HOOVER DIGEST

RESEARCH + COMMENTARY ON PUBLIC POLICY

WINTER 2025 NO.1

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ON THE COVER

Immigrants arrive in New York Harbor in this poster promoting a World War I bond drive. Bond campaigns sounded many stirring themes—this one connects the "first thrill of liberty" to a duty to support the war effort. What complicates this patriotic image is another event of 1917: the passage of legislation laying out strict rules for who deserved to have the thrill of immigrating to America in the first place. It and another sweeping law, passed in 1924, had profound demographic effects during the twentieth century. **See story, page 204.**

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HOOVER DIGEST

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Perils of Isolationism

The United States, and especially its new president, must face threats abroad and reaffirm America's role as a force for good throughout the world.

By Condoleezza Rice

In times of uncertainty, people reach for historical analogies. After 9/11, George W. Bush administration officials invoked Pearl Harbor as a standard comparison in processing the intelligence failure that led to the attack. Secretary of State Colin Powell referred to imperial Japan's attack in making the case that Washington should deliver an ultimatum to the Taliban, saying, "Decent countries don't launch surprise attacks." And as officials in the Situation Room tried to assess progress in Afghanistan and, later, Iraq, another analogy came up more than a few times: US President Lyndon Johnson's disastrous reliance on body counts in Vietnam. Even if history doesn't repeat itself, it sometimes rhymes.

Today's favorite analogy is the Cold War. The United States again faces an adversary that has global reach and insatiable ambition, with China taking the place of the Soviet Union. This is a particularly attractive comparison,

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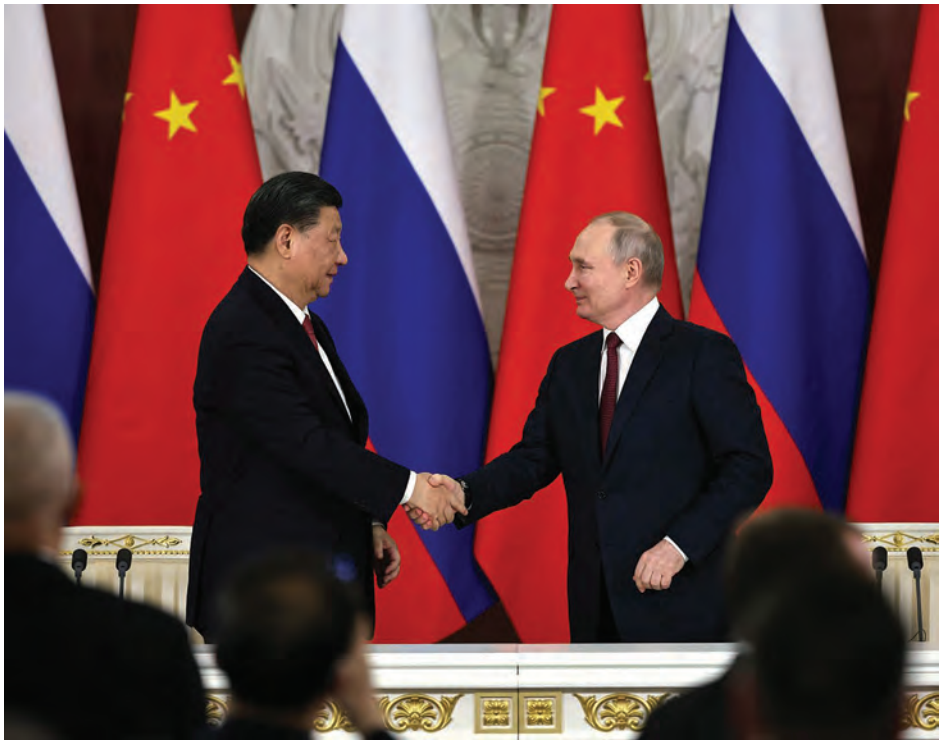
[Taylor Jones—for the *Hoover Digest*]

MONEY TROUBLES: Elvira Nabiullina, chief of Russia's Central Bank, has worked hard to compensate for Russia's financial vulnerabilities. But cracks in the Russian economy are showing. [Artem Priakhin—ZUMA Press/ Newscom]

of course, because the United States and its allies won the Cold War. But the current period is not a Cold War redux. It is more dangerous.

China is not the Soviet Union. The Soviet Union was self-isolating, preferring autarky to integration, whereas China ended its isolation in the late 1970s. A second difference between the Soviet Union and China is the role of ideology. Under the Brezhnev Doctrine that governed Eastern Europe, an ally had to be a carbon copy of Soviet-style communism. China, by contrast, is largely agnostic about the internal composition of other states. It fiercely defends the primacy and superiority of the Chinese Communist Party but does not insist that others do the equivalent, even if it is happy to support authoritarian states by exporting its surveillance technology and social media services.

So, if the current competition is not Cold War 2.0, then what is it? Giving in to the impulse to find historical references, if not analogies, one may find more food for thought in the imperialism of the late nineteenth century and the zero-sum economies of the interwar period. Now, as then, revisionist powers are acquiring territory through force, and the international order is breaking down. But perhaps the most striking and worrying similarity is that today, as in the previous eras, the United States is tempted to turn inward.



NO LIMITS? Chinese leader Xi Jinping and Russian leader Vladimir Putin prepare to speak at a 2023 summit. Beijing can't let Putin lose in Ukraine, but it likely has no real enthusiasm for his adventurism on behalf of a new Russian Empire—particularly if it puts China in the crosshairs for sanctions. [Presidential Executive Office of Russia]

THE REVENGE OF GEOPOLITICS

While previous eras of competition were characterized by great-power clashes, during the Cold War, territorial conflict was fought largely through proxies, as in Angola and Nicaragua. Moscow mostly confined its use of military force to its own sphere of influence in Eastern Europe, as when it crushed uprisings in Hungary and Czechoslovakia. The 1979 Soviet invasion of Afghanistan crossed a new line, but the move did not fundamentally challenge US interests, and the conflict eventually became a proxy war. Where Soviet and US forces did face each other directly, across the German divide, the extreme danger of the two Berlin crises gave way to a kind of tense stability thanks to nuclear deterrence.

Today's security landscape features the danger of direct military conflict between great powers. China's territorial claims challenge US allies from

Japan to the Philippines and other US partners in the region, such as India and Vietnam. Long-held US interests such as freedom of navigation run into direct conflict with China's maritime ambitions.

