives. Special regulations to help people displaced by AI, or China, or other newsworthy causes are counterproductive.

But after three centuries of labor-saving innovation, the unemployment rate is 4 percent. In 1900, a third of Americans worked on farms. Then the tractor was invented. People went on to better jobs at higher wages. The automobile did not lead to massive unemployment of horse-drivers. In the 1970s and 1980s, women entered the workforce in large numbers. Just then, the word processor and the photocopy machine slashed demand for secretaries. Female employment did not crash. ATM machines increased bank employment. Tellers were displaced, but bank branches became cheaper to operate, so banks opened more of them. AI is not qualitatively different in this regard.

One activity will be severely disrupted: essays like this one. *ChatGPT-5, please write 4,000 words on AI regulation, society, and democracy, in the voice of the Grumpy Economist* . . . (I was tempted!). But the same economic principle applies: reduction in cost will lead to a massive expansion in supply. Revenues can even go up if people want to read it, i.e., if demand is elastic enough. And perhaps authors like me can spend more time on deeper contributions.

The big story of AI will be how it makes workers more productive. AI tools will likely raise the wages and productivity of less-skilled workers, by more easily spreading around the knowledge and analytical abilities of the best ones.

Since social media began in the early 2000s, Silicon Valley has been trying to figure out what's next. Now we know. It wasn't crypto. AI promises to unlock tremendous advances, but nobody really knows yet what it can do, or how to apply it. It was a century from Franklin's kite to the electric light bulb, and another century to the microprocessor and the electric car.

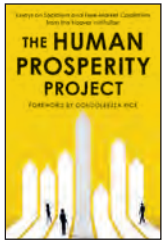
FUTURE OF PROMISE

Of course AI is not perfectly safe. Of course it will lead to radical changes, most for the better but not all. Of course it will affect society and our political system, in complex, disruptive, and unforeseen ways. How will we adapt? How will we strengthen democracy, if we get around to wanting to strengthen democracy rather than the current project of tearing it apart?

The answer is straightforward: As we always have. Competition. The government must enforce rule of law, not the tyranny of the regulator. Trust democracy,

not paternalistic aristocracy—rule by independent, unaccountable, self-styled technocrats, insulated from the democratic political process. Remain a government of rights, not of permissions. Trust and strengthen our institutions, including all of civil society, media, and academia, not just federal regulatory agencies, to detect and remedy problems as they occur. Relax. It's going to be great.

Adapted from* The Digitalist Papers series *(http://digitalistpapers.com), a publication of the Stanford Digital Economy Lab to which the Hoover Institution contributes.



Buy "Biobonds"?

A vast biomanufacturing infrastructure could create the fuels, fabrics, and foods of the future—and Hoover fellow Drew Endy thinks he knows how to pay for it.

Drew Endy, a Hoover science fellow, answers questions about how the United States can help build a world-class biomanufacturing infrastructure:

Q: Drew, there's been talk for some time now about a "bio-belt" in the United States. What does that term mean?

Drew Endy: In America, we have a tremendous capacity to leverage biology to grow stuff, starting with agriculture. But there's much more we can do in terms of manufacturing things in partnership with living systems. I went to school in Bethlehem, Pennsylvania, when Bethlehem Steel was shutting down a big plant. I recently went back and looked at the old site. What I saw was lots

Key points

» A nationwide "bio-belt" could promote resilience, much as the Interstate Highway System and the Internet did in their domains.

» "Bio-bonds" would be a way to supply both capital and expertise.

» The United States must compete with China, which has taken an all-of-nation approach to emerging technologies and especially to biomanufacturing.

Drew Endy *is a science fellow and senior fellow (by courtesy) at the Hoover Institution, where he leads Hoover's Bio-Strategy and Leadership effort. He also researches and teaches bioengineering at Stanford University, where he is the Martin Family University Fellow in Undergraduate Education, senior fellow (by courtesy) of the Freeman Spogli Institute for International Studies, and faculty codirector of degree programs for the Hasso Plattner Institute of Design.*

of flat land with good rail and energy infrastructure, right next to a reliable supply of fresh water from the Lehigh River. That's a great combination of resources that can be put to work in biomanufacturing.

Biology is increasingly being unlocked as a general-purpose technology, which means that anything we can encode in DNA can be manufactured through processes starting with liquid- and solid-state fermentation. For instance, there's a company in South Carolina called MycoWorks that's just opened a $100 million factory using mushrooms to grow a leather-like material that goes into cars, luggage, or shoes. The key input to this factory is sawdust from the state's lumber and furniture sectors. You could situate biofactories anywhere across a US bio-belt in, say, Pennsylvania, Ohio, Nebraska, and many other states, because we've got a diversity of feedstocks, from corn stover to sugar and sawdust, as well as diverse sources of power available across the country.

"Anything we can encode in DNA can be manufactured through processes starting with liquid- and solid-state fermentation."

Q: The South Carolina factory is producing a leather-like material. What other things can biomanufacturing supply?

Endy: Today, about 5 percent of the US's economic output is built with biotechnology, divided up into three slices. The first of these is agricultural production. The second is manufacturing of industrial molecules that go into polymers to make sustainable textiles. And the third is medicine. By expanding the bio-belt, we could make more and better foods, textiles, and medicines increasingly close to where they are needed. That would reduce our reliance on centralized stockpiles. We could have distributed, resilient public health and biodefense capacities, as well as the ability to biomanufacture other things our society relies on. A nationwide bio-belt can promote manufacturing resilience in the same way that the Eisenhower administration's Interstate Highway System created resilient logistics and the Internet created resilient communications.

Q: We already have distributed manufacturing capability for producing biofuels. Does the bio-belt idea overlap with this?

Endy: I think it's completely complementary with biofuels. We're not talking about competing with them; what we're talking about is leveraging

biotechnology to boost our ability to manufacture more valuable products across many different categories. For instance, if you're making biofuels and you have some extra substrate where you are, perhaps that could be used to power a biofactory that makes essential medicines. We're talking about a forward-facing opportunity that can satisfy many different sectors of the economy.

Q: This sounds like an exciting opportunity, but how do we pay for it? You've talked about "bio-bonds." What's the idea behind them?

Endy: We need biomanufacturing capacity at a scale that's big enough to matter, by which I mean big enough to impact positively those who need these solutions or products, whether that's another sector of the economy or patients. We also need to make sure that the handoff from the technology innovators to the entrepreneurial manufacturers is well supported. And that's where the idea of bio-bonds is incredibly important.

The goal is for the private sector to contribute capital and, most important, expertise in decision making around when and how to commit that capital. This is where the idea of bio-bonds comes in. We're just bringing this idea into the open, and so I'm only sketching out here how this idea might work. Everyone will have to collaborate to fine-tune how this operates in practice.

The involvement of the financial sector is crucial. Professional money managers value opportunities to offer investments that pay modest returns that are tax-free at the state level. There are all sorts of financial instruments that already exist to meet this demand. So, states could help by promoting tax-free bio-bonds to support entrepreneurs looking to build biomanufacturing plants. The states that do this could stipulate the feedstocks they care about, the types of jobs they want to create, and the types of industries they want to connect to in the bioeconomy. Companies who meet these criteria could then apply to float a tax-free bond in a particular state to help finance their investment in a new factory. There would need to be a partnership with the financial sector, which would issue, underwrite, and manage the bonds, as well as facilitate trading in them.

"The most innovative and successful bio-entrepreneurs are pushed to manufacture outside the United States. They basically have no choice."

Q: What kind of scale and timeline are we talking about?

Endy: Let's get some numbers on the table. Let's say that around fifteen years from now we would like America to have one thousand state-of-the art biomanufacturing facilities covering all sectors of the bioeconomy. If each of these factories costs $100 million, then we're looking at a $100 billion of new investment. I don't think it's responsible or realistic to go to the Congress and say, "Hey, can you give us another $100 billion of precious public treasure?"

So, we need a better way to create a biomanufacturing equivalent of the Interstate Highway System. Historically in the United States, we've been world leaders at frontline innovation in biotechnology, but we haven't scaled our capacity to do biomanufacturing. And now we're at risk of seeing the same playbook that happened with solar and batteries for electric cars—where the United States pioneered the technologies only to see China or others produce them at scale—repeating with biomanufacturing. A significant bio-bond initiative could help prevent this from happening.

"A distributed national infrastructure for biomanufacturing is essential for biodefense."

When it comes to a timeline for rolling out a bio-bonds initiative, I think we're talking about a gradual ramping up. Today, there are still many examples of biomanufacturing ideas out there that don't make economic sense. So, I think we need to stage this very carefully. If we were piloting this in 2025, I think we should be looking at a couple billion dollars. As we learn more about how to make the approach work, we'd scale to tens of billions.

Q: But if the opportunities are so great, wouldn't private capital want to pursue them anyway? Why do we need bio-bonds?

Endy: We need to incentivize private capital to come off the sidelines more quickly. There's already a shortage of domestic precision fermentation capacity, which uses microorganisms to produce proteins and other biomolecules in the same way that brewers feed sugar to yeast to make beer. This shortage means the most innovative and successful bio-entrepreneurs are pushed to manufacture outside the United States. They basically have no choice. Then there's China, which has taken an all-of-nation approach to emerging technologies and especially to biomanufacturing. If you want to understand the current state-of-the art in precision fermentation, one nation you need to visit is across the Pacific Ocean. Our best and brightest innovators are increasingly

courted by Chinese manufacturers with incredible access to modern factories supplied with low-cost energy and feedstocks.

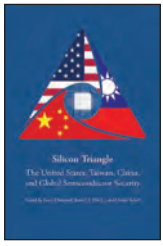
Again, America needs to decide whether we'll watch a rerun of offshoring photovoltaic solar cells, electric car batteries, and other areas. And, as I mentioned in passing before, there's an important national security dimension here: a distributed national infrastructure for biomanufacturing is essential for biodefense; a domestic bio-belt would help everyone in all fifty states have resilient access to medical diagnostics, treatments, and vaccines, if and whenever needed.

But bio-bonds shouldn't be limited to medicines. The potential to manufacture many kinds of products will help make a wide range of supply chains more resilient.

Q: Let's say we get to the high tens of billions raised through bio-bonds. What kind of downstream issues are we going to need to think about?

Endy: We'll need to be thinking from the beginning about many things, such as the relationship between employers and unions. What are some of the lessons we've learned in the United States about how to create harmonious and productive relationships between workers and factory owners? If bio-bonds for the bio-belt work, what we're talking about is the development of a significant percentage of the nation's manufacturing capacity for the future. How we architect the system will have tremendous impacts on livelihoods, incomes, and economic growth. So, from a cultural, political, and economic sense, bio-bonds are going to be very impactful. That's what's so exciting here. We have the possibility to build a twenty-first century economy for America that's compatible with our founding principles of life, liberty, and the pursuit of happiness.

***Special to the* Hoover Digest.**



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Smokescreen over La-La Land

Apocalyptic climate claims continue to excuse foolish—and profoundly wasteful—energy policies. Hoover fellow Steven E. Koonin, an "energy realist," talks to Emily Yoffe.

Steven E. Koonin is a theoretical physicist and a leading voice calling for what he calls "climate realism." Koonin, a senior fellow at the Hoover Institution, was on the faculty of the California Institute of Technology for almost three decades. For five years he was the chief scientist at BP, exploring renewable sources of energy. From there he served in the Obama administration as undersecretary for science at the Department of Energy. In recent years, he has engaged in policy debates about how much the climate is changing and what to do about it. He is the author of *Unsettled: What Climate Science Tells Us, What It Doesn't, and Why It Matters.* Here he discusses what caused the LA fires, and what they portend.

Emily Yoffe, **The Free Press:** Los Angeles is burning. President Joe Biden has said that climate change, which he just called the "single greatest existential threat to humanity," is the cause. Many climate scientists agree with him. What do you say?

Steven E. Koonin *is a senior fellow at the Hoover Institution and the author of* ***Unsettled: What Climate Science Tells Us, What It Doesn't, and Why It Matters*** *(BenBella Books, 2021).* ***Emily Yoffe*** *is a senior editor of* ***The Free Press.***

FLAMMABLE: A drone captures burned structures along Pacific Coast Highway. "While climate might be playing a minor role, by far the greatest factor affecting how much damage results from a fire is the fuel available to it," says Hoover fellow Steven Koonin. "There are so many things we could be doing much more directly and easily than trying to reduce CO_2 emissions." [Ringo Chiu—ZUMAPRESS/Newscom]

Steven E. Koonin: Nonsense. While climate might be playing a minor role, by far the greatest factor affecting how much damage results from a fire is the fuel available to it. Have you cleared the brush and other vegetation or not? Also, there's the infrastructure that you've built. Are the houses fireproof? How close are they together? If we want to avoid the kind of disasters we've just seen in the Los Angeles Basin, there are so many things we could be doing much more directly and easily than trying to reduce CO_2 emissions.

Yoffe: You lived in Altadena—much of which is now ash—for almost thirty years when you were at Caltech. When you were living there, did you think something like this could happen?

Koonin: I remember one very windy night in the '90s when our kids woke up and thought the sun was rising, but it was actually a fire in the hills above nearby Eaton Canyon. We didn't evacuate, but we were prepared to. Day to

day, we were more concerned about earthquakes. As for fire, we thought the county was on it and would take care of it.

I have friends who have lost their homes, and the house we lived in is gone. The recent fires are a tragedy that's due to ill preparedness, not climate.

Yoffe: Let's say that the earth hadn't warmed 1.3 degrees Celsius over the past 120 years. Would that have prevented these fires?

Koonin: No, of course not. There have been fires like this for thousands of years. *ProPublica* did a story a few years ago about the dangers of our policy of fire suppression, which results eventually in larger, uncontrollable fires. That story cites estimates that in prehistoric California, between four million and eleven million acres burned yearly. Compare that with about one million that burned in 2024, and 325,000 in 2023.

"The house we lived in is gone. The recent fires are a tragedy that's due to ill preparedness, not climate."

Yoffe: People are saying about LA, "Here it is, you didn't believe us about the existential threat. But it's not in the future, it has arrived." And the proof is the fires, and the flooding of Asheville, North Carolina, and all the recent hurricanes.

Koonin: How often does a hundred-year weather event happen? The answer is it's a couple times a month somewhere around the globe. With modern news coverage that's global and around the clock, the media are always going to find some unusual weather event. What you have to do as a scientist is to think about climate as the thirty-year average of weather.

Yoffe: But the people saying we have broken the climate are often climate scientists.

Koonin: I would refer you to the Working Group 1 of the most recent report of the UN's Intergovernmental Panel on Climate Change, which was issued in 2021. They have a wonderful table, table 12.12, that shows thirty-three different kinds of what they call climate "impact drivers": floods, hurricanes, heat waves, cold, drought, etc. And for the great majority of those drivers, the table is blank. Meaning they couldn't find any long-term trend, let alone one that could be attributed to human influences. This makes it hard to understand how people, including the UN secretary general, keep saying the climate is broken.

Look at the work of Patrick Brown, a wildfire and climate expert at the Breakthrough Institute. It's true that at the end of 2024 there had been almost no precipitation in LA. But Brown has a chart showing end-of-year precipitation in LA over an eighty-year span; there were many years as dry as last year, even though CO_2 was much lower.

Yoffe: There is a cavernous gap between the understanding of climate that you're describing, and what the average *New York Times* reader (or current president of the United States) believes.

"Wind and solar can be an ornament to the system but can never be the backbone of the energy system."

Koonin: What's going on is not quite a conspiracy, but it's an alignment of interests. The media want clicks and eyeballs, and it's news when something catastrophic happens. Politicians can use "climate change" as a vague and amorphous enemy to blame for bad things—instead of their incompetence. And it gives them an excuse to dole out money or put in regulations "to fix the problem." And if you've started an NGO to save the world and the conclusion is that things really aren't that bad, you're out of business.

I've found when you sit and talk to scientists in private, they're almost always quite sensible about what we know and don't know, and would not say the world is coming to an end or falling apart.

Yoffe: The new secretary of energy is Chris Wright, an energy entrepreneur and founder of the fracking company Liberty Energy. You have also done some consulting for him and consider him a friend. You and he both have written and spoken extensively about your mutual belief that we will not, and should not, swiftly remove fossil fuels from our energy mix. He has said that we're going to need these fuels at least into the next century, and even beyond. And you both agree that to remove fossil fuels abruptly would plunge the world into poverty and chaos.

"We are unnecessarily terrifying children."

Koonin: Energy touches virtually every part of our lives. Think of the economic prosperity of the past one hundred years, the expansion of global life expectancy from thirty-two years to seventy-two years. Even the death rate from extreme weather events has plunged by a factor of fifty. All this was built on abundant, safe, economical energy, largely

from fossil fuels. They continue to be the most reliable and convenient way to help the half of humanity that lacks access to affordable, reliable energy.

I would say that clearly the CO_2 we have released is having some effect on the planet getting warmer. Is the warming all due to CO_2? I don't think we can say that. And it's simply not plausible to assert that a rise in global temperature over the next hundred years comparable to the one that happened over the past one hundred years will be catastrophic.

"Nature, technology, and economic realities can't be fooled."

Look at Europe, especially Germany, which is ahead of us on decarbonization. They're becoming a basket case—economic decline, deindustrialization, and buying gas from Vladimir Putin. That's the worst of all worlds, all caused by an ill-considered, precipitous rush to decarbonize.

Yoffe: You've also pointed out that despite the concerted effort to turn to wind and solar, fossil fuels still make up around 80 percent of the globe's energy mix.

Koonin: And the world has spent more than $10 trillion in the past two decades trying to replace fossil fuels with renewables. But among the many problems with wind and solar is that they are simply too unreliable as sources of energy. Wind and solar can be an ornament to the system but can never be the backbone of the energy system. I think the better alternative energy is nuclear, and I hope Chris Wright is able to encourage the development of small nuclear reactors.

Yoffe: The people who say we need to decarbonize and do it now would say the reason you and Wright and others of your ilk assert the things you do is because you are shills for oil and gas, and that's what makes you climate deniers.

Koonin: Actually, I'm a climate realist, and an energy realist—they go together.

Yoffe: Chris Wright has said he thinks to some degree the apocalyptic talk about climate is unnecessarily scaring children about the future. Do you agree?

Koonin: I agree that we are unnecessarily terrifying children. We should be giving children optimism, and a sense of what humanity has been able to accomplish, and what they will be able to accomplish if we give them the right tools.

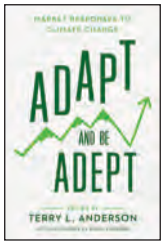
Yoffe: In the Obama administration, you were undersecretary for science at the Department of Energy. Have your views changed since then? And do your former colleagues think you've lost your mind?

Koonin: My understanding about climate has evolved as I've read more of the research papers and the UN reports. There are some former colleagues who think I'm the devil. But there are many others who say privately, "Steve, I'm glad you wrote your book, because I dare not say it myself."

Yoffe: Weather used to be something people discussed when they were trying to avoid contentious issues. But now discussing weather can become quite combative. Do you see a way forward so that, as a society, we can talk more rationally about energy policy and its trade-offs?

Koonin: I think that's changing because people are realizing the cost and disruption associated with rapid decarbonization. The banks and investment community are pulling out. And people are recognizing renewables are not all that wonderful. They're rebelling against the restrictions put in by the Biden administration that are coming for gasoline-powered cars.

The physicist Richard Feynman, who was my neighbor in Altadena, said, "Nature cannot be fooled." And regarding energy, I would say, "Nature, technology, and economic realities can't be fooled." I think people are going to start to educate themselves more about the technical and economic realities of energy, and I hope that they will take a closer look at the climate science as well. Then more people will be asking, "Tell me again, why are we doing all this?" ◘



The Lethal Spark

Los Angeles burned—and its leaders still refuse to take a hard look at why.

By Lee E. Ohanian

I lived in the Pacific Palisades, the coastal community devastated by one of the Los Angeles fires, for fourteen years. I know the area well. The home my family once owned is now gone. Several of our friends were not so fortunate: one friend, who managed to keep his sense of humor after fire destroyed his home, texted me a photo of where his house once stood, on the south side of Sunset Boulevard. The picture showed a pile of rubble and ash, and within the ruins was a chimney, the only thing still standing. He wrote in the text, "For sale: one chimney. Good condition. Fire-tested."

So many lives lost. So many other lives changed forever. Over fifty thousand acres burned, including some of the most beautiful scenery in the world. Called "paradise," "God's country," "idyllic," and "Shangri-La" by some residents. Images of the Pacific Palisades before the fire showcase its beauty and uniqueness, but the Palisades now looks like a war zone, reminiscent of Dresden after the firebombing of World War II.

Some see climate change behind the LA fires. Governor Gavin Newsom has expressed a similar but more broad opinion about the wildfires, calling them "a climate damn emergency."

Lee E. Ohanian *is a senior fellow (adjunct) at the Hoover Institution and co-editor of* ***California on Your Mind****, a Hoover online journal. He is a professor of economics and director of the Ettinger Family Program in Macroeconomic Research at UCLA.*

As of earlier this year, the property damage from these fires was an estimated $30 billion, with total damages of the catastrophe ranging from $250 billion to $275 billion. This estimated total loss could exceed California's entire state budget for the 2021–22 fiscal year.

Those who believe that climate change is primarily responsible for California's wildfires should insist that government invest heavily in fire protection and prevention. Eight of the ten largest California wildfires (measured by acres burned) have occurred since 2017, and the Camp, Tubbs, and North Complex fires, all of which occurred within the past eight years, have taken 122 lives.

Los Angeles is eager to spend money on climate programs. Fire prevention? Not so much.

Los Angeles is all-in on spending money on certain climate-related programs but should be spending more on higher-priority services, including fire protection. Just a month before the fires broke out, Mayor Karen Bass celebrated Los Angeles's green accomplishments, which include creating 100,000 green-energy jobs and installing 16,000 electric vehicle chargers. "We have worked urgently to build a greener Los Angeles to make a healthier and more sustainable city," she boasted.

But creating EV charging stations and hiring green energy workers doesn't move the climate-change needle. California is responsible for less than 1 percent of global carbon emissions. Containing about 10 percent of the state's population, the city of Los Angeles is likely accountable for only about 0.1 percent of global carbon emissions.

And these green initiatives take resources from other programs. According to city budget documents, Los Angeles spent about 6.4 percent of the city's budget on the Fire Department (LAFD) in the 2024–25 fiscal year, down from about 8.5 percent in 2003–4.

WHAT COULD HAVE BEEN

About a month before the fires, LA's fire chief warned that the existing budget significantly affected the department's ability to respond to large-scale emergencies. She had also warned that the department needed two fully staffed professional crews to maintain wildfire lines and clear brush rather than relying on teen volunteers.

Just imagine what could have been. Substantial firefighting equipment and personnel could have been deployed to the Palisades as a cautionary measure

before the Santa Ana winds began. Before the fires, no equipment or additional personnel were deployed there. Perhaps the department could have invested in technologically advanced fire detection systems that can identify fires before they become so large that they are difficult to contain. While these new systems are in their infancy, research using them could potentially have been further along had California's state and local governments funded these diagnostic efforts in earlier years, given the enormous potential value to the state of identifying fires early.

But without additional equipment and personnel in the Palisades, and learning of the fire only after Palisades residents called it in around 10:30 on the morning of January 7—more than two hours after a hiker had smelled smoke close to the origin of the fire—the two fire stations in the Palisades were quickly overwhelmed.

Green initiatives have taken resources from other programs.

At 10:48 a.m., eighteen minutes after the 911 call reported the fire, firefighters were communicating by radio that the Palisades fire was spreading with the wind. First responders were reported to have arrived at the fire around that time, based on an LAFD report obtained by the Los Angeles–based ABC affiliate, but the homeowner who made the 911 call, and who was watching as fire personnel arrived, claimed that it may have been as late as 11:15 a.m. before the first water was put on the fire.

By 11:06 a.m., the fire was reported to encompass ten acres, which would seem to be manageable, particularly if additional resources had been stationed in the Palisades, ready to go. By 11:31 a.m., it had spread to two hundred acres.

Even without a larger fire budget, the LAFD could have positioned more personnel and equipment in the Palisades, but it chose not to. As retired LAFD battalion chief Rick Crawford stated, "This required strong leadership that day—that did not happen."

WHO WILL ANSWER FOR IT?

What a tragedy—one that potentially could have been much smaller. And one that the city had hoped to avoid with the substantial fire-protection investments it made more than sixty years ago.

In 1961, the community of Bel Air, in the hills just above the UCLA campus on Sunset Boulevard, lost nearly five hundred homes in a fire which, like the 2025 fires, was driven by very strong Santa Ana winds. And just

as in the case of the Palisades fire, firefighters in Bel Air struggled with hydrants losing water pressure. To increase fire protection, city leaders added thirteen fire stations, mapped out new fire hydrants, purchased helicopters, and dispatched more crews to the Santa Monica Mountains. And to help protect the Pacific Palisades, a reservoir was built in Santa Ynez Canyon in the Pacific Palisades highlands, as well as a pumping station "to increase fire protection," as the then–chief water engineer of the LA Department of Water and Power (LADWP), Gerald W. Jones, noted in 19721.

But by the time the fires broke out this year, the reservoir that was supposed to help save Pacific Palisades had sat empty for nearly a year, waiting for its cover to be repaired. This is hard to reconcile with the statement by current LADWP CEO Janisse Quiñones in December 2024 that "we are making significant investments in infrastructure and programs to ensure our city continues to weather the impacts of climate change and maintain access to critical life services of water and power. We are here to show the world how Los Angeles is a model of innovation and sustainability in the United States and the world."

Cleanup is made more hazardous because of the lithium batteries in incinerated electric vehicles.

Who will be held accountable for the LA fires and the enormous destruction of life and property? Will it be Mayor Bass, who chose to attend the inauguration of the Ghanaian president after being warned about the probability of wildfires, and who didn't seem amenable to increasing the fire budget? Will it be the CEO of the Department of Water and Power, for keeping a 117-million-gallon reservoir that was near the origin of the Palisades fire empty for nearly a year? (Los Angeles's fire chief Kristin Crowley was removed from her post in February, with Bass saying Crowley had not deployed enough personnel and equipment before the fires.)

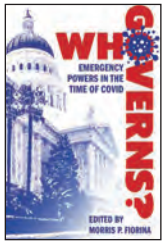
If it were up to several California Democratic lawmakers, the answer might be "none of the above." They have introduced a bill in the legislature that instead seems to place the blame on energy companies for allegedly deceiving the public about climate change for years.

As the Environmental Protection Agency (EPA) begins its cleanup of the LA fires, workers will confront a task made more complicated, hazardous, and lengthy by the lithium batteries in incinerated electric vehicles—the blackened steel shells lining the streets of a city with more electric vehicles

than any other in the United States. So much for Los Angeles being "a model of innovation and sustainability." Where will the EPA store the toxic debris leaking from all those EV batteries?

And who will answer for the twenty-nine individuals who lost their lives and the thousands whose lives have been turned upside-down? ■

Read* California on Your Mind,** ***the online Hoover Institution journal that probes the politics and economics of the Golden State (www.hoover.org/publications/californiaonyourmind).



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Remembrance of Things Past

History may not repeat itself, but historians sometimes do—especially when so much nonsense is trotted out as fact. Hoover historians Niall Ferguson, Victor Davis Hanson, and Andrew Roberts serve as the "anti-amnesia shock troops."

By Peter Robinson

***Peter Robinson,* Uncommon Knowledge:** Here are three of the most accomplished historians of our time, or any time: Niall Ferguson, Victor Davis Hanson, and Andrew Roberts.

Sir Niall, a native of Glasgow, holds BA and DPhil degrees in history from Magdalen College, Oxford. He has published well over a dozen major works of history, including his classic study of the First World War, *The Pity of War.*

The classicist and military historian Victor Davis Hanson grew up on a ranch in the San Joaquin Valley, then earned his undergraduate degree at UC-Santa Cruz and his doctorate in classics right here at Stanford University. He too is the author of more than a dozen major works of history, including his definitive study of the Peloponnesian War, *A War Like No Other.*

***Niall Ferguson, Victor Davis Hanson,** and **Andrew Roberts** are fellows at the Hoover Institution. **Peter Robinson** is the editor of the **Hoover Digest,** the host of **Uncommon Knowledge with Peter Robinson,** and the Murdoch Distinguished Policy Fellow at the Hoover Institution.*

NEVERENDING STORY: Peter Robinson (left) talks with Hoover fellows Andrew Roberts, Victor Davis Hanson, and Niall Ferguson. The historians agree that the study of history has deteriorated during their lifetimes. "History will be of value in time to come," says Hanson. "Not that the wars will be the same, but human nature is unchanging, and the same principles and the same ideas and agendas will reappear in different contexts." [*Uncommon Knowledge with Peter Robinson*—Hoover Institution]

A native of London, Andrew Roberts, the Baron Roberts of Belgravia, holds undergraduate and doctoral degrees from Gonville and Caius College, Cambridge. After a brief career in investment banking . . . imagine what you'd be if you'd stuck with it, Andrew?

Andrew Roberts: I'm broke.

Robinson: Really? That bad?

Roberts: I was totally useless.

Robinson: All right, after a brief career in investment banking, Lord Roberts turned to the writing of history. And he, too, has again produced well over a dozen major works, including biographies of George III, Napoleon, and Churchill.

All right, I'd like each of you to answer this first question briefly, one word would be plenty. In your lifetime, has the writing of history improved or deteriorated? Andrew?

Roberts: Deteriorated.

Robinson: Victor?

Victor Davis Hanson: Much worse.

Robinson: Niall?

Niall Ferguson: Apart from Andrew and Victor, it has deteriorated.

Robinson: All right, so it's unanimous. Let's consider *The 1619 Project,* a group of essays on slavery in American history, produced by the *New York Times* and now used in schools across the country. Nikole Hannah-Jones, the principal author, said that "one of the primary reasons some of the colonists decided to declare their independence from Britain was to protect the institution of slavery." This is as good a place as any to begin with a question of what one does with history that just isn't history. Andrew?

"We should remember the Declaration of Independence: all men are created equal. It was sort of a suicide pact with slavery."

Roberts: Well, you go back to the sources, to the original documents and the archives, and you test against the facts, and when you do that, I'm afraid her argument completely collapses. It simply was not the driving force. Some of the Southern planters might have for a short period of time believed that was going to help them. But frankly, it was so minuscule as to be negligible and therefore shouldn't have been made the central thesis of this, in my view, completely absurd book.

Robinson: Matthew Desmond, another essayist in *The 1619 Project:* "The large-scale cultivation of cotton hastened the invention of the factory, an institution that propelled the Industrial Revolution. American capitalism was founded on the lowest road there is." This one is for you, Niall.

Ferguson: Well, American capitalism was an import from Britain in the sense that the Industrial Revolution began in Britain. And the technology of the Industrial Revolution, which included machines that did spinning and weaving, all originated in Britain, where there was no slavery. And the technology was then largely pirated and taken across the Atlantic. So, I'm afraid that doesn't work, either, as economic history. That's just wrong.

Robinson: We'll see if we get them out on strikes. Victor, here's the third one. This is historian Gordon Wood dissenting from *The 1619 Project.* "The

American Revolution unleashed antislavery sentiments that led to the first abolition movements in the history of the world." That is a breathtaking claim.

Hanson: I agree with the sentiment. I think maybe you could argue that people in Britain were organized a little earlier to stop slavery. But we should remember the Declaration of Independence: "all men are created equal." It was sort of a suicide pact with slavery because the ultimate logic of that is that slavery would not exist. It was incompatible with that sentiment. And if you look at why they didn't eliminate slavery in the beginning, they had just come off a revolution; they had just been at war with Britain for over eight years and they needed unity. So, from the very beginning they had this problem that there was an institution incompatible with the ideals of the American Revolution.

> ***"The logic of the Declaration would ensure that the people who eventually became Americans would not necessarily look like the founders."***

Robinson: And they all knew it.

Hanson: They all knew it, at least the people in the North, and even people like Jefferson knew it. But they didn't have the wherewithal to go from one war to what would turn out to be the worst casualties and losses in the history of the American Republic—700,000 people in the Civil War. They didn't want a preliminary version of that right on top of the Revolutionary War. They were human, they weren't gods.

Ferguson: It's worth adding that the abolitionist movement's origins were in fact like the Industrial Revolution in Britain. It really emanated from the evangelical movement, a religious movement. That's the origin of abolitionism, which came relatively later to the United States.

Hanson: And I would make the point that in antiquity, remember, slavery was not based on race. It was based on the misfortune of being in the wrong place at the wrong time if your city was taken or burned. Alcidamas, a famous rhetorician, said somewhere around 370 that God made no man a slave. Aristotle said slavery was wrong only because the wrong people were being enslaved. Sometimes he tried to link it with a genetic inferiority of natural slaves and people in antiquity. They didn't eliminate it because it was an equal-opportunity oppressor.

Robinson: Is this a fair summary of what the three of you have been saying: that if it didn't eliminate slavery, the Declaration of Independence at least lit a fuse? A fuse that burned over a number of decades—maybe too many decades—but it burned directly to the Civil War and exploded at that point? That far from enshrining slavery, it set in motion what would ultimately destroy the institution?

Roberts: Yes. There were in those twenty-eight articles clauses, most of which I think don't hold water intellectually. They were going to impose one that mentioned slavery, but it was cut out in the discussions beforehand. But as Victor says, those opening lines include "all men are created equal." Well, how can you possibly have slavery in the long term?

Hanson: We should remember it was never a blood-and-soil country. The logic of the Declaration would ensure that the people who eventually became Americans would not necessarily look like the founders. They knew from the beginning that people were going to come to this country not just from the British Isles but from Europe and then perhaps Asia. There was nothing in the Constitution that mentions black or white in racial terms.

That was deliberate.

Ferguson: The biggest problem with *The 1619 Project,* though, is that it misses the fact that slavery was almost ubiquitous in the world of the eighteenth century. It was not something unique to white settlers from Western Europe; in fact, slavery was thriving within Africa in the Arab world.

And the interesting thing about British expansion and the British Empire which ultimately produces the United States is that the least interesting thing about British expansion into the Americas is slavery. And the *most* interesting thing is the way in which institutions of law and governance evolve in the colonies that ultimately produce the American Revolution. That's what's important. And to write the history of the United States as if its origins lie in slavery is a gross distortion. Precisely for that reason, it's the least interesting thing about American history.

"Why are we wasting our time talking about the ravings of somebody who clearly has done no serious research?"

RAVINGS

Robinson: Last September, Tucker Carlson interviewed the podcaster Darryl Cooper. He introduced Cooper as "the best and most honest popular historian in the United States." Take that, Victor. Cooper argued that the Second World War was not the fault of Adolf Hitler but of Winston Churchill. He really, truly did. He said, "Churchill was the chief villain of the Second World War." Where to begin?

Roberts: Exactly where do you start on that? Actually, it's very much like what I said earlier about *The 1619 Project.* You've got to just go back to the original facts. The war broke out because Hitler invaded Poland. And in April of 1939, five months previously, the British government—which Churchill wasn't in at the time, by the way—gave a guarantee to Poland that it would go to war if Germany invaded it. So, Churchill can't be blamed for that. He certainly also can't be blamed later for not making peace, because he wasn't in the government until September 1939. He wasn't prime minister until May 1940, by which time Hitler had invaded Holland and Belgium and shortly after was going to invade France as well. So, just the sheer chronology does not fit this insane thesis.

> ***"They realized that the Cold War was going to be lost by a new, dynamic Renaissance America."***

Robinson: Victor, on October 6, 1939—now we're a month and six days after Hitler invades Poland—Hitler gives a speech offering peace to Britain and France if they accept Germany's conquest of Poland. And in July 1940, after invading France, Hitler again gives a speech, this time offering peace terms to Britain. France has already been conquered.

Cooper argues that Hitler offered peace. He offered to permit the war to remain limited and Churchill turned down the chance. He turned it down because he knew Hitler by this time.

Hanson: Hitler had said that he was not going to militarize the Rhineland; he did. He said he was not going to commit the *Anschluss;* he did. He said he was not going to go into the Sudetenland; he did. He said that was his last territorial ambition in Europe, then he went into Poland. We should also remember that Hitler lost almost 20,000 dead and maybe as many casualties in Poland. After that came a strategic pause to recoup and get his army ready to go into Denmark and Norway. And after he did that, eventually he

went into France. We all think the French army collapsed in six weeks—it did, but it actually fought pretty heroically. Hitler lost another 20,000-plus dead, as well as probably six or seven hundred tanks and sizable numbers of tactical aircraft. He was strategically pausing as well to reformulate the Wehrmacht.

We had this idea that he was indomitable. But at this point, German tanks were inferior to French tanks. The Bf 109 was not much better in the air; in fact, you can make the argument that the Spitfire was a better plane. So, he didn't have much.

Robinson: The peace offers were just blather to cover the German army while it regrouped.

Hanson: Not just that, but he was willing to accept a peace on his terms—a peace that would have been a permanently inferior position of Britain and maybe for a time being allowance to keep part of its imperial possessions. But during that gestation, he thought he would be so powerful that eventually he would deal with Britain. It was all operational. It was all something contingent on his own agenda.

Robinson: Once again, Darryl Cooper. This is for you, Niall. "The Nazis launched a war where they were completely unprepared. Millions of prisoners of war, local prisoners and so forth, that they were going to have to handle. They went in with no plan for that and they just threw these people into camps and millions of people ended up dead there."

Ferguson: Well, it happens to the best of us. You invade the Soviet Union, and you just find all these prisoners and how do you feed them? And there's no Trader Joe's. This is the kind of imbecile level of argument that I'm almost impatient to have to engage with.

It's an absolute fantasy. The reality is that the planned invasion of the Soviet Union included orders to carry out executions, first of commissars, that's to say, Communist officials within the Red Army. And pretty quickly, the orders extended to include Jews in the occupied territories, as well as prisoners of war. These documents exist. An Oxford undergraduate who took the subject with me in the 1990s would know about those documents. Why are we wasting our

"Everything confirms how aggressive Stalin was, and how ready he was to risk another world war, in pursuit of Soviet expansion."

time talking about the ravings of somebody who clearly has done no serious research, not even at the undergraduate level, on the history of the Second World War?

I find it really frustrating that we're even having to have this discussion about somebody who clearly is an ignoramus at best, and at worst is an apologist for Nazism.

Robinson: Remind me never to cross you, Niall.

Roberts: Can I just say, you called him a historian. Or at least you quoted.

Robinson: I quoted. He has written one book. What was it about?

Hanson: Twitter.

Roberts: Twitter. He's written one book on Twitter. We must have written, what, fifty-plus books together. And yet he is called a historian, whereas, in fact, he's just a podcaster.

DID REAGAN WIN THE COLD WAR?

Robinson: Now we'll advance a few decades. Max Boot said about the end of the Cold War, "One of the biggest myths is that Reagan had a plan to bring down the 'evil empire' and that it was his pressure that led to US victory in the Cold War. In reality, the end of the Cold War and the fall of the Soviet Union were primarily the work of Soviet leader Mikhail Gorbachev." Gorbachev ended the Cold War and Reagan had nothing to do with it, Victor?