Then there is Taiwan. An attack on Taiwan would require a US military response, even if the policy of "strategic ambiguity" created uncertainty about the exact nature of it. For years, the United States has acted as a kind of rheostat in the Taiwan Strait, with the goal of preserving the status quo. Since 1979, administrations from both parties have sold arms to Taiwan. President Bill Clinton deployed the USS *Independence* to the strait in 1996 in response to Beijing's aggressive activity. In 2003, the Bush administration publicly chastised Taiwanese President Chen Shui-bian when he proposed a referendum that sounded very much like a vote on independence. All along, the goal was to maintain—or occasionally, restore—what had become a relatively stable status quo.

In recent years, Beijing's aggressive military activities around Taiwan have challenged that equilibrium. In Washington, strategic ambiguity has largely given way to open discussion of how to deter and, if necessary, repel a Chinese invasion. But Beijing could threaten Taiwan in other ways. It could blockade the island, as Chinese forces have practiced in exercises. Or it could seize small, uninhabited Taiwanese islands, cut underwater cables, or launch large-scale cyberattacks. These strategies might be smarter than a risky and difficult assault on Taiwan and would complicate a US response.

The overarching point is that Beijing has Taiwan in its sights. Chinese leader Xi Jinping, who views the island as a rogue province, wants to complete the restoration of China and take his place in the pantheon of leaders next to Mao Zedong. Hong Kong is now effectively a province of China, and bringing Taiwan to heel would fulfill Xi's ambition. That risks open conflict between US and Chinese forces.

Alarmingly, the United States and China still have none of the deconfliction measures in place that the United States and Russia do. During the 2008 war in Georgia, for instance, Michael Mullen, the chairman of the Joint Chiefs of Staff, had ongoing contact with his Russian counterpart, Nikolai Makarov, so as to avoid an incident as the US Air Force flew Georgian troops home from Iraq to join the fight. Compare that with 2001, when a hot-dogging Chinese pilot hit a US reconnaissance plane and forced it to the ground. The crew was detained on Hainan Island, and for three days, Washington was unable to make high-level contact with the Chinese leadership. I was national security adviser at the time. Finally, I located my Chinese counterpart, who was on a trip in Argentina, and got the Argentines to take a phone to him at a barbecue. "Tell your leaders to

FRIENDS IN HIGH PLACES: Pope John Paul II meets Polish leader Lech Walesa during the pope's trip to Poland in June 1997. The US response to the rise of Solidarity, the Polish trade union, provides an important lesson in how to nurture antiauthoritarian movements—as hard as that might be to do in Putin's Russia. [Giancarlo Giuliani/IPA via ZUMA Press]

take our call," I implored. Only then were we able to defuse the crisis and free the crew. The reopening of military-to-military contacts with China earlier this year, after a four-year freeze, was a welcome development. But it is a far cry from the types of procedures and lines of communication needed to prevent accidental catastrophe.

China's conventional military modernization is impressive and accelerating. The country now has the largest navy in the world, with over three hundred and seventy ships and submarines. The growth in China's nuclear arsenal is also alarming. While the United States and the Soviet Union came to a more or less common understanding of how to maintain the nuclear equilibrium during the Cold War, that was a two-player game. If China's nuclear modernization continues, the world will face a more complicated, multiplayer scenario—and without the safety net that Moscow and Washington developed.

The potential for conflict comes against the backdrop of an arms race in revolutionary technologies: artificial intelligence, quantum computing, synthetic biology, robotics, advances in space, and others. In 2017, Xi gave a

speech in which he declared that China would surpass the United States in these frontier technologies by 2035. Although he was undoubtedly trying to rally China's scientists and engineers, it may be a speech he has come to regret. Just as it was after the Soviet Union launched the Sputnik satellite, the United States was forced to confront the possibility that it could lose a technological race to its main adversary—a realization that has spurred a concerted pushback from Washington.

Revisionist powers are taking territory through force, and the international order is breaking down.

When the COVID-19 pandemic hit in 2020, the United States suddenly understood further vulnerabilities. The supply chain for everything from pharmacological inputs to rare-earth minerals depended on China. Beijing had taken the lead in industries that the United States once dominated, such as the production of batteries. Access to high-end semiconductors, an industry created by American giants such as Intel, turned out to depend on the security of Taiwan, where 90 percent of advanced chip making takes place.

It is hard to overstate the shock and sense of betrayal that gripped US leaders. US policy toward China was always something of an experiment, with proponents of economic engagement betting that it would induce political reform. For decades, the benefits flowing from the bet seemed to outweigh the downsides. Even if there were problems with intellectual-property protection and market access (and there were), Chinese domestic growth fueled international economic growth. China was a hot market, a good place to invest, and a valued supplier of low-cost labor. Supply chains stretched from China across the world. By the time China joined the World Trade Organization, in 2001, the total trade volume between the United States and China had increased roughly fivefold over the previous decade, reaching $120 billion. It seemed inevitable that China would change internally, since economic liberalization and political control were ultimately incompatible. Xi came to power agreeing with this maxim, but not in the way the West had hoped: instead of economic liberalization, he chose political control.

Not surprisingly, the United States eventually reversed course, beginning with the Trump administration and continuing through the Biden administration. A bipartisan agreement emerged that China's behavior was unacceptable. As a result, the United States' technological decoupling from China is now well under way, and a labyrinth of restrictions impedes outbound and inbound investment. For now, American universities remain open to training Chinese

graduate students and to international collaboration, both of which have significant benefits for the US scientific community. But there is far more awareness of the challenge that these activities can pose for national security.

So far, however, decoupling does not extend to the full range of commercial activity. The international economy will still be well served by trade and investment between the world's two largest economies. The dream of seamless integration may be dead, but there are benefits—including to global stability—if Beijing continues to have a stake in the international system. Some problems, such as climate change, will be difficult to address without China's involvement. Washington and Beijing will need to find a new basis for a workable relationship.

THE RUSSIAN EMPIRE REBORN

In the final 2012 presidential debate, US President Barack Obama argued that his opponent, Mitt Romney, was overhyping the danger from Russia, suggesting that the country was no longer a geopolitical threat. With the 2014 annexation of Crimea, it became clear that Russian President Vladimir Putin begged to differ.