Hanson: Well, that's a perverse interpretation of what happened. Gorbachev didn't do perestroika and glasnost because he wanted to weaken the Soviet Union. He wanted to reform it, he thought, and make it more powerful. And it turned out to be that once he unleashed the spirit of free market capitalism and freedom, it took on a life of its own and weakened the Soviet Union. But why did he want to reform it in the first place? Because his central planners had come to him and said that the United States, technologically and economically, is so far ahead of us that the Cold War mentality will not work.

"Our job is to fight against the human propensity to forget."

And why was it so far ahead of us? Because Reagan had reversed much of the Carter Doctrine and rearmed. He increased the Navy to six hundred ships. The Soviets took him literally about "star wars"—that he was going

to build this anti-ballistic-missile system so sophisticated that it was beyond technology available to the Russians.

They realized that the Cold War was going to be lost by a new, dynamic Renaissance America that was determined to win it. Reagan said, "we win, they lose"—that was his definition of the Cold War. And so, Gorbachev tried to reform Russia, to appease the United States but more likely to improve Russian competitiveness. And once you start to tamper with communism and give people a taste of entrepreneurship, even a tiny one, and freedom, that takes on a logic of its own.

Robinson: So, it's accurate to say that it was Gorbachev who cried uncle, but it was after Reagan and the United States had slammed him against the wall? Is that crude but fair?

Hanson: I think so. People hated Reagan in 1980 because he said he was going to win the Cold War, and Jimmy Carter and other people said that's not possible. That'll lead to World War II. He'll put in Pershing missiles and Germany will have Armageddon.

STALIN'S USEFUL IDIOTS

Robinson: This is an old text. *The Tragedy of American Diplomacy* goes back six decades, but do you know that it is still taught in universities across the country? I'm quoting its author, William Appleman Williams: "Stalin's effort to solve Russia's problem of security and recovery, short of widespread conflict, short of widespread conflict with the United States, was not matched by American leaders. The Americans proceeded rapidly and with a minimum of debate to a series of actions which closed the door to any result but the Cold War." The Cold War was our fault, not Stalin's, Niall?

"It's a wonderful job being a historian. It's great fun and everything, but there is a moral aspect to it all."

Ferguson: It's almost quaint to hear these arguments in 2025.

Robinson: It is, but go ahead.

Ferguson: There have been so many subsequent publications, based not least on the Soviet archives, that show the very reverse to have been true.

Interestingly, the United States was quite inclined after 1945 to try to maintain the wartime relationship with Uncle Joe, who was given quite a positive

profile in the American media. The American response to Winston Churchill's observation that an Iron Curtain was being drawn across Europe was, in fact, quite negative. The *New York Times* gave it a very bad press. It really wasn't until 1950, when Stalin authorized the invasion of South Korea, that most Americans realized that they faced a new adversary, a new and aggressive adversary that also had ambitions in the Middle East as well as in Europe.

So, I find it kind of fantastic that anybody ever believed this stuff. It was excusable before the Soviet archives were accessible. But everything that's become available since the collapse of the Soviet Union confirms how aggressive Stalin was, and how ready he was to risk another world war, in pursuit of Soviet expansion. John Gaddis's work, just to give a single American historian, has exploded all this. And the recent work of someone like Sergei Radchenko again completely destroys the notion that the United States somehow was the aggressor in the Cold War. "Containment" meant the containment of the Soviet Union's expansionist tendencies. And that word was adopted as the leitmotif of American foreign policy, after George Kennan coined it, for a very good reason.

Roberts: And this started right from 1945 onwards, with the Red Army in control of Eastern Europe. You have bishops being arrested in Hungary and opposition leaders being arrested in 1947.

Niall's totally right: when Churchill made the "Iron Curtain" speech in the March 1946, he was denounced in both Congress and Parliament. There were lots of letters written to the press. People refused to go to receptions with Churchill in New York City, and so on.

We have in Stalin's own handwriting orders for the Berlin blockade, a classic example of attempting to squeeze Berlin in 1948–49. The blockade led to the Berlin airlift.

It's difficult to know what more people can want. But the idea that this is taught in American schools and universities, that's the worrying thing, I think, rather than the argument, which is a Soviet talking point.

Robinson: Do you wish to rise in defense of Gorbachev at all?

Roberts: Well, we were lucky that in a way that he wasn't Ceausescu [Nicolae Ceausescu, the last communist leader of Romania], somebody who was going to fight to the end. But the fact is, that he had been so completely and brilliantly outmaneuvered by Reagan meant that he had little choice.

Hanson: I would just add that it's kind of ironic that Stalin kept every word of every pact he made with the Axis. He had a nonaggression pact that he honored to the letter. Hitler attacked him. He signed a nonaggression pact

in April of 1941 with the Japanese. We were sending Liberty ships through the Pacific to Russia and the Japanese could have sunk them, but they wouldn't touch them because of that. He only broke that the last month of the war.

But he broke every word and agreement with the people who helped him. Britain and the United States supplied 20 to 25 percent of his wherewithal in World War II. He broke every agreement at Yalta and Potsdam that the occupied Eastern European countries and the former Axis would have democratic elections.

He's an ally of the Allies only after he's been attacked by his former partner. And at Potsdam they say, we're going to restore Poland and of course you're going to give it back. And Stalin basically said, how many divisions does the Pope have? Meaning we're going to take Roman Catholic Poland, and we're also going to keep Ukraine and parts of Belarus. He never gave it back. He said, get it from Prussia.

NOW LET US REMEMBER

Robinson: Niall has expressed frustration, in which I'm sure the two of you share, that some of these arguments are just so puerile, so utterly unsupported by any evidence. And then it's maddening that somebody like me would ask professional historians to respond to them.

Let me quote Ecclesiastes. This is a mood, if nothing else. "Nothing is new under the sun. There is no remembrance of men of old, nor of those to come. Nor will there be any remembrance among those who come after them." I'm sure we've all at least felt the mood. But then, the three of you—with fifty, sixty, really important, serious works—I don't know that I've ever read any one of you saying it this way. It seems to me that you have dedicated your lives to the proposition that it *does* matter, and in particular that it matters to democracy.

And I would like to know why. What difference does it make? How can history help us?

Ferguson: Well, we're the anti-amnesia shock troops. Our job is to fight against the human propensity to forget. The United States is extremely bad at remembering. It has a kind of permanent state of amnesia. It's not even clear that one administration is aware of what the previous one did!

So, the historian's role is to try to supply that collective memory that we would otherwise lack. When I was an Oxford undergraduate, it was fashionable to say that one could learn nothing from history except how to make new mistakes. That was A. J. P. Taylor's line. I disagree with that; I think we

have an absolutely clear obligation to try to learn from history. And that's what motivates me every day.

It's sometimes rather tedious work. I'm not sure if I'd understood at the start how much history would just involve plowing through the letters of dead people that I necessarily would have spent forty or fifty years doing it. But it is a very necessary task, and all the more necessary when charlatans like Daryl Cooper, legitimized by Tucker Carlson, tell outright lies about the past to the American public and indeed to the world.

Roberts: And are being downloaded by thirty-three million people. Because unless you do fight back on every front, who's to say whether these absurd and very dangerous conspiracy theories won't take root? I think Niall's right. And one doesn't want to sound too pious about it. It's a wonderful job being a historian. It's great fun and everything, but there is a moral aspect to it all, I think.

Hanson: I think also that every historian, whether or not they're overt about it, assumes that human nature stays constant across time and space. And it's sort of the tragic view of history versus the therapeutic.

In our modern age, we believe that if you give people enough power, enough technology, enough improvement in the material conditions, they can make a new man, as in the Soviet Union. And therefore, history is not necessary because the new man reacts so differently from the past man that it would be useless. But I think all historians go back to the seminal text of Thucydides where he says this history will be of value in time to come. Not that the wars will be the same, but human nature is unchanging, and the same principles and the same ideas and agendas will reappear in different contexts.

We're still the same people as the Greeks or the Romans, and our appetites are what drives us.

So, if you can capture a war of the past or a diplomatic crisis or a presidency or do what Andrew does, a great biography, then we're going to help people understand the present by elucidating the past because we're the same people. ■

Escape the Matrix, or Embrace It?

Do we spend too much time looking at our computer screens and too little looking at each other's faces? Historian and author Christine Rosen argues for a humane resistance to the electronic drift.

By Peter Robinson

Peter Robinson, **Uncommon Knowledge:** Do we spend too much time looking into our screens and too little looking into human eyes?

Christine Rosen, a regular contributor to *Commentary* magazine and a cohost of the daily *Commentary* podcast, holds a doctorate in history from Emory. Her most recent book, published last fall, is *The Extinction of Experience: Being Human in a Disembodied World.* Christine, let's lay out the basics of your argument. I'm quoting here: "Our understanding of experience

Christine Rosen *is a senior fellow at the American Enterprise Institute, a columnist for* ***Commentary*** *magazine, and a fellow at the Institute for Advanced Studies in Culture at the University of Virginia. Her latest book is* ***The Extinction of Experience: Being Human in a Disembodied World*** *(W. W. Norton, 2024).* ***Peter Robinson*** *is the editor of the* ***Hoover Digest,*** *the host of* ***Uncommon Knowledge with Peter Robinson,*** *and the Murdoch Distinguished Policy Fellow at the Hoover Institution.*

has become disordered in ways large and small. More and more people create their own realities rather than live in the world around them. What do we lose when we no longer talk about the human condition, but rather the user *experience?"* What *do* we lose?

Rosen: I think we lose an important part of our humanity and an understanding not only of ourselves as individuals but of our role in communities and families, in culture. And the title, although it sounds a little bit portentous, *Extinction of Experience,* actually comes from a naturalist, Robert Michael Pyle, who worried about children growing up in a world where they didn't actually experience nature. They didn't get muddy, they didn't run around in forests, they had no interaction with wildlife. And then when they grew up, if a species, for example, went extinct, would they care? Because they wouldn't even know what they were missing. And that essay really stayed with me because I started realizing that I was having experiences throughout my daily life and watching others have experiences via a screen.

"The default now is always to have the phone, always have the screen, always have something to occupy our minds and occupy our attention."

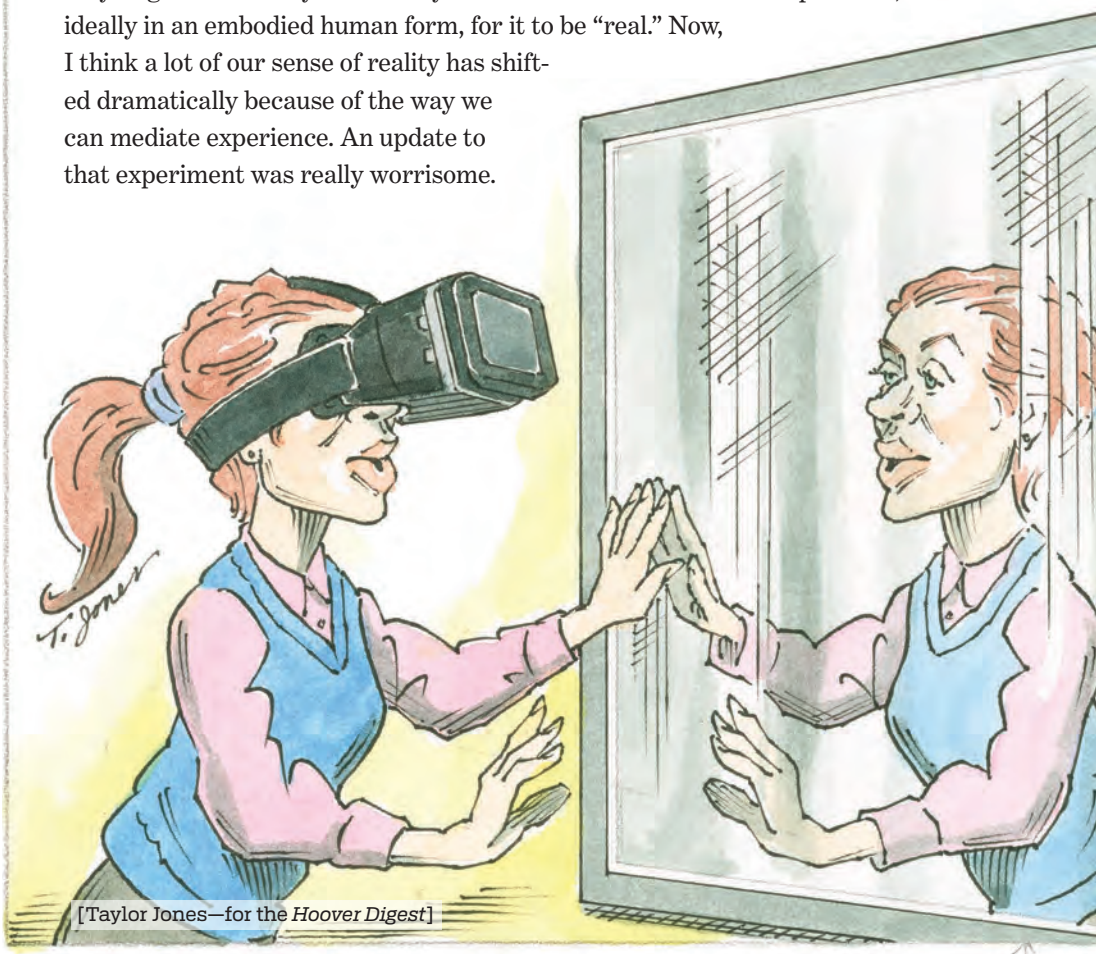
Robinson: Could you tell the story from the book. There was a rainbow.

Rosen: I had seen a performance at the Kennedy Center. It had been pouring rain, and we all went up to the lovely roof terrace and there was a gorgeous rainbow over the Potomac River. I was admiring it. Every single person pulled out a phone and was taking pictures. And I completely understood that impulse because it was a really beautiful rainbow. But they weren't first stopping and experiencing the rainbow with the people they'd come to the show with; they were all immediately sending the pictures. A rainbow is a very fleeting and beautiful, spontaneous thing. They didn't pause to savor it. And I wondered if that meant anything. I think some people would argue, no, who cares?

But I think we do miss something when we don't pause to savor those moments because it makes us slow down, makes us think about what we can appreciate. It doesn't have to be a rainbow. It can be almost anything. And it's getting harder and harder to do that because the default now is always to have the phone, always have the screen, always have something to occupy our minds and occupy our attention.

Robinson: Another passage from *Extinction of Experience.* This struck me as especially fascinating. "The philosopher Robert Nozick asked a simple question. If we could create a machine that would offer us the illusion of a life of constant pleasure while also erasing from our memory any inkling that we were hooked up to such a machine, would we choose to plug in? The assumption has always been that most people will choose no." Now you're quoting Nozick. "We want to do certain things and not just have the illusion of doing them," Nozick argued. And then Christine Rosen adds, "I'm not so sure." Why are you unsure?

Rosen: This really struck me because Nozick's experiment assumed a certain number of things about what people valued in their embodied human form. I mean, if you give someone an opportunity to do something in simulated form, they might want to try it. But they would still want to have that experience, ideally in an embodied human form, for it to be "real." Now, I think a lot of our sense of reality has shifted dramatically because of the way we can mediate experience. An update to that experiment was really worrisome.



[Taylor Jones—for the *Hoover Digest*]

Robinson: Nozick's original experiment was in the 1980s?

Rosen: Yes. The update to the experiment was to say, what if we gave you a pill and basically made it easy? You don't have to step into a machine and remove yourself physically from reality. You take a pill and it's very Matrix-like, right? If you've seen the movie *The Matrix,* this is the idea. Would you plug in? And more people, several generations on, said, well, I guess I would consider that. I would consider living in a virtual reality rather than experiencing an embodied reality.

"There are certain things that we cannot control about our own bodies. And coming to terms with that is part of becoming a whole person."

And that is the option for a lot of us throughout our daily lives. Now we can forget that we have physical bodies, we can live online, we can live in virtual worlds, have conversations with people all over the world and never leave our homes.

So, is that bad? If you look at rates of loneliness and how much time people, particularly young people, spend physically alone, not with others, I think there are some concerns and drawbacks to that tradeoff. But to Nozick's point, I think it's worrisome that people will now understand their own reality differently if they don't tie it to being in a physical body.

And a lot of folks in Silicon Valley would argue, yeah, that's great! We're going to extend life. We're going to upload your consciousness when you die, we're going to live forever. There are all these schemes that argue you shouldn't be limited by your physical body. But if you're conservative, which I am, I think our bodies teach us some, and lessons that we should attend to, even if we do have these tools.

Robinson: I don't recall any passage in your book in which you're explicitly theological. But this is the old gnostic heresy, isn't it?

Rosen: Yes.

Robinson: That we're spirits trapped inside this body and if only we could free ourselves from the physical.

Rosen: Right.

Robinson: And Judaism and orthodox Christianity both insist that the human being is both physical and spiritual, that we of all of the creatures

BEING THERE: "We do miss something when we don't pause to savor those moments because it makes us slow down, makes us think about what we can appreciate," says Christine Rosen. "It doesn't have to be a rainbow. It can be almost anything. And it's getting harder and harder to do that." [Dave Munch—*The Chautauquan Daily*]

are both. That there's something extremely profound about that. Am I right about that?

Rosen: That's correct, and in fact, I wrestled with that. I had a draft of a chapter about faith. It became a little too complicated, perhaps, but I found it extremely useful in guiding even the secular argument about what it means to be physically embodied human beings. Because there are certain things that we cannot control about our own bodies. And coming to terms with that is part of becoming a whole person.

"Our bodies teach us some humility and lessons that we should attend to."

CROSSED SIGNALS

Robinson: You mentioned rising rates of loneliness. Beyond that, what are your fears?

Rosen: I worry about the lack of face-to-face communication. That to me, was sort of the motivating chapter of the book. There is a huge amount we know, but we don't know *why* we know it as human beings. We're evolutionarily to this point because we learned how to read each other's faces. So, if you cross your arms and glare, you might just be pondering something, or you might be angry at me, but I can probably tell.

Robinson: You can tell somehow, instinctively, immediately.

Rosen: Yes. But we're raising generations of young people who don't read the signals that well. I think the lockdowns during COVID, when a lot of people had to mediate through screens, suddenly brought this to the attention of a lot of parents when kids were trying to do school online and things like that.

But this is a problem for everyone, adults included. It's much easier and less risky not to deal with people in embodied form. I can tell you I've talked to lots of people who work in public-facing roles, whether that's in diplomacy, in business, or in education, and they all say the same thing. Younger generations are having to be taught these skills that earlier generations took for granted.

"Our obligation to others is to improve their reality, not to give them some simulation of reality."

I'm Gen X, so I'm the perfect hybrid. I had a great Gen X childhood where I drank out of a hose and rode my bike around and was never tracked by my parents. But I had to adapt to the technologies when I became an adult. Kids these days start out with these technologies, and they live their worlds on a daily basis through the technology. And they don't practice those soft human skills, learning to look at each other and interact with each other and negotiate with each other without that sort of mediation.

So, part of the book is a plea to remember that when we embrace technology for some of these human interactions, there's an opportunity cost. We do lose something.

Robinson: Let me push this a bit further. I'm trying to see if you'll say this is responsible for the polarization and screaming matches that we saw in the last election. Or do you not want to go there?

Rosen: Well, I'm very worried about the effects on the broader culture. And it's not just because we don't know how to interact with each other like

decent human beings. It's that we're so impatient as a culture because we have become habituated to a life where we just have to tap or swipe or push a button and get what we want on demand.

This is sold to us as our right, if you read the advertisements that come out of Silicon Valley. And while there's nothing wrong with convenience, I think we start to apply it to other areas of life where it's difficult to master and improve life through convenience, like, say, politics. Politics is about negotiation and compromise and difficult, long-term questions, where you have to come up with policy responses to problems but you won't ever reap the benefits or rewards from the policy you're creating.