The next step, Putin's invasion of Ukraine in 2022, has brought his ambition to restore the Russian Empire face to face with the red lines of Article 5 of NATO's founding treaty, which stipulates that an attack on one member is treated as an attack on all. Early in the war, NATO worried that Moscow might attack supply lines in Poland and Romania, both members of the alliance. So far, Putin has shown no appetite for triggering Article 5, but the Black Sea (which the czars considered a Russian lake) has again become a source of conflict and tension. Remarkably, Ukraine, a country that barely has a navy, has successfully challenged Russian naval power and can now move grain along its own coastline. Even more devastating for Putin, his gambit has produced a strategic alignment among Europe, the United States, and much of the rest of the world, leading to extensive sanctions against Russia. It is now an isolated and heavily militarized state.

Beijing has Taiwan in its sights.

Putin surely never thought it would turn out this way. Moscow initially predicted Ukraine would fall within days of the invasion. Russian forces were carrying three days' worth of provisions and dress uniforms for the parade they expected to hold in Kyiv. The embarrassing first year of the war exposed the weaknesses of the Russian armed forces, which turned out to be riddled with corruption and incompetence. But as it has done throughout its

ON GUARD: US Secretary of Defense Lloyd Austin, right, meets with British Secretary of State for Defense John Healey, center, and Australian Deputy Prime Minister and Defense Minister Richard Marles at an AUKUS conference in London last September. The three-nation group represents one of the responses to the behavior of China and Russia in the Asia-Pacific region.
[Polaris/Newscom]

history, Russia has stabilized the front, relying on old-fashioned tactics such as human wave attacks, trenches, and land mines. The incremental way in which the United States and its allies supplied weapons to Ukraine—first debating whether to send tanks, then doing so, and so on—gave Moscow breathing room to mobilize its defense industrial base and throw its huge manpower advantage at the Ukrainians.

Still, the economic toll will haunt Moscow for years to come. An estimated one million Russians fled their country in response to Putin's war, many of them young and well educated. Russia's oil and gas industry has been crippled by the loss of important markets and the withdrawal of the multinational oil giants BP, Exxon, and Shell. Russia's talented central banker, Elvira Nabiullina, has covered up many of the economy's vulnerabilities, walking a tightrope without access to the $300 billion in frozen Russian assets held in the West, and China has stepped in to take off some of the pressure. But the cracks in the Russian economy are showing. According to a report

ON THE NORTHERN LINE: Finnish Defense Forces parade in 2022 in the city of Hamina. Finland's accession to NATO, along with that of Sweden, brings meaningful military capability to the alliance's arctic flank and helps secure the Baltic states. [Marina Takimoto—ZUMA Press/Newscom]

commissioned for Gazprom, the majority-state-owned energy giant, the company's revenue will stay below its pre-war level for at least ten years thanks to the effects of the invasion.

Thoughtful economic players in Moscow are worried. But Putin cannot lose this war, and he is willing to sacrifice everything to stave off disaster. As Germany's experience in the interwar period suggests, an isolated, militarized, declining power is exceedingly dangerous.

The challenge is complicated by Russia's growing cooperation with China, Iran, and North Korea. The four countries have a common cause: to undermine and replace the US-led international system that they detest. Still, it is worth noting that their strategic interests are not easy to harmonize. Beijing cannot let Putin lose but likely has no real enthusiasm for his adventurism on behalf of a new Russian Empire—particularly if it puts China in the crosshairs for secondary sanctions on its own struggling economy.

Meanwhile, the growth of Chinese power in Central Asia and beyond is not likely to warm the hearts of the xenophobes in the Kremlin. China's ambitions complicate Russia's relations with India, a longstanding military

partner that is now turning more toward the United States. Russia's dalliance with North Korea complicates its own relationship with South Korea—and China's, as well. Iran terrifies both Russia and China as it moves closer to developing a nuclear weapon. Tehran's proxies are a constant source of trouble in the Middle East: the Houthis endanger shipping in the Red Sea, Hamas recklessly launched a war with Israel, Hezbollah in Lebanon threatened a regional conflagration, and militias in Iraq and Syria that Tehran does not always seem to control have carried out attacks on US military personnel. A nasty and unstable Middle East is not good for Russia or China. And none of the three powers really trusts North Korea's erratic leader, Kim Jong Un.

If China's nuclear modernization continues, the world will face a multiplayer scenario—without the safety net Moscow and Washington developed.

That said, international politics has always made for strange bedfellows when revisionist powers seek to undo the status quo. And they can do a lot of collective damage despite their differences.

THE CRUMBLING ORDER

The post–World War II liberal order was a direct response to the horrors of the interwar period. The United States and its allies looked back on the economic depression and international aggression of the 1920s and 1930s and located the cause in beggar-thy-neighbor protectionism, currency manipulation, and violent quests for resources—for example, leading to the aggressive behavior by imperial Japan in the Pacific. The absence of the United States as a kind of offshore mediator also contributed to the breakdown of order. The one effort to build a moderating institution after World War I, the League of Nations, proved to be a pathetic disgrace, covering aggression rather than confronting it. Asian and European powers, left to their own devices, fell into catastrophic conflict.

After World War II, the United States and its allies built an economic order that was no longer zero-sum. At the Bretton Woods conference, they laid the groundwork for the International Monetary Fund, the World Bank, and the General Agreement on Tariffs and Trade (the predecessor of the World Trade Organization), which together promoted the free movement of goods and services and stimulated international economic growth. For the most part, it was a wildly successful strategy. Global GDP grew and grew, surpassing the $100 trillion mark in 2022.

The companion to this "economic commons" was a "security commons" that was also led by the United States. Washington committed to the defense of Europe through NATO's Article 5, which, after the Soviet Union's successful nuclear test in 1949, essentially meant pledging to trade New York for London or Washington for Bonn. A similar US commitment to Japan allowed that country to replace the legacy of its hated imperial military with self-defense forces and a "peace constitution," easing relations with its neighbors. By 1953, South Korea also had a US security guarantee, ensuring peace on the Korean Peninsula. As the United Kingdom and France stepped back from the Middle East after the 1956 Suez crisis, the United States became the guarantor of freedom of navigation in the region and, in time, its major stabilizing force.

Today's international system is not yet a throwback to the early twentieth century. The death of globalization is often overstated, but the rush to pursue onshoring, near-shoring, and "friend shoring," largely in reaction to China, does portend a weakening of integration. The United States has been largely absent from negotiations on trade for almost a decade now. It's hard to recall the last time that an American politician gave a spirited defense of free trade. The new consensus raises the question: can the aspiration for the freer movement of goods and services survive the United States' absence from the game?

US policy toward China was always something of an experiment. Some bet that it would induce political reform.