"This idea that some people deserve human contact and human attention, and other people should be satisfied with a simulation of it—bothers me in the extreme."

That's where I think it's very easy to demonize and get into a comfortable position as a moral grandstander.

If you're a politician, for example, you get a lot of positive feedback from people on your side for doing that. And there really there's no risk involved, but our politics suffers. So, I do think we're bringing into Congress in particular a lot of people who are there to be performative, who are speaking not to their constituents but to their followers.

CAPABLE KIDS

Robinson: You're about a generation and a half, maybe two generations younger than I am. I'm thinking of the house I lived in when I was a little kid. I can remember that neighborhood. All the moms stayed home. Every single one. All the fathers went off to work. No family on our street had more than one car, which meant that there were arrangements made about carpools, and who was going to go do the grocery shopping. And babysitting was very thin on the ground, so you went grocery shopping with your mom.

And when you went out to play, the door opened and off you went. I remember no anxiety on my parents' part as long as I didn't go beyond the end of the block in that direction or the end of the block in that direction. And every mom in every house on that block knew me.

Now, there are all kinds of things about that world that we don't want to return. In particular, there must have been, I think back on it now, there must have been a lot of highly intelligent, capable women . . .

Rosen: A lot of wasted talent in some of those kitchens.

Robinson: Yes, exactly. So, this is not an argument for returning to 1959. What was it like for you? Were things different by the time you came along?

Rosen: Well, I'm fifty-one, so I was born in 1973, and we were raised pretty free range. We had a lot of freedom. I knew everyone on my block. I knew most of the neighbors.

Robinson: So there was, again, trust in the neighbors.

Rosen: But a lot of the moms worked at least part time, maybe a little more, because they had to, including my own. So we had a fair amount of freedom, but it was also sort of thrown together. Most of the babysitting came from relatives. But the real distinction, the huge shift, was from that childhood to millennial childhood. Now, the Gen Z'ers and Gen Alpha coming up behind them are more likely to know the name of a YouTube star or an influencer than they are to know their own neighbors.

I think the isolation that we see among Americans, in the loneliness data, there are other ways it comes out. The enthusiasm for living one's life online comes from this, too. Connecting to people in your neighborhood used to be a given, whether it was the old Robert Putnam bowling leagues or any of the other ways in which we measure social cohesion. If you look at how we played games, we had one kid whose parents could afford an Atari. So, we'd all go to his house and take turns playing *Pong*.

Robinson: I remember *Pong*.

Rosen: It's a very slow-moving game by today's standards, but it was a communal thing. We were all physically in the same space. That's not how anyone games now. They're talking to each other on their headsets, but they're alone in their own home in different places. It's led to a very fragmented sense of community for a lot of young people. And this is why when they are thrown into their first jobs or go to college for the first time, they struggle: how do I make friends, how do I find my group?

IS "REALITY" A LUXURY?

Robinson: James Q. Wilson famously said that "political and intellectual elites have abandoned interest in, or acquired a deep hostility to, the force that has given meaning to Western life. To a degree, this was understandable. . . . We have done more than end religious warfare; we have tried hard to end religion itself, thereby subjecting much of mankind to a new form of

warfare—the hopeless struggle of lonely souls against impulses they can neither understand nor control."

Now, this speech ["Human Remedies for Social Disorders," December 4, 1997] was about the breakdown of the American family, and he put religion right at the center of it. We're all nervous about what is happening with our kids and grandchildren. I don't understand why this doesn't make its way into politics. Religion is now no longer even spoken of; why not?

Rosen: We've lost the ability to even speak in the language of virtue. Because what we're circling around here is virtue, character formation. That's what gives people a sense of purpose, a sense of meaning, a sense of understanding where they belong in the world they live in. Technology has offered the promise of that in digital form to a lot of people. Your daily life is isolating and alienating—find community online, you can game with your friends, you can do all these things.

But I think we've experimented with the alternative, with technology, long enough to say that the simulation is not the same thing. Qualitatively, it's different. It doesn't inculcate the kinds of virtues that we want; it inculcates habits of mind that actually undermine virtue because they reward impatience, a sense of the *now*.

There's no respect for historical norms; there's no respect for how things can take time to develop. Talk to anyone who online dates, they will tell you that the time and space it takes to really get to know another human being has disappeared because now we have to do it through an app. Not for everybody, but it becomes the norm, and it became the norm very quickly. When we invite technology into our most intimate relationships and it starts to teach us habits of mind that develop into certain character traits, then we are using it to inculcate very different things from virtue.

"Watching Gen Z move into adulthood has given me some room for optimism."

Robinson: We know that when children are children, learning virtue, basic character, and so forth, you need to learn two things above all: impulse control and how to get along with other people. And you will learn neither of those in the digital world.

Rosen: Yes. There is no app for either of those things, and I think both of those things are also what is lacking in our politics. Politics is fueled by

impulse control and an inability to get along and compromise, because those are not rewarded in our culture these days.

Robinson: All right, now, Christine, there's a counterattack. This is Marc Andreessen, and it's his concept, by the way. He writes about "reality privilege," and you take him on in the book.

"A small percent of people live in a real-world environment that is rich. Even overflowing, with glorious substance, beautiful settings, plentiful stimulation, and many fascinating people to talk to, to work with, and to date. . . . The vast majority of humanity lacks reality privilege. Their online world is or will be immeasurably richer and more fulfilling than most of the physical and social environment around them, in the quote-unquote real world. Your real life may be rich enough to satisfy you, but there are a lot of people whose lives would be better online. The answer to the problem is not less digital, not more real experience, but *more* digital. Supplanting real experience with richer, better, more beautiful, more pleasant digital experience." And Christine Rosen says . . .

"We must be willing to place limits on the more extreme, transformative projects proposed by our techno enthusiasts."

Rosen: Now you'll see the rage come forth. This bothers me to my core, for a number of reasons. First of all, I'm sure Marc Andreessen is a very nice person who has a very lovely life, and good for him, he's earned it.

Robinson: He's a very nice person.

Rosen: OK, good, but the argument that what we owe each other, the people whose lives are terrible—that the only thing we can do for them is to give them this simulated world, where they can slap on VR goggles from companies Andreessen will reap great benefits from, having invested in them, and which will give them everything they want . . . that is not a choice. That is a dystopian science fiction novel. It was called *Ready Player One,* and I think it's dystopian for a number of reasons.

It takes away the idea of moral agency and freedom for the people who you slap the VR headset on, and suggesting that it's a better choice for them is deeply condescending. It also would very quickly lead to a world where there were these huge class disparities in terms of who could live their nice "reality privilege" life and who would live the VR life.

And we already see glimmers of this in how some of these technologies are being used. If you don't have great health insurance, you might be offered, if you have a mental health issue, a chatbot to talk to, not a human therapist. But if you have good health insurance, you can go talk to another human being and have a nice psychotherapy session every week and probably get better sooner.

This two-tier way—this idea that some people deserve human contact and human attention, and other people should be satisfied with a simulation of it—bothers me in the extreme. Because it's the most vulnerable populations who get that first: children, the elderly, the sick, and the poor. Those are the people he's talking about whose realities are "challenged." But our obligation to others is to improve their reality, not to give them some simulation of reality. And that's to say nothing about the mental health crises and the physical crises that this would make much worse.

If you sit all day with VR goggles on, what happens to your actual body? We know about rising obesity rates, all kinds of health issues in this country, many of which come from the fact that we're very sedentary and our bodies are meant to move. I take issue with nearly every part of what he says there because I think it's a very pessimistic way to see the future of humanity and I don't think it's what he would want for his own children. A lot of people in Silicon Valley won't allow their kids to use the products that they devise for everybody else, and I think there's a truth there that should be acknowledged.

GREEN SHOOTS

Robinson: AI is coming at us like a tsunami.

Rosen: Yes.

Robinson: So, are you optimistic? Or are there just going to be little pockets of communities like the Amish who are able to hold the line against the digital debauchery of the modern world?

Rosen: I would call myself cautiously optimistic, for two reasons. Watching Gen Z move into adulthood has given me some room for optimism. They do things like they'll all go out to eat, and everyone has to put their phone in the middle of the table, and whoever picks up their phone during dinner to check it has to pay the bill. They kind of lash themselves to the mast of the ship to avoid fracturing of attention and camaraderie. They're exploring more analog things. There's a resurgence of kids wanting vinyl records and stuff,

which I think is sweet, but not a whole trend. Another thing, though: they are wildly independent. And they also resist being told what to do in a very healthy way.

They are a generation that with their experience growing up with digital technology, brings a healthy skepticism, which hopefully won't curdle into cynicism or nihilism.

We want them to actually act on that skepticism and to reform these platforms and to make new things.

Robinson: Christine, may I ask you to close our conversation by reading a passage from your book?

Rosen: Yes. "If we are to reclaim human virtues and save our most deeply rooted human experiences from extinction, we must be willing to place limits on the more extreme, transformative projects proposed by our techno enthusiasts. Not as a means of stifling innovation, but as a commitment to our shared humanity. Only then can we live freely as the embodied, quirky, contradictory, resilient, creative human beings we are."

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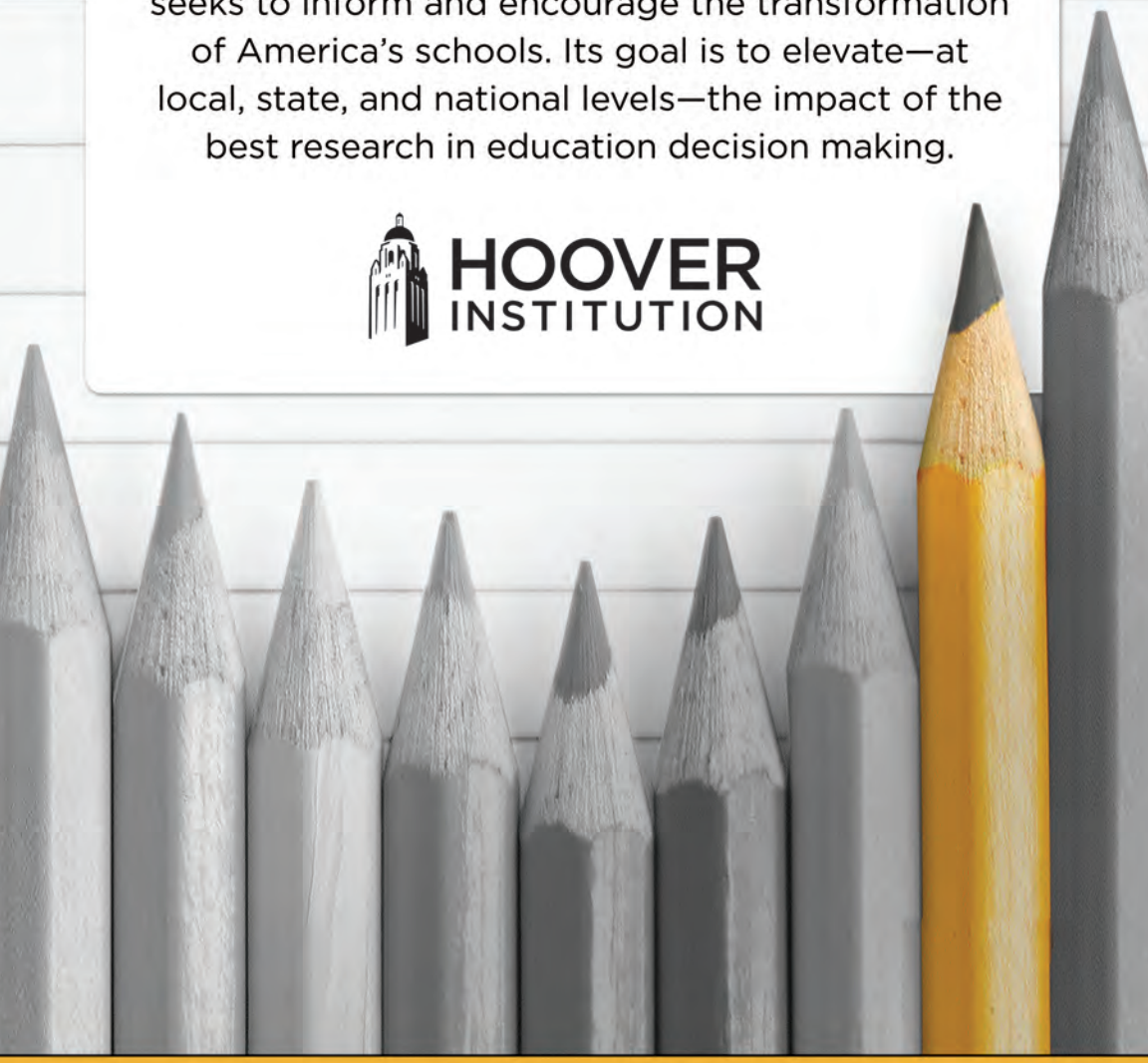

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Return of the Nativists

In the nineteenth century, Chinese immigrants were forbidden to form families or become American citizens. Economist Nancy Qian concludes that the notorious exclusion benefited neither white workers nor the US economy.

By Steven J. Davis

***Steven J. Davis,* Economics, Applied:** Immigration, political backlash, consequences: it's an old story and a new one. Today, we reach back in US history to consider the Chinese Exclusion act of 1882 and its economic consequences. You may be surprised by how it played out. Joining me is Nancy Qian, professor at Northwestern University's Kellogg School of Management. Nancy is an empirical economist with interests in development, political economy, and economic history. She founded the independent China Econ Lab, which supports research on the Chinese economy. She also co-directs the Global Poverty Research Lab at Northwestern University and serves on the editorial boards of several scholarly journals in economics. Welcome, Nancy.

Nancy Qian: Thanks for having me.

Steven J. Davis *is the Thomas W. and Susan B. Ford Senior Fellow at the Hoover Institution, director of research at Hoover, and host of the Hoover podcast* ***Economics, Applied.*** *He is a senior fellow at the Stanford Institute for Economic Policy Research (SIEPR).* ***Nancy Qian*** *is a professor at Northwestern University's Kellogg School of Management.*

SEPARATE AND UNEQUAL: White and Chinese miners work at a sluice in Auburn Ravine during the California Gold Rush. Research at the Hoover Institution delves into the consequences of the Chinese Exclusion Act of 1882 and finds that it held back economic growth in communities across the Western United States. [Fine Art Images]

Davis: I want to set the stage for our discussion and provide some of the context.

You can fill this out or correct me if I get some things wrong, but here's how I understand the context. There were many, many Chinese persons who migrated to the Western United States after 1840 to work in mining, railway construction, manufacturing, and personal services. So many that by 1880 they made up 18 percent of the workforce in the Western United States.

So nearly one in five workers were Chinese. And they came from a very different cultural and linguistic background than most of the Americans that they intermingled with. These developments led to strong social and political backlash among whites, rooted partly in concerns about jobs and wages. Congress responded with the Chinese Exclusion act of 1882, which banned further immigration by Chinese persons and shut the door to naturalization

for Chinese who were already living in the United States. These restrictions largely remained in place until 1965, as I understand it. I want to focus our conversation on two main questions.

First, how did the Chinese Exclusion act affect economic development in the Western United States? Second, how did it affect white workers in particular? Because that was much the political motivation behind the act.

GOLD AND STEEL

Qian: I'll try to keep this brief because the economic historian part of me finds everything historical very interesting. I think what's really important to understand how everything played out is to keep in mind the level of development of the West in the 1880s. The Eastern United States was already fully engaged with the Industrial Revolution, when waves and waves of immigrants were coming via Ellis Island from Europe. And the Western frontier was expanding slowly. In the West, there weren't as many European immigrants coming because it was far, far away. And the Chinese who came across the Pacific Ocean were one of the main immigrant groups who were coming to the United States and working. They were coming from the Pacific through San Francisco.

"In the West, there weren't as many European immigrants coming because it was far, far away."

They first came for the Gold Rush, and then the gold ran out. This was around the 1850s. And then they came to help build the Transcontinental Railroad, which was completed in 1869. There were between a hundred thousand and two hundred thousand Chinese in the Western United States at this time.

They were living all across the West, spread out often in little towns, you know, in the middle of nowhere, where they used to work on the railroads, but the railroads are now done. And an important thing to keep in mind is that between where the Chinese were living and working, and where the Western frontier was as it was being pushed from the east, was just thousands of miles of space.

Davis: It was a pretty sparsely populated part of the country at that time, so it's interesting that nonetheless there was still a tremendous political backlash.

Qian: In hindsight it seems silly, right? The West was sparsely populated compared to the East and very sparsely populated compared to today. And yet

WESTERN TIES: A Chinese work crew poses next to a railroad track in British Columbia. Chinese laborers spread across the West, working in mining, railway construction, manufacturing, and personal services, while settlement and development in the region were still rudimentary. Recession and anxiety over economic opportunities led to discrimination against them. [Vancouver Public Library Historical Photographs]

people were still worried about congestion of economic opportunities. Well, part of the problem was that in the 1870s there was a recession. And part of what contributed to that, ironically, was the Transcontinental Railroad. The railroad integrated the Western economy and the Eastern economy, but the West was much less developed and much less productive than the East. It wasn't competitive. So, immigration was good for the United States in aggregate and definitely good for the East, but it hit a lot of Western industries really hard.

When that happened, people looked around and there was this group of people who were working a lot. They looked at them and said, these guys are taking our jobs.

Davis: This is an old story; it's recurred many times. For some reason, immigrants attract the blame, whether or not they're really the main source of the economic challenges facing the society at the time.

WHO BENEFITS?

Davis: So, before we get into how you went about trying to assess the economic consequences of the Exclusion Act, just give me a sense of what basic economic reasoning says about the consequences if there's suddenly this big clampdown, and really a claw back to some extent, on Chinese immigrants? Also, what does it say about the job opportunities and wage rates of white workers who are being affected by this reduction in the number of Chinese?

Qian: That's a really important question. And not obvious at all when it comes to the white workers. For the Chinese workers, it's pretty obvious that this is bad, right? It's a ban, there are no more Chinese workers. If you're planning to reunify with your family, you can do that if you can go back to China, but that's your only possibility because you can't bring them over. And if you decide to stay in the United States, you're probably going to face a lot of day-to-day discrimination.

Lots of books by historians have looked at the plight of the Chinese immigrants during this period. Our work is trying to do something in addition to what we already know. We wanted to look at the white workers because they were supposed to benefit. The main economic rationale for why the Chinese Exclusion act was pushed through was to create more space, more economic opportunities, to free up resources for white workers, right?

"The West was much less developed and much less productive than the East. It wasn't competitive."

Interestingly, economic rationale can go both ways, depending on how you think about the *production function.* So, one story—and this is one that we hear all the time in current debates and also historical debates—one way to think about the labor market is that we have a finite amount of resources. A mine has a certain amount of gold that can be taken out of it, ever. This is a given by nature. If there are Chinese workers mining, then that leaves less gold or less coal or zinc for the white miners. If we kick the Chinese out, then there's more zinc, more minerals, more ore for the white miners. That's one possibility. That's one production function.

But there are others. Another way is to say that when we bring different types of workers together because they have different skills and different ideas, they can generate new technology: they can innovate, they can actually be more productive than if you bring together two workers from the same place. A good example of this in the historical context is that the Chinese had some skills, acquired from where they came from in China, such as making textiles, rolling cigars, and traditional manufacturing. Almost all the Chinese immigrants came from a region called Taishan. They were farmers, and they were also really good at cottage industries such as these. They brought in skills other immigrants didn't have. So that's one reason why losing the Chinese might actually *reduce* the productivity of everyone else.

"Almost all the Chinese immigrants came from a region called Taishan. They were farmers, and they were also really good at cottage industries."