Globalization will continue in some form. But the sense that it is a positive force has lost steam. Consider the way countries acted in response to 9/11 versus how they acted in response to the pandemic. After 9/11, the world united in tackling terrorism, a problem that almost every country was experiencing in some form. Within a few weeks of the attack, the UN Security Council had unanimously passed a resolution allowing the tracking of terrorist financing across borders. Countries quickly harmonized their airport security standards. The United States soon joined with other countries to create the Proliferation Security Initiative, a forum for sharing information on suspicious cargo that would grow to include more than one hundred member states.

Fast-forward to 2020, and the world saw the revenge of the sovereign state. International institutions were compromised, the chief example being the World Health Organization, which had grown too close to China. Travel restrictions, bans on the export of protective gear, and claims on vaccines complicated the road to recovery.

With the growing chasm between the United States and its allies on one side and China and Russia on the other, it is hard to imagine this trend reversing. Economic integration, which after the collapse of the Soviet Union was thought to be a common project for growth and peace, has given way to a zero-sum quest for territory, markets, and innovation. Still, one would hope that humankind has learned from the disastrous consequences of protectionism and isolationism in the late nineteenth and early twentieth centuries. So how can it avoid a repeat of history?

No one knows how long the shell of Russian greatness can survive, but it can do a lot of harm before it cracks.

ANOTHER TWILIGHT STRUGGLE

The United States might take the advice that the diplomat George Kennan gave in his famous "Long Telegram" of 1946. Kennan advised Washington to deny the Soviet Union the easy course of external expansion until it was forced to deal with its own internal contradictions. This was prescient, as four decades later, Soviet leader Mikhail Gorbachev's attempts to reform a fundamentally rotten system wound up collapsing it instead.

Today, Russia's internal contradictions are obvious. Putin has undone thirty-plus years of Russian integration into the international economy and relies on a network of opportunistic states that throw crumbs his way to sustain his regime. No one knows how long this shell of Russian greatness can survive, but it can do a lot of harm before it cracks. Resisting and deterring Russian military aggression is essential until it does.

Putin counts on a cowed and poorly informed population, and his regime indoctrinates young people in ways reminiscent of the Hitler Youth. The announcement last June that Russian children would attend summer camps in North Korea, of all places, is stunning. Russians, once able to travel and study abroad, now face a different future. They must make sacrifices, Putin tells them, in the service of "Mother Russia."

Yet Russia's human potential has always been great, despite what often seems like a deliberate plot by its leaders to destroy it. It is incumbent on the United States, Europe, and others to keep some connection to the Russian people. Russians should be allowed, when possible, to study and work abroad. Efforts, open and covert, should be made to pierce Putin's propaganda, particularly in the cities, where he is neither trusted nor liked. Finally, the Russian opposition cannot be abandoned. The Baltic states house much of

the organization built by the activist Alexei Navalny, who died in a Siberian prison last February. He was one of the few leaders who had a real following in much of Russia. His death cannot be the end of his cause.

Isolation has never been the answer to the United States' security or prosperity.

The case of Solidarity, the Polish trade union, provides an important lesson in how to nurture antiauthoritarian movements. When Poland's Soviet-aligned regime declared martial law in 1981, Solidarity's leader, Lech Walesa, went underground with his organization. The group was sustained by an odd troika: the Reagan administration's CIA, the AFL-CIO, and the Vatican (and its Polish-born pope, John Paul II). Solidarity received relatively simple support from abroad, such as cash and printing presses. But when a political opening came in 1989, Walesa and company were ready to step in and lead a relatively smooth transition to democracy. The main lesson is that determined efforts can sustain opposition movements, as hard as that might be in Putin's Russia.

China's one-child policy, brutally enforced for decades, was the kind of mistake only an authoritarian regime could have made.

China's future is by no means as bleak as Russia's. Yet China, too, has internal contradictions. The country is experiencing a rapid demographic inversion rarely seen outside of war. Births have declined by more than 50 percent since 2016, such that the total fertility rate is approaching 1.0. The one-child policy, put in place in 1979 and brutally enforced for decades, was the kind of mistake that only an authoritarian regime could have made, and now, millions of Chinese men don't have mates. Since the policy ended in 2016, the state has tried to browbeat women into having children, turning women's rights into a crusade for childbearing—yet more evidence of the panic in Beijing.

Another contradiction stems from the uneasy coexistence of capitalism and authoritarian communism. Xi has turned out to be a true Marxist. China's golden age of private sector–led growth has slowed in large part because of the Chinese Communist Party's anxiety about alternative sources of power. China used to lead the world in online education startups, but in 2021, the government cracked down on them because it could not reliably monitor their content. A once-thriving entrepreneurial culture has withered away. China's aggressive behavior toward foreigners has exposed other contradictions. Xi knows that China needs foreign direct investment, and he courts corporate leaders from across the world. But then, a Western firm's offices

are raided or one of its Chinese employees is detained, and, not surprisingly, a trust deficit grows between Beijing and foreign investors.

China is also suffering a trust deficit with its youth. Young Chinese citizens may be proud of their country, but a 20 percent youth unemployment rate has undermined their optimism for the future. Xi's heavy-handed propagation of "Xi Jinping Thought" turns them off. This has led them to adopt an attitude of what is known colloquially as "lying flat," a passive-aggressive stance of going along to get along while harboring no loyalty or enthusiasm for the regime. Now is thus not the time to isolate Chinese youth but the time to welcome them to study in the United States. As Nicholas Burns, the US ambassador to China, has noted, a regime that goes out of its way to intimidate its citizens to discourage them from engaging with Americans is not a confident regime. Indeed, it is a signal for the United States to keep pushing for connections to the Chinese people.

Meanwhile, Washington will need to maintain economic pressure on the revisionist powers. It should continue isolating Russia, with an eye toward arresting Beijing's creeping support for the Kremlin. But it should refrain from imposing blunt sanctions against China, since they would be ineffective and counterproductive, crippling the US economy in the process. Targeted sanctions, by contrast, may slow Beijing's military and technological progress, at least for a while. Iran is much more vulnerable. Never again should Washington unfreeze Iranian assets, as the Biden administration did as part of a deal to release five imprisoned Americans. Efforts to find moderates among Iran's theocrats are doomed to failure and serve only to allow the mullahs to escape the contradictions of their unpopular, aggressive, and incompetent regime.

The United States and other democracies must win the technological arms race.

WHAT IT TAKES

This strategy will require investment. The United States needs to maintain the defense capabilities to deny China, Russia, and Iran their strategic goals. The war in Ukraine has revealed weaknesses in the US defense industrial base that must be remedied. Critical reforms need to be made to the defense budgeting process, which is inadequate to this task. Congress must strive to enhance the Defense Department's long-term strategic planning process, as well as its ability to adapt to evolving threats. The Pentagon should also work with Congress to gain greater efficiencies from the amount it already spends.

Costs can be reduced in part by speeding up the Pentagon's slow procurement and acquisition processes so that the military can better harness the remarkable technology coming out of the private sector. Beyond military capabilities, the United States must rebuild the other elements of its diplomatic toolkit—such as information operations—that have eroded since the Cold War.

The United States and other democracies must win the technological arms race, since in the future, transformative technologies will be the most important source of national power. The debate about the balance between regulation and innovation is just beginning. But while the possible downsides should be acknowledged, ultimately it is more important to unleash these technologies' potential for societal good and national security. Chinese progress can be slowed but not stopped, and the United States will have to run fast and hard to win this race. Democracies will investigate these technologies, call congressional hearings about them, and debate their impact openly. Authoritarians will not. For this reason, among many others, authoritarians must not triumph.

Moscow needs to know this: NATO does not intend to leave a vacuum in Europe.

The good news is that given the behavior of China and Russia, the United States' allies are ready to contribute to the common defense. Many countries in the Asia-Pacific region, including Australia, the Philippines, and Japan, recognize the threat and appear committed to addressing it. Relations between Japan and South Korea are better than ever. Moscow's recent agreements with Pyongyang have alarmed Seoul and should deepen its cooperation with democratic allies. India, through its membership in the Quadrilateral Security Dialogue—also known as the Quad, the strategic partnership that also includes Australia, Japan, and the United States—is cooperating closely with the US military and emerging as a pivotal power in the Indo-Pacific. Vietnam, too, appears willing to contribute, given its own strategic concerns with China. The challenge will be to turn the ambitions of US partners into sustained commitment once the costs of enhanced defense capabilities become clear.

In Europe, the war in Ukraine has mobilized NATO in ways unimaginable a few years ago. The addition of Sweden and Finland to NATO's Arctic flank brings real military capability and helps secure the Baltic states. The question of postwar security arrangements for Ukraine hangs over the continent at this moment. The most straightforward answer would be to admit Ukraine

to NATO and simultaneously to the European Union. Both institutions have accession processes that would take some time. The key point is this: Moscow needs to know that the alliance does not intend to leave a vacuum in Europe.

The United States also needs a strategy for dealing with the nonaligned states of the global South. These countries will insist on strategic flexibility, and Washington should resist the urge to issue loyalty tests. Rather, it should develop policies that address their concerns. Above all, the United States needs a meaningful alternative to the Belt and Road Initiative, China's massive global infrastructure program. The BRI is often depicted as helping China win hearts and minds, but in reality it is not winning anything. Recipients are growing frustrated with the corruption, poor safety and labor standards, and fiscal unsustainability associated with its projects. The aid that the United States, Europe, Japan, and others offer is small by comparison, but unlike Chinese aid, it can attract significant foreign direct investment from the private sector, thus dwarfing the amount provided by the BRI. But you can't beat something with nothing. A US strategy that shows no interest in a region until China shows up is not going to succeed. Washington needs to demonstrate sustained engagement with countries in the global South on the issues they care about—namely, economic development, security, and climate change.

Generating support for an internationalist foreign policy requires the president to paint a vivid picture of what that world would be like without an active United States.

WHICH WAY, AMERICA?

The pre–World War II era was defined not only by great-power conflict and a weak international order but also by a rising tide of populism and isolationism. So is the current era. The main question hanging over the international system today is, where does America stand?

The biggest difference between the first half of the twentieth century and the second half was the fact of Washington's sustained and purposeful global engagement. After World War II, the United States was a confident country, with a baby boom, a growing middle class, and unbridled optimism about the future. The struggle against communism provided bipartisan unity, even if there were sometimes disagreements over specific policies. Most agreed with President John F. Kennedy that their country was willing to "pay any price, bear any burden" in the defense of freedom.

The United States is a different country now—exhausted by eight decades of international leadership, some of it successful and appreciated, and some of it dismissed as failure. The American people are different, too—less confident in their institutions and in the viability of the American dream. Years of divisive rhetoric, Internet echo chambers, and, even among the best-educated youth, ignorance of the complexity of history have left Americans with a tattered sense of shared values. For the latter problem, elite cultural institutions bear much of the blame. They have rewarded those who tear down the United States and ridiculed those who extol its virtues. To address Americans' lack of faith in their institutions and in one another, schools and colleges must change their curricula to offer a more balanced view of US history. And instead of creating a climate that reinforces one's existing opinions, these and other institutions should encourage a healthy debate in which competing ideas are encouraged.

That said, great-power DNA is still very much in the American genome. Americans carry two contradictory thoughts simultaneously. One side of the brain looks at the world and thinks that the United States has done enough, saying, "It is someone else's turn." The other side looks abroad and sees a large country trying to extinguish a smaller one, children choking on nerve gas, or a terrorist group beheading a journalist and says, "We must act." The president can appeal to either side.

The new Four Horsemen of the Apocalypse—populism, nativism, isolationism, and protectionism—tend to ride together, and they are challenging the political center. Only the United States can counter their advance and resist the temptation to go back to the future. But generating support for an internationalist foreign policy requires a president to paint a vivid picture of what that world would be like without an active United States. In such a world, an emboldened Putin and Xi, having defeated Ukraine, would move on to their next conquest. Iran would celebrate the United States' withdrawal from the Middle East and sustain its illegitimate regime by external conquest through its proxies. Hamas and Hezbollah would launch more wars, and hopes that Gulf Arab states would normalize relations with Israel would be dashed. The international economy would be weaker, sapping US growth. International waters would be contested, with piracy and other incidents at sea stalling the movement of goods. American leaders should remind the public that a reluctant United States has repeatedly been drawn into conflict—in 1917, 1941, and 2001. Isolation has never been the answer to the country's security or prosperity.

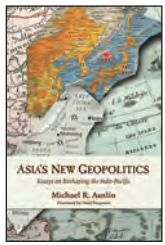
Then, a leader must say that the United States is well positioned to design a different future. The country's endlessly creative private sector is capable of continuous innovation. The United States has an unparalleled and secure

energy bounty from Canada to Mexico that can sustain it through a reasonable energy transition over the many years it will take. It has more allies than any great power in history and good friends, as well. People around the world seeking a better life still dream of becoming Americans. If the United States can summon the will to deal with its immigration puzzle, it will not suffer the demographic calamity that faces most of the developed world.