Another reason is what economists call *scale effects.* For many things, we have economies of scale and production. The more workers you have—and here it doesn't matter if it's the Chinese or the Irish or the Germans, it's just about numbers—the more workers you have working in a sector, the more productive everyone can become. Manufacturing is a good example. You can support more specialization in manufacturing activities with a larger workforce.

This was a period when the West was just starting to industrialize. So, you can imagine how there could be these type of scale effects and complementarities in the production function. It could go either way. But normally, what we hear about in the policy debate of immigration, both historically and today, is just the first story, which is very simplistic: finite jobs, finite resources, get rid of some people, everyone remaining is better off.

We weren't sure which one would be the relevant one for our context, and in all honesty, we thought we were going to find positive effects for the white workers, at least in the short run. We thought that when the Chinese workers left in 1882, 1885, and by 1890, we should see that the white workers in the places that had lost the Chinese workers were better off that they had the jobs that the Chinese used to have.

And that's just not what we found.

Davis: There's one more piece of context that I think might be important for people to understand about why it became so unattractive for Chinese workers to remain in the United States after 1882. There had already been very

strong restrictions on women from China entering the United States. You've got a bunch of working-age men and they're told, look, you can go back to China if you want, but you can't come back, you can't bring your family here.

Qian: That's exactly right. So, by 1880, almost 96 percent of the Chinese population were men. Of course, in the West, there are more men than women in every group just because it's a frontier, it's dangerous, it's a place where most of the jobs require a lot of heavy labor. But 96 percent is extraordinary.

And then to add insult to injury, this was a period where miscegenation was illegal in the United States, so mixed-race marriages are mostly not just discouraged but not legal.

Davis: In terms of the economic implications, I think the bottom line is to recognize that from economic reasoning alone, it's ambiguous. It's unclear whether the restrictions on the presence of Chinese workers in the United States would benefit or harm the white workers in the Western United States. How did you approach this question?

SURPRISES

Qian: The simple thing to do would have been to simply look at how the West was doing in terms of economic indicators before 1882 and then see what these indicators look like after 1882. If they improve, then we say getting rid of the Chinese was good for the United States. If they get worse, we see that getting rid of the Chinese was bad for the Western United States The tricky thing is that a lot of other things were happening in the West.

In particular, this was a period of rapid expansion from the East to the West. The West was growing. We wanted to know, did it grow less because it lost the Chinese? To do that, we needed to find what economists call *variation in the intensity* and whether a place was affected by the loss of Chinese. What we did was identify counties that were affected by the loss of Chinese in the West and counties not affected by the loss of Chinese in the West. If there were a lot of Chinese living in this county in 1880, then losing the Chinese would affect you. The ban would affect this county. If this is a county where there were almost no Chinese living, then the ban's not going to affect it.

"This was a period of tremendous growth—and the West would have grown even more had they not banned the Chinese."

In other words, counties without Chinese living there were our control group. We said that these counties grew as if the ban didn't happen because the ban didn't affect them. Now let's look at the counties with the Chinese who lost them due to the act, see how they grew, and compare that to the counties that didn't have any Chinese living in them. That was our basic idea.

"The important takeaway is to be careful—and to be careful of broad brushstroke policies and one-size-fits-all policies."

Davis: There are lots of counties in both categories because there was a highly uneven distribution of Chinese workers across counties in the Western United States. So, what did you find in these counties that were more heavily affected because they had more Chinese workers as a share of the workforce before the Exclusion Act? How did they perform in terms of economic development?

Qian: So not surprisingly, we found that they lost more Chinese workers. They have more Chinese workers to lose. The thing that was more surprising to us is what happened to the white workers: they also lost white workers relative to the other counties. White workers were moving from East to West, but the counties that lost the Chinese got less inflow than the counties that weren't affected by the ban.

Davis: That seems highly consistent with the idea that the Chinese workers had certain skills that were complementary to those of the white workers. And if you took those Chinese workers and their skills away, the white workers didn't want to go to those places as much as they had before.

Qian: Exactly. And the data actually tell us what the Chinese workers were doing right. They were working in hospitality, which in the historical context of these little towns in the West means that you run or own a bar, you run or own a hotel. These are pretty crude operations, you know; this is where people sleep and eat, where people get their laundry washed. So, you can imagine that if a few dozen Chinese guys were running this and they leave and the hotel or the bar shuts down, then that's bad for everyone.

Davis: We've all seen enough Westerns. I think we have a picture in mind, and maybe those Westerns should show more Chinese workers. So, that's the bottom line, but flesh out a little bit more about what happened to wages.

Qian: One of the limitations of historical studies is that we don't have historical wage data. The data we have are at the firm level, not the individual level. If we look at manufacturing firms—and this is using the historical firm censuses, or manufacturing censuses—this tells us aggregate output in dollar terms for a county, the total number of workers that are employed, or the total wage bill.

What we find is that aggregate manufacturing output goes down in these counties. We don't find any effect of output per worker, but the total of number of workers also goes down, and the number of firms goes down. What we see is that in the counties that are affected, establishments simply shut down.

The one sector where white workers benefit is mining. We started off with that story. In mining, the white labor supply increases when the Chinese leave, and this makes all sorts of sense because mining is probably the sector where the resources are most fixed. But in all other sectors, white labor supply, white employment, goes down.

Davis: And just to be clear, you said this earlier but it's an important point: when you say "go down," you mean it grew less rapidly than in the control counties.

Qian: That's right.

Davis: So, the basic story is you got slower economic development because of the Chinese Exclusion Act. There doesn't seem to have been any particular benefit to white workers, except those in mining.

Qian: That's right. This was a period of tremendous growth—and the West would have grown even more had they not banned the Chinese. In particular, white workers would have done even better in terms of employment and income, had they not banned the Chinese. That's the bottom line.

"Are these individuals central to a community? Will they cause other individuals to leave, people who we don't want to leave?"

CONSIDER THE CONSEQUENCES

Davis: Obviously, there are a zillion and one differences between the Western United States in the 1880s and the United States today. But we are on the cusp of what might be the deportation of a few million unlawful immigrants to the United States. There are multiple motivations for that, but one you often hear is that they are harming the job opportunities for US-born workers.

This evidence from the Chinese Exclusion Act at a minimum gives us pause. That might not be how it actually plays out. If we do deport five

million workers, that's likely to slow the economic development of some parts of the United States—at least that's the inference I'm drawing.

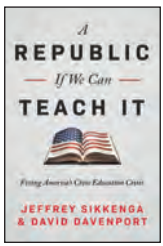
Qian: We're always very cautious when we extrapolate from our results to policy, but I think there are some important generalizable insights here. The important takeaway is to be careful—and to be careful of broad brushstroke policies and one-size-fits-all policies. I think what we would like to be nimble. Assuming that the policy objective is to maximize the economic well-being of American citizens, when we think about reducing labor market competition for American citizens, we want to first think about whether we're removing the right people. Are these people actually competing for jobs, or are they doing something that Americans wouldn't do otherwise or would only do at a price that's so high that American consumers don't want to pay? This means that those jobs will disappear, those services will disappear, the goods will disappear.

If that's the case, it won't make Americans better off. We also want to think through things like their communities and how are they immigrating. If we deport a few people, what are the unintended consequences? Even now, it's not clear to anyone who studied the Chinese Exclusion Act that many proponents of the act wanted the number of Chinese workers to go down by as much as it did. Maybe some just wanted to get rid of them all. But it's not clear at all that this was a prevailing preference of the people who supported the act.

Are these individuals central to a community? Will they cause other individuals to leave, people who we don't want to leave? Are they central to a production function? Is this a community of people who work together in teams, like construction crews, such that we get rid of a few, then they all leave—or we get rid of a few, and everyone becomes less productive?

We want to think through the details and the context of the immigrants group by group. ◘

***This interview was edited for length and clarity. Adapted from* Economics, Applied*, a Hoover Institution podcast.*



The Iron Curtain Drops

Hoover fellow Andrew Roberts presents the sweeping new history of conflict that he co-wrote with David Petraeus. How deterrence staved off disaster.

By Peter Robinson

***Peter Robinson,* Uncommon Knowledge:** What can the history of war tell us about conflict today? Military historian Andrew Roberts, the Lord Roberts of Belgravia, is a graduate of Gonville and Caius College, Cambridge, a visiting professor at King's College London, a Lehrman Institute Distinguished Fellow at the New York Historical Society, and a fellow here at the Hoover Institution. He's the author of more than a dozen major works of history, including *Napoleon: A Life, Churchill: Walking with Destiny,* and *The Last King of America: The Misunderstood Reign of George III.* He coauthored his newest book with General David Petraeus, *Conflict: The Evolution of Warfare from 1945 to Ukraine.* Andrew, welcome back.

Andrew Roberts: Thank you. It's great to be on the show again, Peter.

***Andrew Roberts** is the Bonnie and Tom McCloskey Distinguished Visiting Fellow at the Hoover Institution, a participant in Hoover's working groups on Applied History and the Role of Military History in Contemporary Conflict, and a member of the House of Lords. He is the host of a Hoover Institution podcast, **Secrets of Statecraft with Andrew Roberts. Peter Robinson** is the editor of the **Hoover Digest,** the host of **Uncommon Knowledge with Peter Robinson,** and the Murdoch Distinguished Policy Fellow at the Hoover Institution.*

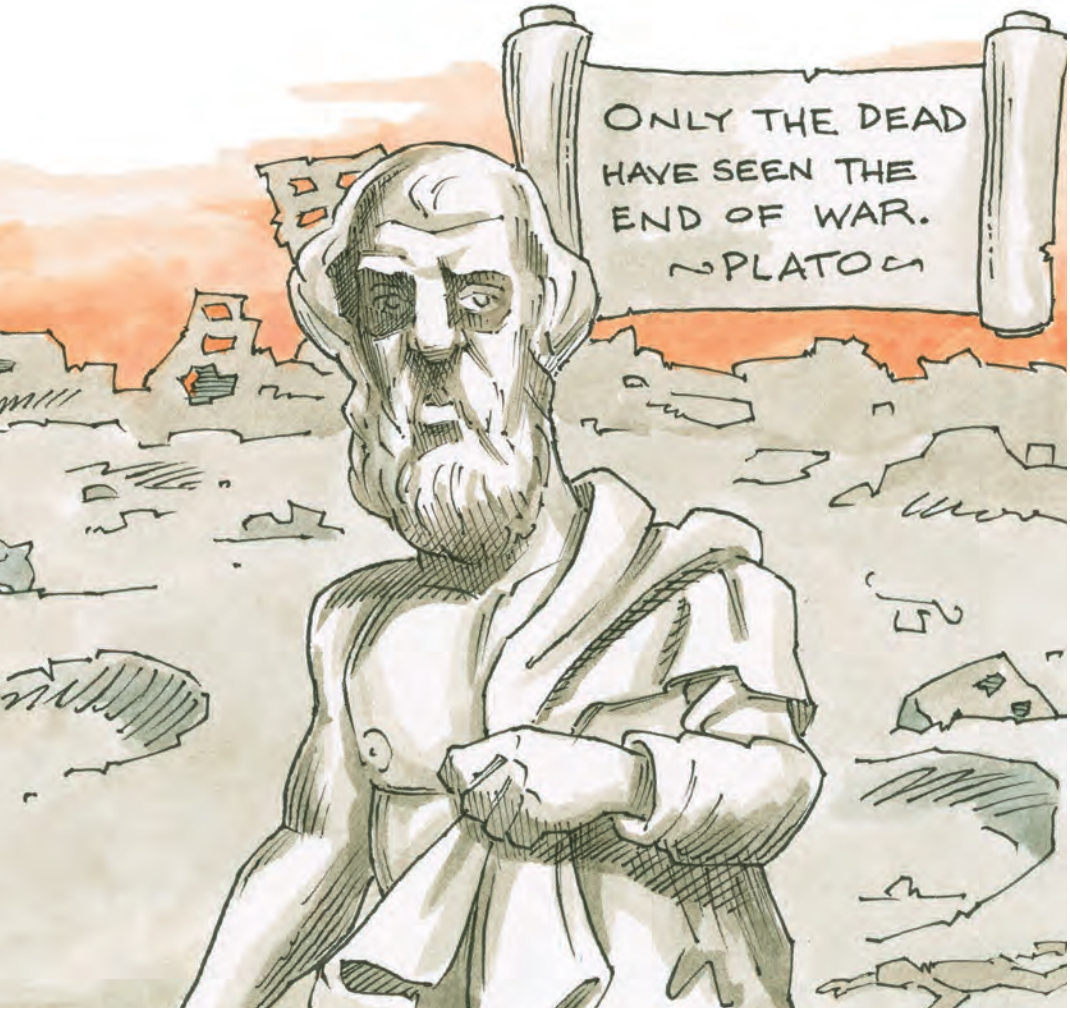
Robinson: You write books by yourself, but this time you had a coauthor. How did that come about?

Roberts: It was shortly after the Russian invasion of Ukraine that I got to David, whom I'd met several times before and knew fairly well, and said, "Look, there are going to be lots of geopolitical and political books about this war, but let's write one just on the military aspects of it, solely that." And we got a publisher, who understandably said, "How are you going to divvy up the chapters?" And I said, "Well, David's going to write about all the countries he's invaded, and I'll do everything else." He also did the Vietnam chapter as well, actually, which he was too young to invade, but it was great. We sent

[Taylor Jones—for the *Hoover Digest*]

draft chapters backwards and forwards and worked on each other's, and it turned out to be OK.

Robinson: It did turn out to be OK. From chapter one, titled "The Death of the Dream of Peace," let me quote Franklin Roosevelt's closest adviser, Harry Hopkins, on the summit that FDR, Churchill, and Stalin attended at Yalta toward the end of the Second World War: "In our hearts, we really believed a new day had dawned. The Russians had proved they could be reasonable and farsighted, and the president had not the slightest doubt that we could get on peaceably with them far into the future." Instead, we got a Cold War that lasted forty-five years. What went wrong?



Roberts: Stalin lied. That's all that happened at Yalta. He promised the independence and the integrity of Poland. He had no intention whatsoever of allowing Poland or anywhere else in Eastern Europe to have genuine freedom. And he essentially calmed FDR but also Winston Churchill, who came back and told the cabinet and people in his entourage that he too believed that Stalin was going to be somebody that they could do business with.

Robinson: I love Churchill almost as much as you do, but only *almost* because there is a moment when Churchill returns from Yalta and really pushes hard to get the House of Commons to endorse the deal that he and Franklin Roosevelt cut with Stalin, which is to lay out the framework of the postwar Europe, including a free Eastern Europe, which of course never happened. And it turns out to be quite a close-run thing. Churchill defends Stalin as trustworthy in a famous speech. And the list of dissenters is a remarkable list of some of the most serious and impressive men in British politics at the time.

"David's going to write about all the countries he's invaded, and I'll do everything else."

Let me quote *Conflict* again: Leaders "need to grasp the overall strategic situation in a conflict and craft the appropriate strategic approach, in essence, to get the big ideas right." And here we have, at the very onset of the Cold War, a moment when even Churchill gets the big ideas wrong.

Roberts: That is right. Exactly.

Robinson: But by the time he delivers the "Iron Curtain" speech in Fulton, Missouri, and by the time Harry Truman delivers what becomes known as the Truman Doctrine in 1947 . . . how do they go from momentary confusion to getting something so right that they set in place the architecture of the last forty-five years?

Roberts: It is one of the most extraordinary years. That period between Yalta in February 1945 and the "Iron Curtain" speech on the Fifth of March, 1946, is when Churchill's eyes are opened to the reality of what Stalin wants to do in Europe and beyond. He sees things like Hungarian bishops being arrested, Czech politicians being arrested, and some terrible things happening to the returning Poles, the Polish army—hugely brave people, you know, generals and colonels suddenly being banged up by the communist authorities there—and it dawns on him far earlier than

anybody else. The "Iron Curtain" speech, of course, is denounced by the press and in Parliament and in your Congress, and Harry Truman distanced himself very much from this. It's only after this that you get the Truman Doctrine.

And it's not until the Berlin airlift in May 1948 that people really do recognize, even people on the left, that Stalin is not the great "Uncle Joe," the cuddly bear figure that he was made out to be, understandably, for political propaganda reasons during the Second World War.

Robinson: So, this is kind of a theme of the whole book. You talked a moment ago about conflict being about the military aspects, but it's about leadership and really about *political* leadership again and again, isn't it?

Roberts: Yes, absolutely. Soldiers have to be politicians as well, not just in the countries they're fighting in, but also in a sense back home domestically, with regard to the way that they interact with the political situation. A classic example, of course, being Douglas MacArthur in Korea. But what we have tried to do with this book is to actually look at the fighting on the ground and the way in which the leaders—different leaders, military and political, but primarily military—have tried to get the big picture right.

"Stalin lied. That's all that happened at Yalta."

That is the most important takeaway from this book: that a strategic leadership is so vital, that it can lose a war where you start off with many more men and controlling the cities and having far better equipment and so on. Equally, if you get it right, you can win even though you don't have all those things.

AFGHANISTAN, IRAQ, AND HARSH LESSONS

Robinson: Terrorists attack the World Trade Center towers and the Pentagon on September 11, 2001. The Bush administration decides within a day to go into Afghanistan to topple the Taliban and destroy Al-Qaeda. By September 26, a CIA team is on the ground. It links up with the local forces that oppose the Taliban. And on the night of November 12, the Taliban abandon Kabul. From the first forces on the ground to victory—in less than three weeks. We can come in a moment to everything that went wrong in the years that followed, but those three weeks were an astonishing military achievement, were they not?

Roberts: You literally have to go back to Napoleon capturing Ulm in 1805 to see something so well organized, so swiftly done with such extraordinary capacity for, as I say, leadership, but also the coordination of the coalition forces, primarily American, of course. It was a great victory.

Robinson: And how did that happen? Is this the moment where technology makes new events possible, or are we seeing that the American military has learned lessons from Vietnam about the need for speed? What's going on?

Roberts: Yes, the Pentagon learned a lot of lessons, not just from Vietnam, but also from the first Gulf War in the early 1990s. There was advanced technological weaponry, of course, but the other very important aspect was the coordination of intelligence with air power. The CIA and others were able to pinpoint the exact locations where the Taliban were concentrating, and then they were taken out in massive airstrikes.

"The 'Iron Curtain' speech, of course, is denounced by the press and in Parliament and in your Congress."

Robinson: And then President Biden withdraws from Afghanistan in 2021, after the United States had kept troops on the ground and spent hundreds of billions in aid. The government we had attempted to set up for twenty years collapsed immediately, and the Taliban recaptured control in a matter of hours.

From your book: "President Bush changed the mission in Afghanistan to one of nation-building and support for the nascent Afghan government. While unavoidable and necessary"—you don't give the reader an easy way out on this one—"this mission was never properly analyzed or resourced." Was that "getting the big idea wrong"?

Roberts: No, it wasn't getting the big idea wrong. The big idea that was got wrong was Biden leaving.

Robinson: On to Iraq. "Air attacks on Iraq commenced on 19 March 2003, and the ground invasion was launched less than twenty-four hours later. Although not every aspect went according to plan, the operation succeeded well beyond the most optimistic expectations of coalition commanders. The operation went so successfully that the United States captured Baghdad on April 9." Another astonishing three weeks.

Roberts: Again, up there with Napoleon at Ulm. It really is an incredible thing. Saddam's overthrown. Of course, they don't capture him until later on. But essentially, the apparatus had been dismantled.

Robinson: General Petraeus wrote the chapters on Iraq and Afghanistan. "The Bush administration embarked on regime change in Iraq for a number of reasons. But on reflection, especially given the intelligence failure regarding weapons of mass destruction, one can ask whether any of those reasons represented an existential threat to the United States and its vital national interest." Coming from a man who commanded the Iraqi theater, that is quite a statement.

"All of the mistakes that were made in the immediate aftermath of the fall of Baghdad would not be made again by anybody, but certainly not by the United States."

Roberts: It is a major statement. I think it's right. But they didn't know that at the time; that's the key thing. You know, the people who believed that there were existential threats, that weapons of mass destruction did exist, believed it wholeheartedly. And so that's the explanation, really, for why it was not some kind of evil war crime for America to do what it did.

Robinson: In Afghanistan and Iraq, we had two brilliant beginnings. As a military matter, you have two rapid accomplishments followed by years and years and years in which things go sideways. So, tell me why we should not conclude that the United States is good for a few moments but must avoid at all costs engagements that last years and years.

Roberts: Because we are able to learn the lessons of history. That's the key thing. That's what history's all about—it's what it's for, really. All of the mistakes that were made in the immediate aftermath of the fall of Baghdad would not be made again by anybody, but certainly not by the United States.

THE WORLD NEEDS AMERICA

Robinson: Let me ask you about Taiwan. I'm going back to the book. "The Chinese, always astute students of history, have probably seen what has transpired in Ukraine as a cautionary tale."

Roberts: Up till now. This was published in October 2023. I wrote new chapters for the paperback. There's a new chapter on Gaza that I had to

write, and obviously there's also one regarding what Xi Jinping will be thinking if Ukraine goes wrong.

Robinson: Here's the argument that's taking place here if, on the one hand, you argue that the defense of Taiwan runs through Ukraine. On the other hand, here's strategist Elbridge Colby, brilliant person, who has written a marvelous book on strategy: "Europe is less important than Asia economically and geopolitically. Everything should be going to Asia to deal with the Chinese threat, we ought to deprioritize everything else."

Roberts: You are the major world power. You are able to operate on more than one front. And if you are not, then this is going to be ugly, disastrous for you, because you've got China, you've got Russia, you've got Iran; in a lesser way, you've got North Korea, even Venezuela. There are loads of countries in the world who hate America. And in order to keep them in their box, you have to be up for opposing them in each of the theaters, which you've managed to do for seventy-plus years. I can't see why suddenly there's this sort of collective nervous breakdown about America being able to fight in more than one place.

"There are loads of countries in the world who hate America. And in order to keep them in their box, you have to be up for opposing them."

And by the way, you are not even fighting. That's the other thing. There are no American troops who've died in Ukraine, none who have died in Gaza, and so far none who have died in Taiwan, either. It's not like Iraq and Afghanistan, the war against terror, where you actually had Americans bleeding and coming back in body bags. All that the rest of the world needs at the moment—the free world, that is—is your money rather than your blood.

DETERRENCE

Robinson: I'll give you a few quotations and ask you to expand upon them. "A recurring theme of this book is that money spent on deterrence is seldom wasted."

Roberts: Well, Taiwan being the classic example of that, and not least because Taiwan should be doing more about its own deterrent. It should have a proper conscription program, for example.

Robinson: By the way, Israel spends about 5 percent of GDP on defense—probably higher now during the war—and Taiwan is under 3 percent.

Roberts: Well, that's insane, considering the threats that are very obvious. I mean, one of the things you should learn from history is to listen to what dictators say. When President Xi again and again makes straightforward statements about how China will be reunited and it'll be done by the time of the hundredth anniversary of the founding of the Chinese Communist Party, we should be listening to him.

But the key thing is again and again to ensure that when President Xi wakes up in the morning, he thinks, "Is today the day I'm going to invade Taiwan?" And he looks at the powers and the deterrence that the United States and others have put forward, and he always, every single day, says "no." There is nothing inherent in the human condition that wants to commit suicide, and therefore, we should be able to get through this.

Robinson: Another quote: "By the late 1980s, America had emerged as so far in the lead in military technology that the Soviet Union could barely compete." Do we possess any such lead over China today?

Roberts: Yes.

Robinson: We do?

Roberts: Yes, you do, absolutely. Your long-range missiles are as good as theirs. Your Navy, although you are cutting back your Navy in an extremely dangerous way and they're building up theirs—but still, any American aircraft carrier would be able to take on any Chinese aircraft carrier, and obviously their supportive fleets. That's one of the reasons I suspect why Xi isn't trying a naval blockade. But you also have to worry that the Chinese are stealing a lot of the technology, and some of our universities, both in Britain and America, seem to have been falling over backward to try to help them even in sensitive defense areas.

"I can't see why suddenly there's this sort of collective nervous breakdown about America being able to fight in more than one place."

Robinson: "Plato was right, only the dead have seen the end of war." That's a rather grim comment from my usually cheerful friend.

Roberts: It's a grim comment. We'll blame Plato, I suppose.

Robinson: Fair enough.

Roberts: But I don't think human nature has changed that dramatically. It's one of the reasons that we still read ancient history, Thucydides and Herodotus and so on, is because human nature hasn't kept up with our technological advances. And so, war is going to be there, which is why we need to study it. And as in the Trotsky quotes I cited, we might not be interested in it, but it's interested in us.

Robinson: A last question about the nature of history. How is it that we have lived to see what feels like a kind of decline?

Roberts: It's the time that produces the leader. So, look at the 1930s, where the British prime ministers were Ramsay MacDonald, Stanley Baldwin, and Neville Chamberlain. But when you get to the crisis, you get Winston Churchill. Your Revolution is the classic example where, for a hundred and fifty years or so, you have some important and interesting American leaders up until the 1770s. But then suddenly, in one decade you have a constellation of giants, and infuriatingly . . .

"Human nature hasn't kept up with our technological advances. And so, war is going to be there, which is why we need to study it."

Robinson: Adams, Jefferson, Madison, on and on.

Roberts: . . . Franklin, Hamilton, Monroe, they just go on and on. And it's infuriating that you did manage to do that, by the way. But look at Periclean Athens, for the previous century and a half, there's very little that comes out of Athens. Then you have Themistocles, and Cimon, and Pericles, and giants. Alcibiades.

Robinson: It was Persia that brought them forth.

Roberts: And it was Persia: a threat from Persia. Exactly. And battles like Marathon and Salamis let people recognize that they have to step forward. The best people have to step forward. We are not getting the best people stepping forward, certainly in British politics at the moment. Good people are not going into politics, because it's a pretty terrible job. But they should be now, because we are starting to see threats to the Western way of the world that, unless we do get good leaders, we are not going to be able to survive.

Robinson: In that old phrase, "cometh the hour, cometh the man." Cometh the person, I suppose we have to say now.

Roberts: Well, Margaret Thatcher, "cometh the woman."

Robinson: Cometh the woman. The challenge calls forth the leaders.

Roberts: It should do. But the trouble is if you have a system like we both have, where you don't really get a chance to become a leader of a country unless you're in your forties or fifties—in your case, considerably older than that—it takes some time for these leaders to come forward.

Robinson: They need to have learned politics. They need to have learned the craft.

Roberts: They need to have read history.

War by Other Means

Modern conflict increasingly means guerrillas, proxies, executive orders, and "lawfare." Formal declarations of war and surrender, with their promises of restraint, seem almost quaint.

By Russell A. Berman

Violent conflict has been a constant in human history and is likely to persist. While conflicts often occur between organized political entities—what we call states—other organizing principles such as tribes, dynasties, or ethnic groups have also shaped many historical struggles. The Norman invasion of England in 1066 was at its core a personal campaign for William the Conqueror to succeed Edward the Confessor, who had died without a natural successor; there was no declaration of war between states in the modern sense of warfare. The Rwandan civil war (1990–94), which led to a terrible genocide, was largely an ethnic conflict, similarly without a formal declaration.

Nonetheless, even in the ancient world there were statements approximating declarations of war, such as the Stele of Vultures from Sumeria, dating to around 2600 BCE, just as there was a long history of formal treaties of peace

***Russell A. Berman** is a senior fellow at the Hoover Institution, co-chair of Hoover's Herbert and Jane Dwight Working Group on the Middle East and the Islamic World, and a participant in Hoover's working groups on military history and national security. He is also the Walter A. Haas Professor in the Humanities at Stanford University.*

such as the Treaty of Kadesh of 1269 BCE between the Egyptian Pharoah Ramses II and the Hittite King Hattusili III. Declarations of war and treaties of peace can be thought of as diplomatic instruments, distinct genres of international relations, with long histories even when not always employed.

The widespread expectation that states frame military action in formal political statements—which include a justification for the use of organized violence and an explanation of the motivating grievances—is a result of the gradual formalization of statehood and international relations in the course of modernity. The Peace of Westphalia (1648), which codified the modern terms of sovereignty, was a turning point in this process that involved at its core the modernization of political authority, i.e., the move away from dynastic rule or other forms of premodern domination toward legalized legitimacy, the rule of law. States must henceforth explain the grounds for their actions, especially those actions that impinge on other sovereignties.

The 1907 Hague Convention firmed up the idea that there should be no acts of belligerence without a warning.

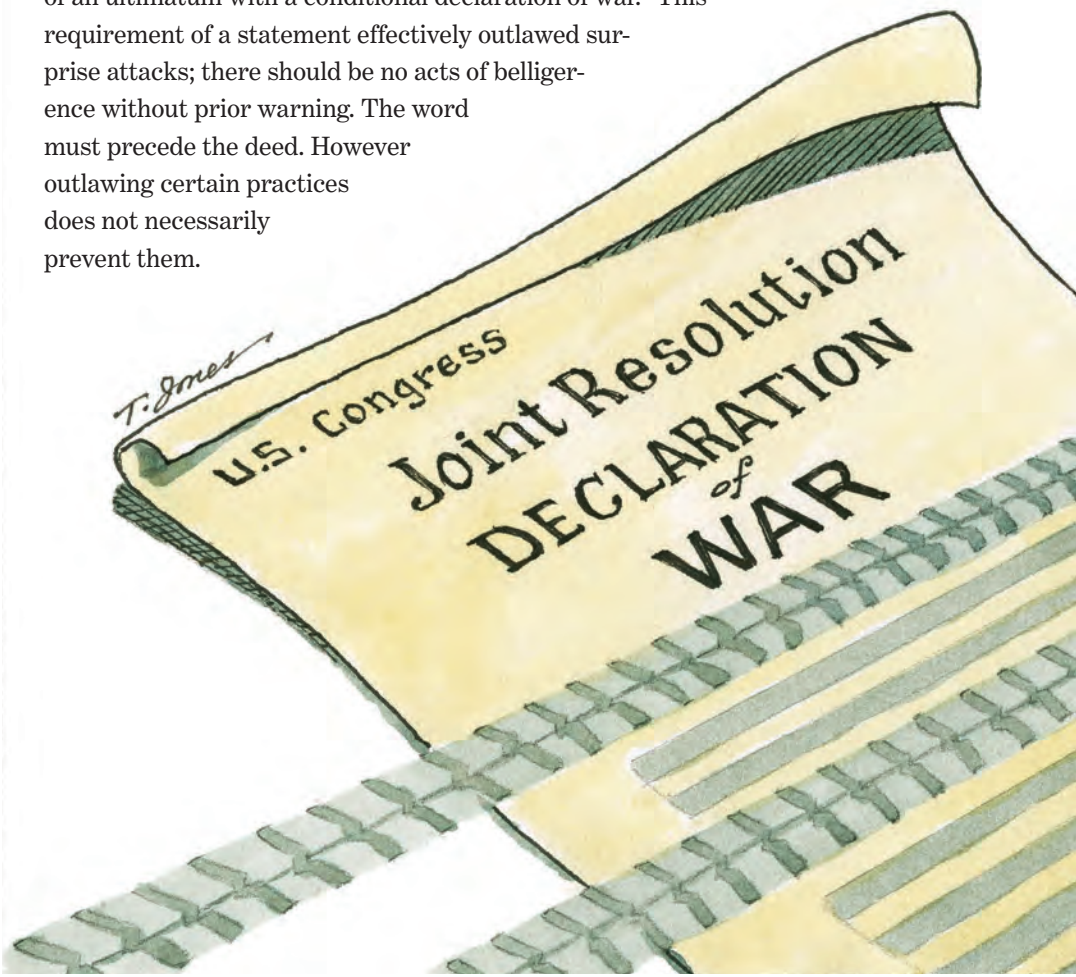
While not explicitly a declaration of war, the American Declaration of Independence exemplifies this imperative of providing justifications for steps that will lead to armed conflict. This obligation underpins the famous opening sentence of the Declaration: "When in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation." The final clause is vital. Prevailing political culture evidently "requires" that the "causes" be enumerated in a declaration in order to explain the justification of the pending violence: violence without justification is disallowed.

The Continental Congress, which issued the Declaration, was of course not the body of an already existing state but rather only a representation of the thirteen separate colonies acting in concert to declare their rejection of rule by England. Since there was not yet a unified American state, the document cannot be viewed as a full-fledged declaration of war in the modern sense, but rather an announcement of hostilities by a still nascent "America" against England. Yet the text did provide a justification for acts of rebellion

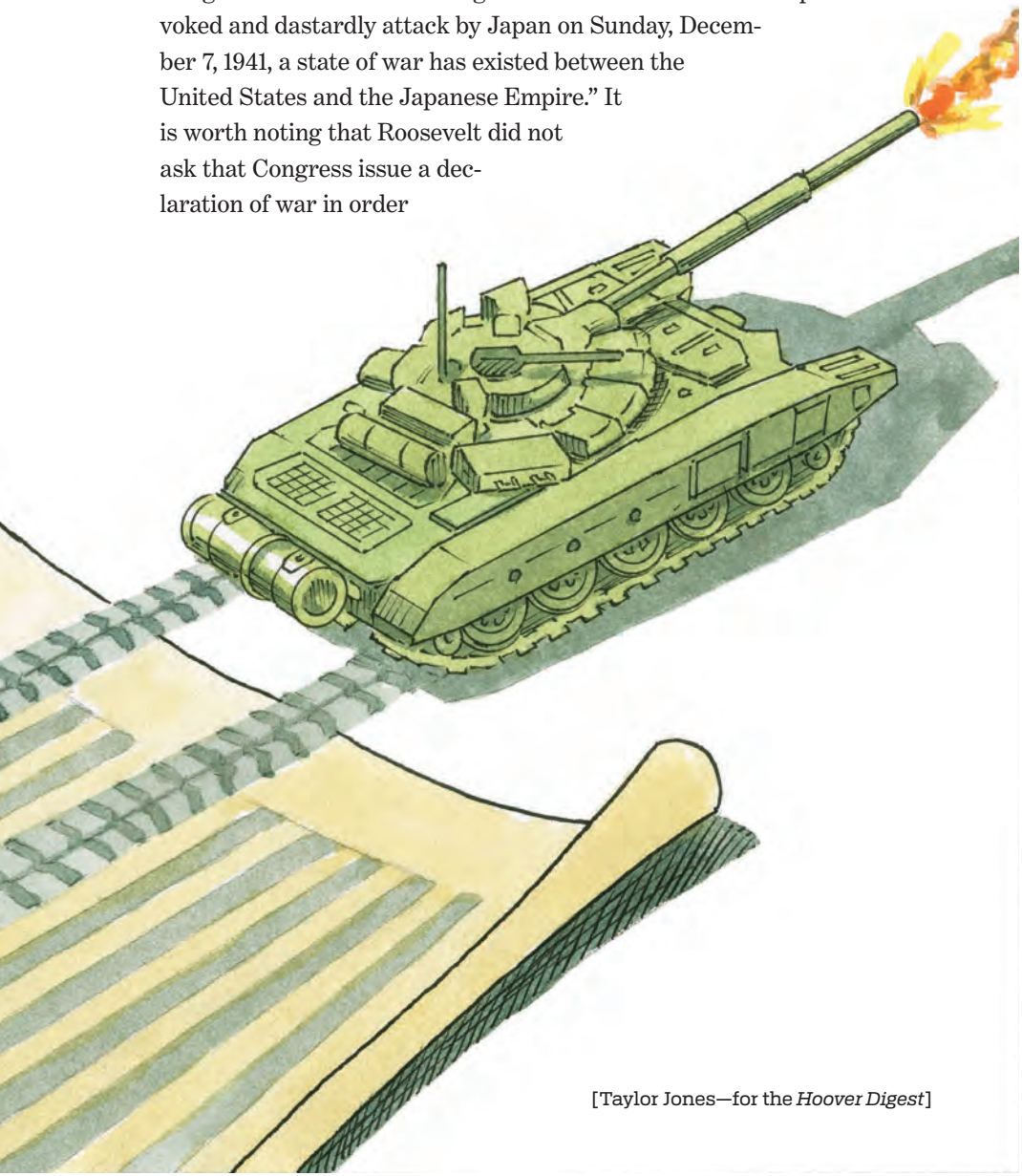
that would lead to war, and it therefore approximates a declaration of war in its act of explaining the necessity of violence as the appropriate means to correct a long list of accumulated grievances.

ACTIONS SPEAK LOUDER

Modern expectations concerning diplomacy were developed further in the Congress of Vienna in 1815, which established a system of post-Napoleonic states as well as the network of international emissaries, embassies, and frameworks for negotiation. The 1907 Hague Convention firmly established the expectation that armed conflict between states must be preceded by clear statements of intent. Article III stipulates "that hostilities between [the contracting parties] must not commence without a previous and explicit warning, in the form either of a declaration of war, giving reasons, or of an ultimatum with a conditional declaration of war." This requirement of a statement effectively outlawed surprise attacks; there should be no acts of belligerence without prior warning. The word must precede the deed. However outlawing certain practices does not necessarily prevent them.



When Japan attacked Pearl Harbor on December 7, 1941, it had not issued a prior declaration of war (although there is some indication it had intended to do so). This circumstance amplified the anger in the United States. The lack of a prior declaration made the attack appear not only brutal but also treacherous. President Roosevelt responded on December 8 with his "date which will live in infamy" speech, which concludes with a request to Congress: "I ask that the Congress declare that since the unprovoked and dastardly attack by Japan on Sunday, December 7, 1941, a state of war has existed between the United States and the Japanese Empire." It is worth noting that Roosevelt did not ask that Congress issue a declaration of war in order



[Taylor Jones—for the *Hoover Digest*]

to initiate conflict: rather, he asks that Congress "declare" in the sense of recognizing the reality that war already existed in the wake of the Japanese attack. What really matters then are the deeds, not the words.

The secondary status of words—declarations—when measured against the decisiveness of the deeds of war is as old as Pericles' Funeral Oration as reported by Thucydides, but even more familiar from Abraham Lincoln's phrasing in the Gettysburg Address: "The world will little note, nor long remember what we say here, but it can never forget what they did here." The actions of the warriors decide the outcome, not the texts of the declarations. As important as the demand of the Hague Convention may be in trying to deter surprise attacks, in the end it is force that decides the victor.

Congress promptly acceded to Roosevelt's request, legally establishing that the United States was indeed at war with Japan, even though the war had already been in existence at least since the attack the day before.

The same gap between deed and action marked the end of the war as well. The formal surrender took place when the Japanese foreign minister Mamoru Shigemitsu and General Yoshijiro Umezu signed surrender documents on the USS *Missouri* in Tokyo Bay, marking the end of the war on September 2, 1945, which became "V-J Day." In fact, the tides of war had turned against Japan as early as the Battle of Midway, June 4–7, 1942. Atomic bombs were dropped on the Japanese cities of Hiroshima on August 6, 1945, and Nagasaki on August 9, soon followed by Emperor Hirohito's radio announcement of surrender on August 15. American occupation troops began to land in Japan on August 28, leading to the formalization of the surrender in the September 2 signing. The definitive peace treaty was the Treaty of San Francisco, signed on September 8, 1951, to come into effect on April 28, 1952.

As important as the Hague Convention's opposition to surprise attacks may be, in the end it is force that decides the victor.