The United States' global involvement will not look exactly as it has for the past eighty years. Washington is likely to choose its engagements more carefully. If deterrence is strong, that may be enough. Allies will have to bear more of the cost of defending themselves. Trade agreements will be less ambitious and global but more regional and selective.

Internationalists must admit that they had a blind spot for those Americans, such as the unemployed coal miner and steelworker, who lost out as good jobs fled abroad. And the forgotten did not take kindly to the argument that they should shut up and be happy with cheap Chinese goods. This time, there can be no more platitudes about the advantages of globalization for all. There must be a real effort to give people meaningful education, skills, and job training. The task is even more urgent since technological progress will severely punish those who cannot keep up.

Those who argue for engagement will need to reframe what it means. The eighty years of US internationalism is another analogy that doesn't perfectly fit the circumstances of today. Still, if the nineteenth and early twentieth centuries taught Americans anything, it is this: other great powers don't mind their own business. Instead, they seek to shape the global order. The future will be determined by the alliance of democratic, free market states or it will be determined by the revisionist powers, harking back to a day of territorial conquest abroad and authoritarian practices at home. There is simply no other option. ■



In Praise of "Price Gouging"

"Gouging" is an accusation politicians enjoy flinging about. But the remedy they so often propose—fixed prices—only makes for scarce goods.

By John H. Cochrane

Kamala Harris delivered a policy speech last summer that ignited a debate about "price gouging" and what the government should do about it.

We should praise price gouging. Yes, pass a new federal law, one that overrides the many state laws against price gouging.

What is price gouging and how could I possibly say that? The classic case of "price gouging" happens in a natural disaster or pandemic. A hurricane is coming, so people run down to hardware stores and clean out

Key points

» A sharply higher price directs supply to those who really need it.

» Price gouging encourages new supply, holding stockpiles for a rainy day, efficient use of those stockpiles, and the use of substitutes.

» The alternative to rationing by price is rationing by waiting in line or by political favoritism.

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RUNNING DRY: Gasoline pumps sit idle in Sutherlin, Oregon, in October 1973. The "oil shock" of 1973–74 was triggered by an Arab embargo meant to punish US support of Israel during the Yom Kippur War. Consumers then, and during similar crises, hoarded fuel and worsened shortages. [David Falconer—Environmental Protection Agency]

the four-by-eight sheets of plywood to board up their windows. Stores raise their prices, people who have the plywood sell it at high prices to those that don't. After the storm, gasoline trucks can't get in for a few days. Gas stations raise prices to $10 per gallon. During the COVID pandemic, you might recall, people got worried about toilet paper and went out to buy it, cleaning out shelves. Stores that raised prices were accused of "gouging."

Price gouging is fundamentally different from monopoly pricing, collusion, or price fixing. Price gouging happens in perfectly competitive markets. There suddenly isn't enough to go around, from either a surge in demand or a contraction in supply. Prices rise sharply above what people are used to paying. Those that have inventories, bought when prices were lower, can turn around and make a temporary profit. Harris's statement on "gouging" overlooked the fact that price fixing is already illegal, and it's abundantly clear grocery stores are not doing it.

WHO'S GOT PLYWOOD?

Price gouging is wonderful for all the reasons that letting supply equal demand is wonderful. When there is a limited supply, then a sharply higher price directs that supply to those who really need it. It's day two after the hurricane. Who really needs gas? An ambulance, police, or a fire truck? A disabled person, needing to get to a doctor across town? Or someone who could bike, take public transit, or walk with just a little effort to go see a friend?

Price gouging is wonderful for all the reasons that letting supply equal demand is wonderful.

Hoarding goes with price controls, leading to empty shelves. Why did people buy tons of toilet paper in the pandemic? They were worried about not being able to get it in the future. If the stores had not been worried about price gouging, they would have raised the prices a lot more, and people with that idea would have gotten the message: don't bother to stock up now—and if you really need it, there will always be some in the store later.

Laws limiting price gouging also reduce supply. If gas goes to $10 per gallon, there is a huge incentive for anyone who has a gasoline tanker to fire it up, buy some gas out in the sticks, bring it in, and sell it to local gas stations. If you can't sell it for a good price, and the gas station can't recoup that price, it doesn't happen.

Supplies interact. A truck bringing in food really should get some of the available gas. But if a price-gouging limit on gas means that truck can't get gas, then it can't bring in food, either. A price-gouging limit on food means the truck can't afford the gas.

Inventory is a great source of supply. If you run a Home Depot in Florida, how many four-by-eight sheets of plywood do you keep around? Well, if you're allowed to sell them for $100 each when the next hurricane is coming, a lot. If you must charge only the regular price until the shelves empty out, then not so much. Inventory is expensive.

"Windfall profits" belong in the pantheon of saints along with price gouging. In competitive industries, they are what encourages people to enter markets and offer new supply.

Price gouging directs scarce supply to the people who really need it, encourages new supply to come in, encourages holding stockpiles for a rainy day, encourages efficient use of stockpiles we have sitting around,

and encourages people to substitute for less scarce goods when they can.

Anti-price-gouging efforts also target resellers. Suppose you have twenty four-by-eight plywood sheets in your basement, waiting for that big remodel. In the day before the hurricane, you put them on eBay, or just outside the front of the garage, for $100 each. That way, someone else gets to save his house. But not if the cops are going to come arrest you for it.

WHEN IN DOUBT, HAND OUT CASH

But what about people who can't "afford" $10 gas and just have to get, say, to work? Rule number one of economics is don't distort prices in order to transfer income. First, take a breath. In the big scheme of things, even a month of having to pay $10 for gas is not a huge change in the distribution of lifetime resources available to people. "Afford" is a squishy concept. You say you can't afford $100 to fill your tank. But if I offer to sell you a Porsche for $100, you might suddenly be able to "afford" it.

But more deeply, if distributional consequences of a shock are important, then hand out cash, so long as everyone faces the same prices. Give everyone $100 to "pay for gas." But let them keep the $100 or spend it on something else if they look at the $10 price of gas and decide it's worth inconvenient substitutes like carpooling, public transit, bicycles, or not going anywhere, and using the money on something else instead.

This is, mostly, what our government did during COVID. There was a lot of noise about price gouging then, too, but by and large the government just handed out checks so everyone could pay higher prices. (With the exception of rental housing.) We got inflation, but we did not get the devastation that would have been caused by price controls and rationing.

In competitive industries, so-called "windfall profits" are what encourage people to enter the market and offer new supply.