The series of distinct events and dates demonstrates how the war came to an end with Japan's defeat only through a series of steps, and the formal peace treaty was merely the culmination and conclusion of a long process.

WAR PERSISTS

Thus, the distance between deeds and words, between fighting and declarations, held even in the case of the arguably classic modern war, World War II,

notwithstanding the highly dramatic moments of Roosevelt's speech to Congress and the signing of surrender on the *Missouri*. That discrepancy has only grown in the decades since. What happens on the battlefield is more important than what takes place on paper.

Since 1945, there has been no lack of armed conflicts, but formalized declarations of war—in particular declarations issued prior to the onset of hostilities—are rare indeed, just as are definitive peace treaties that bring conflicts to complete conclusions. When member states of the Arab League invaded Israel in May 1948, the league did provide a formal statement, albeit addressed to the secretary general of the United Nations and not to its adversary, Israel. The United States did not issue a declaration initiating the Korean War, since the conflict formally belonged to the United Nations. There was no declaration for the Vietnam War, although Congress did adopt the Gulf of Tonkin Resolution in 1964, expanding hostilities. Argentina did not declare war when it invaded the Falkland Islands in 1982, nor has Russia declared war in Ukraine, designating its aggression instead as a "special military operation," which is apparently something different from "war." The US invasion of Iraq (2003) was not preceded by a declaration of war but only by an "Authorization for Use of Military Force" because of the claim of weapons of mass destruction. Turkey's operations in Syria since 2016 were not preceded by a declaration of war, as its target was primarily Kurdish forces rather than the Syrian state. India and Pakistan have declared war at stages in their extended belligerence, but not, for example, in India's 2019 Balakot airstrike, presumably to avoid formal war between nuclear states.

The history of peace treaties is similarly mixed. Since World War II, there have been several formal such treaties, such as between Israel and Egypt (1979), Israel and Jordan (1994), and Eritrea and Ethiopia (2018), all between states. Agreements that have been less than binding than treaties have taken the form of armistices, cease-fires, or other arrangements, especially with the involvement of nonstate actors. The 1973 Paris Peace Accords ended the American war in Vietnam, although fighting continued until the fall of Saigon in 1975. The Good Friday Agreement (1998) ended the "Troubles" in Northern Ireland. The conflict between the government of Colombia and FARC (the Revolutionary Armed Forces of Colombia) ended with a peace agreement—but not a treaty—in 2016.

When Japan attacked Pearl Harbor on December 7, 1941, it had not issued a declaration of war.

In general, it is fair to say that traditional diplomacy of declarations of war and treaties of peace continues to hold some sway, even if they are not omnipresent in conflict resolution. The expectation of formal statements appears anachronistic if not fully obsolete. This shift reflects underlying changes in the nature of the international system and warfare as well as domestic political cultures. Three key points have particular importance.

NEW WEAPONS, NEW LAWS

The presence of nuclear weapons and the recognition of their potential for enormous destruction tends to make direct conflict between nuclear adversaries unlikely. As a result, forms of asymmetric conflict ensue. In Vietnam, the United States did not do battle with Russia or China directly, but rather with Vietnamese forces who could be seen (to some extent) as proxies for the nuclear powers. In the Ukraine war, Russia has not faced Western powers directly, but instead an opponent that Moscow views at times as a Western proxy. Given the incommensurability of the respective sides, direct diplomacy—of which declarations of war or peace would be components—becomes less likely. Furthermore, asymmetric power arrangements tend not to lead to definitive victories or defeats, meaning that the grounds for conflict may continue even after a notional cessation of hostilities framed loosely as a cease-fire, rather than definitively as a treaty.

Avoiding a formal declaration of war gives a belligerent government greater latitude.

Beginning with the Hague Conventions and in the wake of the world wars, a thick network of international law has developed that increasingly subjects any military actions to scrutiny and potential litigation in national and in international courts. This process of legalization exposes any belligerent party to a supplementary front that has come to be known as *lawfare,* the strategy to tie up the party engaged in violence, or its political and military leaders, in extensive court cases. In this legalized context, eschewing a formal declaration of war can at least delay the initiation of lawfare, to the extent that the claim can be made that the conflict is not war, as with Russia's "special military operation."

This extension of the laws of the war, as part of the broader legalization of international affairs in the rules-based order, has gone hand in hand with a broad cultural stigmatization of war. The potential heroization of military accomplishment that was still part of the culture of World War II appears

to belong to the past; hence the inclination to avoid declaring war, pushing armed conflict away from the public eye and into the murkiness of "special operations." In a related vein, avoiding a formal declaration leaves the belligerent government with greater latitude, since it is not restricted by the terms of any such declaration and associated international law.

Article 1, Section 8 of the Constitution ascribes to Congress the power to declare war. Article II, Section 2, designates the president as commander in chief and gives him the power to make treaties and appoint ambassadors. While the Senate has the obligation to "advise and consent" on appointments and treaties, and while both houses together control the budget, the normal course of foreign policy is in the hands of the executive branch. As Congress has become less amenable to compromise, a de facto power shift has taken place—away from the legislature and to the president. While the president cannot declare war explicitly, he nonetheless retains the capacity to authorize engagement in armed conflict at lower levels. The fact that formal declarations of war are unlikely results in part from congressional dysfunctionality, leaving more power, in many fields besides military matters, with the executive.

Meanwhile, the natural home of diplomacy, the Department of State, suffers from deep-seated structural problems that inhibit the normal conduct of foreign policy. Key functions, including the use of military force in manners short of formal war, become the purviews of the National Security Council and the Pentagon. The marginalization of the State Department is cut from the same cultural cloth as the reduced role of Congress, as power shifts toward more instrumental sectors of government.

Asymmetric power arrangements tend not to lead to definitive victories or defeats.

There is an irreducible difference between bullets and documents, the worlds of soldiers and the words of lawyerly diplomats. To be sure, in the harsh reality of conflict both the use of force and the will to negotiate are vital. However, the existential priority of force, the realism of violence, can at best be limited but never eliminated by diplomacy. In the world as it has developed in recent years, we are seeing further reduction in the capacity for diplomacy as well as the diminished significance of international organizations. This is the fraying of the rules-based order, in Ukraine and the Middle East, in the Sahel and in Venezuela, and step by step in the western Pacific.

If we lose the will to enforce the law, internationally just as domestically, the rule of law will not endure. "Declarations of war" may go out of fashion; war will not.

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Churchill Endures

One hundred and fifty years after he was born, Winston Churchill, "aristocrat of genius," remains the pre-eminent statesman of the twentieth century.

By George H. Nash

Recently, historians from many nations commemorated the birth one hundred and fifty years ago of one of the most remarkable political figures in modern times. Before his death in 1965 at the age of ninety, Winston Churchill had come to be acclaimed by many as the "greatest living Englishman" and the greatest man of the twentieth century. He was revered as the indomitable statesman and orator who, by his words and his courage, inspired his nation to persevere in a battle for what he called Christian civilization and to emerge victorious in the most gigantic war the world has ever known.

Interest in Churchill has not abated since his death more than sixty years ago. More than a thousand books have been written about him. Nearly every facet of his life has been the subject of study.

Churchill himself, one might say, led by example. During his life he published more than three dozen works of his own, some of them

***George H. Nash** is a historian, lecturer, and authority on the life of Herbert Hoover. He is a Ford Presidential Foundation Fellow and a senior fellow of the Russell Kirk Center for Cultural Renewal.*

WE HAPPY FEW: Winston Churchill poses in October 1929. More than a thousand books have been written about the British statesman, and nearly every facet of his long life has been the subject of study. [National Photo Company Collection—Library of Congress]

autobiographical, not counting a posthumously published, eight-volume compilation of his speeches between 1897 and 1963 that runs to nearly nine thousand pages.

Nowhere (outside of Great Britain) have Churchill's words and deeds attracted more attention than in the country he came to call the "Great Republic": the United States of America. This was not happenstance. His father was a British aristocrat but his mother was an American, and from boyhood Churchill was fascinated by the history of his mother's native land. His acute awareness that he was "half American by blood" (as he put it) helps to explain both his lifelong curiosity about America, and many Americans' curiosity about him.

Churchill always believed in the desirability of "the fullest, closest, intimacy, accord, and association" of Great Britain and the United States.

In 1895, shortly before he turned twenty-one, Churchill visited the United States—specifically, New York City—for the first time. He was on his way to Cuba, and he stayed only eight days, but it was long enough for him to sense the vitality of the awakening giant in the New World. America was "a very great country," he told his brother. The young traveler's curiosity very quickly turned to love.

In 1900, Churchill returned to the United States for the second of ultimately sixteen visits during his lifetime. This time he came for a lecture tour. Since his first visit, he had served in combat as a British soldier in India, Sudan, and South Africa; had written five books about his adventures; and had been elected to the British Parliament. During the Second Boer War in South Africa, he had even been captured by the Boers. His sensational and harrowing escape from their prison camp won international headlines. By the time he reached America in late 1900, he was probably the most famous young man in the world.

Churchill's lecture tour was a success. American audiences were charmed by his verve, wit, and oratorical ability. He widened his acquaintance with American elites, a process he developed assiduously in the years to come. And most significantly, he began to propound a theme that he reiterated for the rest of his life: the desirability of what he called "the fullest, closest, intimacy, accord, and association" of Great Britain and the United States. "I am proud that I am the product of an Anglo-American alliance," he declared humorously in 1900. But he was not really joking. The cultivation of what he eventually called a "special relationship" between the United States and the United Kingdom was at the heart of his geopolitical vision.

FINEST HOURS

Churchill's second voyage to the United States inaugurated the first phase of the Churchill-America relationship. It was a phase that lasted all the way to the 1930s. During his successful lecture tours, he did not avoid mentioning current events and sometimes angered Americans who did not share his enthusiasm for the British Empire. But fundamentally, before World War II, American perceptions of Churchill were derived not primarily from his fame as a British politician but from the endless cascade of scintillating books and essays that he produced and circulated in the United States. Before he died, his articles appeared in more than forty American magazines.

In 1959 and 1960, John F. Kennedy deliberately based his campaign for the presidency on Churchillian themes.

This first phase—featuring Churchill as a celebrity and literary entertainer—yielded in 1940 to a new phase, during which, for most Americans, he became a hero. Defiant, courageous, and unyielding, he was easily the most eloquent of all the leaders of nations during World War II. In the later words of President John F. Kennedy, Churchill "mobilized the English language and sent it into battle."

Churchill's effort was immensely aided by the growing availability of radio in the United States. During the war, countless Americans heard some of his greatest addresses by radio and were inspired. One such listener was a young soldier named Caspar Weinberger, who later became President Ronald Reagan's stalwart secretary of defense and a tireless champion of Churchill's legacy. Another was a future American president, Richard Nixon.

Churchill's reputation as the indispensable leader who saved his government and nation from total defeat in 1940 was reinforced by Churchill himself in his monumental, six-volume history titled *The Second World War,* published between 1948 and 1954. It contained two million words. Widely excerpted in newspapers and magazines in the United States, the volumes were a sensational bestseller. A few years later, he completed a long-dormant, four-volume *History of the English-Speaking Peoples,* another tremendous bestseller in the United States.

In 1963, for the first time in American history, the United States Congress voted to make a citizen of another country—Churchill—an honorary

citizen of the United States. It was a gesture that must have mightily pleased its recipient, the foremost advocate of the Anglo-American "special relationship."

Less than two years later, Winston Churchill died. Of the tributes to him that poured in from every direction, one may be of special interest to readers of this essay. It came from Russell Kirk, the distinguished American conservative scholar and native of Michigan. Kirk extolled Churchill as an "aristocrat of genius" who for "sound sense as a statesman . . . had no equal in our time." Few of Kirk's fellow Americans would have disagreed.

A SAGE FOR THE COLD WAR

Soon after World War II ended, American perceptions of Churchill entered a third phase. No longer perceived simply as a heroic wartime leader, he was increasingly perceived as a prophet and a sage. If Churchill's magnificent "Finest Hour" speech of June 18, 1940, was the single most consequential address of his career, arguably the second most consequential was his address in America on March 5, 1946, in which he solemnly told his audience, which included President Truman, that an "iron curtain" had "descended" across Central Europe and that the Soviet Union—our recent wartime ally—was behaving in a dangerously threatening manner. He implored the United States and United Kingdom to work in "fraternal association" and unite with other democracies in opposition to Soviet expansion.

In the later words of President Kennedy, Churchill "mobilized the English language and sent it into battle."

Churchill's dramatic appeal shocked and outraged many on the American left, who accused him of poisoning relations with the Soviet Union and risking a new world war. But within a few weeks, thanks in considerable part to Churchill's timely warning, American public opinion had swung overwhelmingly in favor of an invigorated Anglo-American alliance in the face of the Soviet threat. Once again Churchill, with his gripping rhetoric, had helped to galvanize the West.

In the ensuing Cold War against the communists, Churchill became for many Americans a symbol of farsighted resistance to tyranny. His scathing critique of British appeasement of Hitler at Munich evolved into a history lesson that a generation of American political leaders absorbed.

Some of them even tried to emulate Churchill. John F. Kennedy, who as a teenager voraciously read Churchill's multivolume series *The World Crisis* and other books, was notable in this respect. In 1959 and 1960, Kennedy deliberately based his campaign for the presidency on Churchillian themes.

In the 1980s, President Ronald Reagan, who liked to quote Churchill, formed a friendship with Prime Minister Margaret Thatcher of Great Britain, herself a devotee of Churchill. Their close political alliance seemed to epitomize the Anglo-American "special relationship" that Churchill had so persistently sought.

After the terrorist attack on the United States in 2001, invocations of Churchill multiplied in American politics. President George W. Bush, who declared himself a "great admirer" of Churchill, kept a bust of the great man on display in his office and publicly praised him for refusing to surrender or compromise during "an hour of peril." Significantly, among the most ardent supporters of Bush's foreign policy in the Middle East was a faction on the American right known as neoconservatives, for many of whom Churchill was a political lodestar.

The continuing American esteem for Churchill has deeper roots than party politics, however. Since his death, there has arisen among the "English-speaking peoples" what has been called a "Churchill industry" in which historians, filmmakers, and commentators visit and revisit every aspect of his long life.

The so-called "Official Biography" begun by Randolph Churchill and completed by Martin Gilbert is the longest biography ever written.

The locus classicus for Churchill scholarship is the eight-volume, so-called "Official Biography" begun by his son Randolph and completed by Martin Gilbert in 1986. Much reviewed and lauded in the United States, it is the longest biography ever written. The most devoted promoter of Churchill scholarship and commemoration is the International Churchill Society (as it is now called), founded in 1968. It has many American members. Its quarterly magazine, *Finest Hour,* and its much-visited website, along with the Churchill Project initiated by Hillsdale College in Michigan, attest to the esteem that Churchill's legacy still commands among many Americans.

Here I call your attention to the noted political philosopher Leo Strauss, a refugee from Nazi Germany who became an eminent scholar in the United States. The day after Churchill died, Professor Strauss eulogized him in his classroom at the University of Chicago as a statesman of superlative

excellence and "political greatness" whose life political scientists everywhere should meticulously study. Since then, some of Strauss's students (and their students), all commonly called Straussians, have taken up this challenge and have become tenacious advocates for Churchill's record and legacy. Notable among these was the late political scientist Harry Jaffa. Today the influential *Claremont Review of Books,* founded by some of his students, is a citadel of scholarship and commentary sympathetic to Churchill.

"ARGUMENT WITHOUT END"

Not everyone, however, who studies Churchill walks away an enthusiast. In recent decades, in the United States and Great Britain, his record has come under critical and at times ferocious attack from revisionist historians and their allies in the media. On the left, he has been portrayed as a racist, reactionary egotist, and imperialist whose judgment, in politics, was frequently and terribly flawed. Often, these revisionists have denounced what they derisively call the "Churchill cult"—especially the hawkish, neoconservative Churchillians whom they hold partly responsible for President Bush's unpopular war in Iraq.

On the American right, revisionists like the libertarian scholar Ralph Raico and the paleoconservative writer Patrick Buchanan (among others) have disparaged Churchill's record comprehensively—most notably his fateful decision in 1940 to fight on, against all odds, after the fall of France. What he should have done, the right-wing revisionists appear to believe, was to acknowledge Britain's defeat and accept Hitler's offers of a negotiated peace. Then, presumably, Hitler would have left Britain and its empire alone, turned east, and destroyed the Soviet Union. Instead, the right-wing revisionists charge, Churchill stubbornly continued a war he could never win alone—at the ultimate cost, these revisionists allege, of "his country's greatness."

This is not the place to analyze the rebuttals that other Churchill scholars have given to these critiques. Suffice it to say that it is my impression that the Churchill revisionists (at least in America) are marginal in the history profession and that among Americans generally he remains an iconic figure.

And that is how he will likely remain for a long time to come. Just months ago, in conjunction with the sesquicentennial of Churchill's birth, Netflix released a massive, four-hour documentary film titled *Churchill at War.* It is one of many acts of remembrance at this time that will likely enhance his reputation for a new generation.

A famous historian once remarked that history is "an argument without end." In the lengthening argument about Winston Churchill's life and legacy,

I suspect that, on the truly essential points, this "aristocrat of genius" will continue to emerge victorious.

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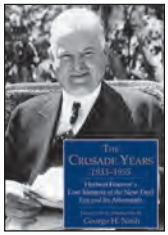


The Battalion Artist

In June 1943, art student Natale Bellantoni packed paints in his seabag and headed across the Pacific with the Seabees. A new exhibition showcases the amazing watercolors with which, three years later, he returned.

By Jean McElwee Cannon

This year—marking the eightieth anniversary of Allied victory in the world's largest and most devastating war—the Hoover Institution Library & Archives invites visitors to Hoover Tower to experience the conflict in the Pacific through the gallery exhibition *The Battalion Artist: A Sailor's Journey through the South Pacific.* The exhibition is drawn from the remarkable collection of artist and US Navy Seabee Natale Bellantoni, who during the war spent three years, three months, and three days traveling from California to Okinawa and back again, deploying on various Pacific islands and chronicling his experiences in letters, sketches, and drawings.