Yes, rationing. Nobody likes "price gouging," but choices are always between alternatives. How else but higher prices are we going to decide who gets the short supply? The alternative to rationing by price is rationing by waiting in line, or by political preference. Or by who you know.

Paying higher prices reduces your real income, and nobody likes that. But with less to go around, our collective real income is lower no matter what the government does about it. The government can only transfer resources, not

create them. And all the fixes to price gouging make the shortage worse, by discouraging people to cut back on demand or bring in new supplies.

Yet the cultural and moral disapproval of price gouging is strong. Going back thousands of years, people (and theologians) have felt that charging more than whatever they had gotten accustomed to is immoral, especially if the merchant happened to have an inventory purchased in an earlier time. This "just price" moral feeling surely motivates a lot of the anti-price-gouging campaign. Economics has only understood how virtuous price gouging is in the past two hundred and fifty years.

Indeed, companies are very reluctant to price gouge. Costco let the shelves run out of toilet paper rather than raise prices. Other stores rationed: you can have only four rolls—no matter whether the cupboard is bare and you have a house of eight people with diarrhea, or you're stocking up your summer house just in case. Their reluctance goes way beyond laws. Price gouging is terrible public relations. And, to some extent, for good reasons. Stores want a reputation for buying cheaply and passing on the low cost to the customer.

It is surely morally worthy to give what you have to your neighbors in time of need. But we should not demand gifts.

As much as the United States is the land of free markets—and it is, culturally, compared to other places—we have a ways to go in our cultural acceptance of market behavior. It should be, "You're free to charge what you want for your property, and I'm free to not buy. Everybody stop whining." It is not.

Uber surge pricing was an important lesson for me. I loved it. I could always get a car if I really needed one, and I could see how much extra I was paying and decide whether I really did need it. I was grateful that Uber let me pay other people to postpone their trip for a while, and that the system sent a loud signal that more drivers were needed. But ride-share drivers reported that everyone else hated it and felt cheated.

THE VERY LAST MOTEL ROOM

This cultural and moral disapproval came home to me strongly a few decades ago. We were driving from Chicago to Boston in our minivan, with four young children, the dog, and my mother. We got to upstate New York and needed to stop for the night. This was before cell phones and the Internet, so the common thing was to pull off at a big freeway interchange—marked "food, phone, gas, lodging"—and see what was available. Nothing. We tried hotel after

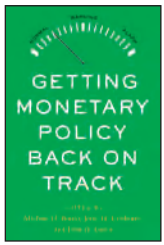
hotel. We asked them to call around. Nothing. It turned out that this was the weekend of Woodstock '94, a huge music festival. As the evening wore on, the children were turning into pumpkins.

Finally, we found a seedy Super 8 motel that had two rooms left, for $400. At the time, Super 8 rooms were about $50 at most. I said immediately, "Thank you, we'll take them!" My mom was furious. "How dare he charge so much!" I tried hard to explain. "If he charged $50, or $100, those rooms would have been gone long ago and we'd be sleeping in the car tonight. Thank him and be grateful! He's a struggling immigrant, running a business. We don't need presents from people who run Super 8s in upstate New York." But nothing I could do would persuade her that the hotel owner wasn't being terrible in "taking advantage of us."

It is surely morally worthy to give what you have to your neighbors in time of need, especially the less fortunate. But we should not demand gifts. And appropriation of property by threat of force, turning off the best mechanism we know for alleviating scarcity, does not follow. Moral feelings are a terrible guide for laws.

Most politicians just supply what people demand. If the culture disapproves, they follow—supply and demand, cause and effect, logic, evidence, and experience be damned. ◼

Reprinted from John H. Cochrane's blog,* The Grumpy Economist *(http://johnhcochrane.blogspot.com).



Taxes up for Grabs

Why does our own government encourage foreign bureaucrats to tax American companies? And how can we stop it?

By Aharon Friedman and Joshua D. Rauh

Americans are concerned as much as ever about consumer prices and their ability to afford goods and services. One policy that would certainly not help would be to encourage foreign countries' governments to place additional taxes on US corporations, including on profits earned in the United States, which global bureaucrats claim are not taxed heavily enough by Congress at home.

Corporations pass a large share of tax increases along to workers through their compensation and to consumers through higher prices. So, workers and consumers would surely feel the hit.

Is anyone seriously proposing that we allow foreign governments to place excess taxes on US corporations that are supposedly "undertaxed" according to a new global tax code that is largely out of US control? Yes—not only is it being seriously proposed but it's already happening, and with the active encouragement of the Biden administration.

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Until recently, this was a project of the Organization for Economic Cooperation and Development, a multilateral organization of developed countries that receives funding from member countries, including the United States. But now, the United Nations is getting into the game of pushing for a global tax cartel that would discriminate against US companies. The United Nations' version is potentially even worse than the OECD's because its measures can be decided by a majority, not by consensus agreement.

A simple majority of UN countries could potentially vote to turn global tax agreements upside down, to the detriment of US companies. Such standards would violate various agreements, which protect against many types of extraterritorial and discriminatory taxation. But the agreements are not self-enforcing.

The United Nations is pushing for a global tax cartel that would discriminate against US companies.

TARGETING AMERICA'S TAX BASE

How did we get here? The OECD transformed its mission of publishing data and encouraging economic development into prevention of corporate tax avoidance. And then, what began as a project to combat tax shelters turned into a project to create a global tax code to the detriment of the US Treasury and American companies, and by direct extension to their workers and consumers.

Indeed, once other countries in the OECD realized that American companies were among the most profitable in the world, they developed agreements at the OECD that would not only limit shifting of profits to tax havens like the Cayman Islands but also allow countries, especially Western European countries that dominate the OECD, to tap into the US corporate tax base.

These policies included a reallocation of taxing rights to be more closely related to the location where a company sells its goods and services (as opposed to where the company's business operations are located), and a global minimum tax, designed so that companies headquartered in countries that don't tax their companies "enough" could be taxed by all the other countries in the agreement. The OECD tax regime would also encourage countries to circumvent the rules with various carveouts for politically favored activities, a particularly harmful feature.

Has the United States actually agreed to this? The first Trump administration was concerned about various unilateral discriminatory taxes other

countries were imposing on US companies, but it feared that just saying no to countries violating existing agreements in order to coerce concessions out of the United States would cause a trade war. So, it instead engaged in prolonged negotiations, leading to a form of global minimum tax that largely exempted the United States as a practical matter. But the Biden administration has since changed the project to try to force Congress to raise taxes on US companies by threatening to have other countries do so if Congress refuses.