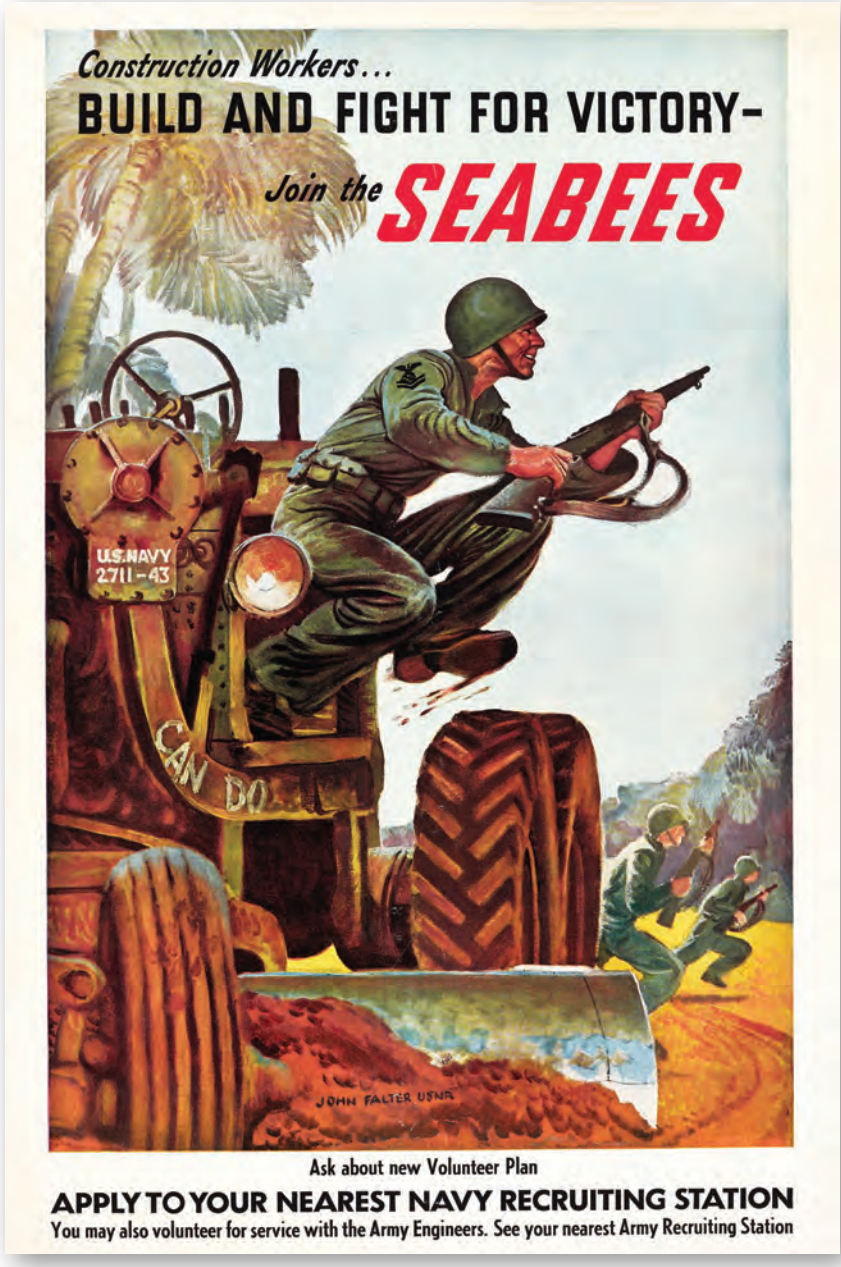
The Natale Bellantoni collection, with its stunning and accomplished artwork, photographs, correspondence, and memorabilia, is perhaps Hoover's richest collection to date documenting the reality that US naval construction battalions faced as they fought disease, harsh climates, and armed

***Jean McElwee Cannon** is a research fellow and curator for North American Collections at the Hoover Institution Library & Archives.*

FAR HORIZONS: Just twenty-two when war broke out, Natale Bellantoni saw his aspiration to complete art school and launch a career interrupted. He soon found himself sketching and painting in makeshift studios across the Pacific. After the war, Bellantoni had a long career as a commercial artist. The letter, watercolor cup, and picture of Bellantoni's future wife, Irene, seen in this photo are all found in the Bellantoni collection at Hoover. [Natale Bellantoni papers—Hoover Institution Library & Archives]

enemies to build airfields, docks, and barracks for millions of American fighters crossing the Pacific Ocean during World War II, headed to Japan. The collection, which was acquired by Hoover in 2017, inspired the book *The Battalion Artist* (Hoover Institution Press, 2019), written by Janice Blake and edited by Bellantoni's daughter, Nancy Bellantoni. It is featured as one of the most popular ever Hoover HISTORIES online exhibitions (www.hoover.org/library-archives/histories).

Visitors to Hoover's galleries can view the original watercolors, sketches, letters, photographs, and ephemera that illustrate "Nat" Bellantoni's voyage across the war-torn Pacific. The exhibition allows viewers to understand the



WE CAN BUILD IT: This recruiting poster features the Seabee motto—"Can Do!"— on a tractor. Without the engineering, ingenuity, moxie, and persistence celebrated in their slogan, Allied success in the Pacific would not have been possible. [Historic poster collection—Hoover Institution Library & Archives]


Build for your NAVY!
R. MUCHLEY
ENLIST!
PENNA ART WPA
CARPENTERS, MACHINISTS, ELECTRICIANS ETC.
FOR INFORMATION APPLY TO YOUR NEAREST RECRUITING STATION
U.S. NAVY - BUREAU OF YARDS & DOCKS

UNDER WAY: In June 1943, after months of rigorous training, Bellantoni and more than one thousand sailors of the Navy's 78th Construction Battalion packed their seabags, boarded ship, and headed out on a journey that would last over three years. Bellantoni became his outfit's documentary artist, journalist, and photographer. [Natale Bellantoni papers—Hoover Institution Library & Archives]

artist, his generation, and the circumstances they faced at one of history's pivotal moments.

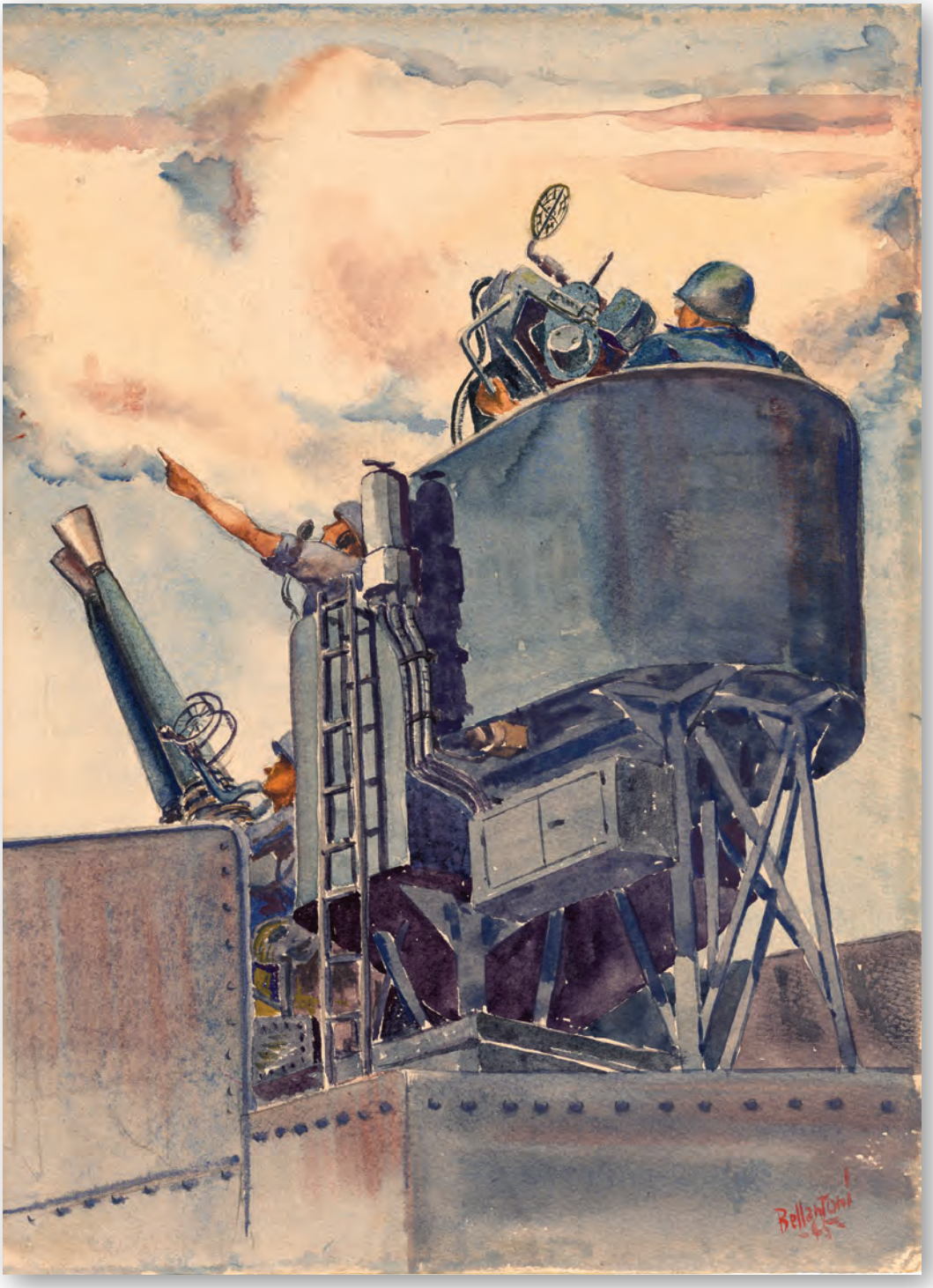
Natale Bellantoni—a talented and handsome Boston native who hailed from a large and loving Italian-American family from the South End—was enrolled as a student at the Massachusetts School of Art when Japan attacked Pearl Harbor on December 7, 1941. Eager to serve, Bellantoni joined the Navy on October 7, 1942, as a member of the newly formed naval construction battalions nicknamed the "Seabees"—a jocular reinvention of the initials "C.B.," standing for "construction battalion."

RIVETING: As dramatized in this recruiting poster (opposite), the Seabees built airfields, docks, and barracks for millions of American fighters. At the same time, they fought disease, harsh climates, and armed enemies. Naval Mobile Construction Battalions still function today. [Historic poster collection—Hoover Institution Library & Archives]


DAY STAR

***SKILLED:** Bellantoni, at far right in the front row, was one of the youngest Seabees. Among the first 100,000 volunteers, the average age was thirty-one. The Navy sought out experienced tradesmen who could work quickly. At first, Marines mocked the Seabees as "confused bastards" instead of construction battalions, but after Seabees built Henderson Airfield under heavy fire on Guadalcanal, the drollery was replaced with respect.* [Natale Bellantoni papers—Hoover Institution Library & Archives]

***MESSAGES:** Signal Flags, painted aboard the MS Day Star in 1943 (opposite), was the first watercolor Natale Bellantoni completed during his journey across the Pacific. Much as colorful flags were used to communicate between ships, Nat would use watercolor art to communicate with friends and family at home—especially with his fellow art student and sweetheart, Irene, whom he would marry after the war.* [Natale Bellantoni papers—Hoover Institution Library & Archives]


Bellantoni

In the wake of Pearl Harbor, US military commanders quickly came to understand that they faced grave logistical and infrastructure challenges in crossing the ocean to fight Japan: they could not reach the enemy without bases that would serve weary soldiers as well as overtaxed air and naval fleets. The push toward Tokyo would require hopscotching from Pacific island to Pacific island, and movement could be accomplished only by connecting bases for housing fighters and ammunition, refueling airplanes, and repairing ships. Bases would be the key to victory.

Eager to serve, Natale Bellantoni joined the newly formed naval construction battalions nicknamed the "Seabees."

Before Pearl Harbor, the United States Civil Engineer Corps was a small outfit, and almost all naval construction labor was conducted by private civilian contractors who lacked military training, could not be put into combat, and could not be adequately compensated or insured against injury or death. Thus the first official naval construction battalion was formed on December 28, 1941, just weeks after Pearl Harbor. As posters in *The Battalion Artist* exhibition attest, the US military moved quickly to recruit skilled engineers, stevedores, carpenters, electricians, machinists—and draftsmen, such as Bellantoni.

In June 1943, after months of rigorous training, Nat and more than one thousand sailors of the Navy's 78th Construction Battalion packed their seabags, boarded the MS *Day Star,* and headed into the South Pacific for a journey that would last over three years. They would traverse countless miles of ocean, land on beaches that had just days before been in enemy hands, and fend off danger, disease, and artillery fire to build the roads, docks, and runways that were crucial to Allied victory. Nat became an ad hoc architect and creator of signage as well as

WATCHFUL: A painting Bellantoni titled* Target *(opposite) shows an antiaircraft crew watching the skies from aboard the transport* J. Franklin Bell *in 1945. The 78th Construction Battalion was told they were sailing for yet another "Island X." The convoy's actual destination was Okinawa, where fighting was already under way. During the voyage, every man aboard the ship was tensed for an attack by a new weapon the Japanese were throwing against ships in the Pacific: the kamikaze. [Natale Bellantoni papers—Hoover Institution Library & Archives]

SHADOWED: In August 1943 on New Caledonia, Bellantoni painted a PBY Catalina, known as a "Black Cat" for its nighttime reconnaissance missions. The skipper of this plane, Lieutenant Merle Schall, signed the painting in the lower left corner and asked for a photo of it. Bellantoni sent it in January 1944. He received a note from Schall's mother thanking him but informing him that Schall had been killed in a plane crash in November. Five decades later, it was disclosed that Schall had been shot down by friendly fire. Nat and Irene Bellantoni met with the Schall family in 1998 to place a rose on the pilot's headstone. [Natale Bellantoni papers—Hoover Institution Library & Archives]

his battalion's documentary artist, journalist, and photographer. When not employing his skills in an official capacity, he created the dozens of watercolor paintings currently featured in Hoover's gallery, which capture beautifully the landscapes and conditions of Seabees serving in the Pacific Theater.

As Nat's daughter Nancy attested in her remarks at the opening ceremony of the exhibition, Nat's sketching and painting served as a means to cope with the uncertainty and homesickness that came with serving in distant and often dangerous environs.

Nat's personal archive of the battalion's wartime journey in the Pacific theater tells the story of not just a gifted artist but a whole generation of soldiers who fought courageously to defend their country and protect the loved ones waiting for them at home. Before war's end, more than 250,000 American men would serve as Seabees. The collection material featured in the exhibition stands as a testament to the many hardships and uncertainties Seabees faced during their contributions to ultimate victory in the Pacific. They suffered long weeks at sea headed toward unknown destinations (Bellantoni painted many scenes en route to what his battalion called "Island X"), hostile climates, bombardment, and exposure to dangerous diseases. They also, as captured in Bellantoni's paintings, drawings, and letters, achieved incredible camaraderie, saw landscapes and wildlife they had only heretofore read about in books, and met Pacific islanders who were to them exotic and fascinating. Nat's wartime months at sea and on Pacific islands served as one of the most affecting, creative, and compelling episodes in the artist's long and artistically prolific life (Bellantoni would be discharged from the Navy in January 1946 and go on to have a decades-long successful career as a commercial artist in Boston).

The military moved quickly to recruit skilled engineers, stevedores, carpenters, electricians, machinists—and draftsmen, such as Bellantoni.

The exhibition also sheds new light on a group of American soldiers, too often overshadowed, who faced and conquered hostile terrain, limited resources, disease, and discomfort, and constant threat of enemy fire as they built, dug, crawled, bulldozed, and hammered their way from California to Tokyo.

Seabees faced and conquered hostile terrain, limited resources, disease and discomfort, and constant threat of enemy fire as they built, dug, crawled, bulldozed, and hammered their way from California to Tokyo.

The Battalion Artist: A Sailor's Journey through the South Pacific deepens our understanding of the engineers, welders, stevedores, mechanics, riveters, architects, and artists who made Allied victory in the Pacific possible. Bellantoni's collection at Hoover will be preserved for future generations of scholars, readers, and visitors to the archives who no doubt will benefit from this unique set of materials and the fascinating

history it represents. Hoover is proud to honor Natale Bellantoni and his fellow servicemen who—from World War II to present day—have fought unflinchingly to defend their country and the human freedom it represents. What they built is a gift to us all.

The Hoover Institution Library & Archives, a repository dedicated to the study and understanding of wars, revolutions, and peace movements of the past hundred years, is an international hub of scholarly research on World War II, with significant collections dedicated to the experiences of soldiers in the Pacific Theater. ***The Battalion Artist: A Sailor's Journey through the South Pacific*** *will be on display until August 10, 2025. Its online component is available at www.hoover.org/library-archives/histories/battalion-artist.*

***Special to the* Hoover Digest.**

Available from the Hoover Institution Press is ***The Battalion Artist: A Navy Seabee's Sketchbook of War in the South Pacific, 1943–1945,*** *by Janice Blake, edited by Nancy Bellantoni. To order, call (800) 888-4741 or visit www.hooverpress.org.*

FROM HOOVER INSTITUTION PRESS

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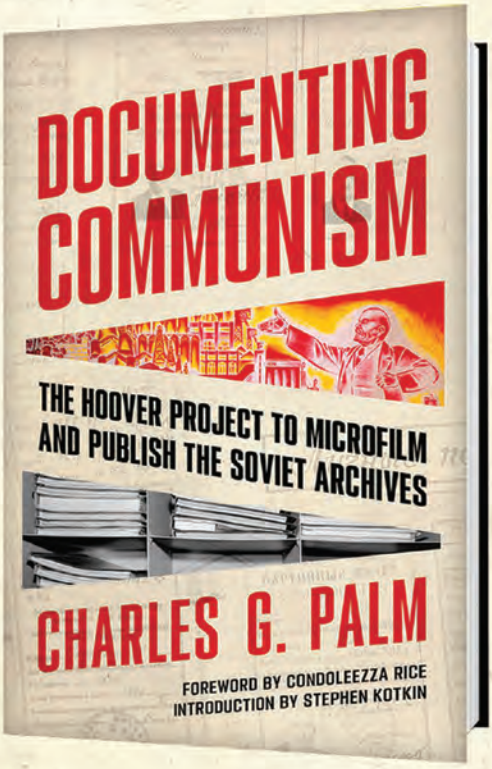
The Hoover Project to Microfilm and Publish the Soviet Archives

by Charles G. Palm



A memoir of the project to microfilm and publish ten million pages of Soviet Archives, bringing worldwide access to a Russian history that had been closed for nearly a century.

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On the Cover

David Lloyd George called it "paramount lord of industry." To Upton Sinclair, it was King Coal, indispensable in almost every part of the habitable world—and also a fuel for violence and labor strife. Here, a drowsy cat purring on the hearth conveys a homey conservation message in a British poster from World War II. This image was among many emphasizing that saving coal was a small but vital sacrifice everyone should make.

During the war, all industrialized nations struggled to manage supplies of coal, a critical ingredient to build weapons, drive ships and trains, light streets, and heat forges and homes. An American poster urged: "Mine America's coal. We'll make it hot for the enemy!" In the UK, posters announced a "battle for fuel" and reminded people that "saving coal means more of everything for everybody." Coal's dominance as a fuel source in Britain lasted until the late 1960s, after peaking in 1952.

Coal supplies already had been a severe problem in Britain during the Great War, when Lloyd George made his speech in 1915. "It is our real international coinage," he said. "When we buy food, goods, and raw materials abroad, we pay, not in gold, but in coal." Ordinary Britons during World War I were advised to "go to bed early" and take "fewer hot baths." Between the world wars, coalfields often became battlefields between workers and owners, with closures and strikes such as the 1926 general strike—1.2 million miners locked out, a half-million other workers out in sympathy. "The industry was noted for its disastrous labor relations," notes a historian. Ups and downs in exports led to unstable prices, which rippled through wages, employment rolls, and household budgets.

Other coal problems bedeviled Britain. Production that had swelled for the export market crashed after France fell ("the crisis months of 1940"). The sudden surplus threw many miners out of work. Later, it was the reverse: there were manpower shortages when miners trooped off to fight, so the government forced able-bodied men back into the mines.

The Mines Department, which issued this poster, was absorbed into a stronger authority, the Ministry of Fuel and Power, responsible for petroleum, electricity, gas, and coal. Its first director was Gwilym Lloyd George, son of the famous statesman. He remarked to Commons in 1942 that many Britons had become "rather spoiled" by access to high-quality coal. "I do not want people to confuse inconvenience with hardship," he added.

Britons, spoiled or not, would have to make do. Along with many other goods, coal was rationed amid bitter debate—a restriction that lasted an astonishing nineteen years. As *Time* magazine reported in June 1958, "The last of British wartime rationing, in effect since World War II began in 1939, will disappear next month: household coal, used in millions of living-room grates to add warmth, cheer, and smog to the British winter, will henceforth be available without restriction."

The struggles surrounding British coal produced myriad studies about labor relations, resource management, and controlled economies. Today it seems hard to imagine an era when alternative energy wasn't an option—when the alternative to energy was no energy.

—Charles Lindsey

HOOVER INSTITUTION ON WAR, REVOLUTION AND PEACE

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