China could benefit from rules that target supposedly undertaxed US companies, while effectively exempting many Chinese companies.

While many countries are already raising taxes on American companies under the OECD project, some other aspects of the project have broken down. Seeing that the Biden administration was willing to allow other countries to seize the US tax base, some countries decided to shift the process to the United Nations, which is even more hostile to US interests.

But from the beginning it was practically inevitable that the OECD process would cause the United Nations to become involved. The OECD in 2016 expanded its reach beyond the traditionally defined developed countries by creating a so-called "Inclusive Framework" with membership of 150 countries, including China. But the non-OECD members naturally wanted their own interests to be more strongly represented, as they are in the United Nations.

A global tax code robs citizens of each country of the fundamental sovereign right to make their own laws.

It's bad enough that China could benefit from OECD rules that give it the power to tax supposedly undertaxed US companies, while effectively exempting many Chinese companies. The UN process, however, would put China much closer to the driver's seat, actively making decisions on the design and implementation of such policies, in a major blow to US sovereignty.

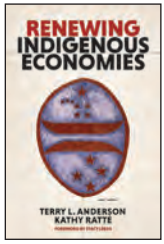
BILATERAL TREATIES

What is the alternative? Bilateral treaties are superior because they can account for the needs of each of the two countries in a manner that a multilateral treaty cannot. The United States should be expanding its network of bilateral treaties (now at just sixty-six) in a manner that promotes American

sovereignty. Yet the Biden administration terminated the US-Hungary tax treaty in retaliation for Hungary expressing concerns about the OECD process.

The United States should also insist that other countries abide by their tax and trade obligations to us. Increasing tax rates on business activities through multilateral processes and global mandates while incentivizing loopholes encourages inefficiency and corruption, and will harm workers and consumers. More fundamentally, a global tax code robs citizens of each country of the fundamental sovereign right to make their own laws.

The United States should vehemently oppose other countries imposing discriminatory and extraterritorial taxes against American companies and workers, including through an OECD or UN global tax code.



A Better Globalism

A bad idea that never seems to die, "industrial policy," often in the form of tariffs, now has champions across the political spectrum. The problem? Governments are no better at picking economic winners than they ever were.

By Raghuram G. Rajan

The push for international openness to trade and capital flows has always been an elite project, but typically with enormous benefits to the domestic consumer and to poor countries that develop by catering to foreign demand. But the great financial crisis of 2008 destroyed trust in the elite. One immediate casualty was globalization. The obvious costs of inviting imports, for instance in terms of lost domestic jobs, are easy for the public to see, while the benefits often require further layers of explanation. Conversely, protectionism is an easy sell. It dominates the discourse once trust is lost, even more so if one's primary trading partner has geopolitical ambitions.

Rather than pushing for a better globalization in which past mistakes are addressed, too many of today's elite are willing to hedge it with enough caveats that it becomes rank protectionism. For instance, US national security adviser Jake Sullivan's evocative picture of shielding a "narrow yard" of

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security-relevant technologies with "high fences" has expanded quickly into a much broader yard where any device or platform that collects information can be banned on security grounds, whether it be Chinese electric cars or TikTok in the United States, or Apple and Tesla in China.

Protectionism is an easy sell. It dominates the discourse once trust is lost.

Similarly, while it makes sense to examine takeovers by geopolitical rivals of companies in defense-sensitive areas, we now have the US subjecting to "serious scrutiny" the proposed takeover of strategically inconsequential US Steel by friendly Japan's Nippon Steel.

Once open borders are no longer the default, new impediments to competition proliferate. Europe wants to keep out Chinese EVs because of the heavy state subsidies Chinese manufacturers enjoy. At the same time, Europe subsidizes green energy heavily, so its manufacturers will have lower carbon emissions, while it plans border tariffs on high-emission products made by foreign manufacturers, many of whom don't have access to subsidized green energy. Everyone subsidizes today; the question is where and by how much.

Indeed, why bother with tariffs when one can handicap the foreign competitor directly? Emerging markets compensate for the lower productivity of their workers with lower wages and longer hours. The renegotiated USMCA (NAFTA's replacement) requires a minimum hourly wage for Mexican workers who make cars for the United States. Mexican workers ought to earn more over time, but should that not be determined competitively in Mexico?

Protectionism is contagious. As the developed world turns its back on open borders, poorer countries are succumbing also, with average tariffs rising in least developed countries over the past decade.

The new elite project is *industrial policy,* with a focus on creating national champions. Partly as a natural consequence of the market failures during the financial crisis, partly from drawing the wrong lessons from China's state capitalism, and partly from a desire for national security, faith in government's ability to pick domestic winners has grown. A current focus is subsidies to chip manufacturers, which allow political sponsors to claim they are modernizing the economy even while protecting security interests.

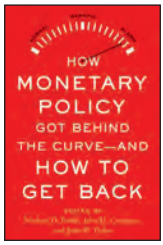
As the developed world turns its back on open borders, poorer countries are succumbing too.

Yet even if countries have the technological competence to manufacture chips, very few can bring the entire chip supply chain within domestic borders or reliably friendly shores. Thus, the tens of billions of dollars spent on chip subsidies will neither buy them security nor, given the likely glut in global chip manufacturing, deliver a viable modern industry. Put differently, Russia has found ways to make chip-reliant armaments without a chip industry, even while being subject to sanctions by major chip producers.

We need a dialogue on how the global system of trade and investment can accommodate rivals and subsidies.

Cross-border investment (as a fraction of GDP) has already slowed, so will trade and growth, especially in emerging markets and developing countries. The IMF projected 7.2 percent growth for these countries in 2006, but only 4 percent in 2023. Low growth could increase internal political fractures within countries and possibly conflict between nations, triggering mass migration and yet more protectionism and government intervention.

To break this vicious cycle, we need a dialogue, perhaps starting with the United States and China, or initiated by more neutral countries, on how the global system of trade and investment can accommodate geopolitical rivals, subsidies, and new information-intensive products without breaking down. This will require new rules of the game, more data, and possibly new independent institutions. And, of course, countries will have to relearn the lesson that governments are not good at picking winners. ◘



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Euro Vision

The European Union still matters. It must recommit itself to growth, innovation, and self-defense.

By Michael Spence

The global economic shocks of the past few years have left Europe particularly vulnerable. While virtually everyone has suffered from climate- and pandemic-related disruptions, the European Union has also had the Ukraine war unfolding on its doorstep, and its acute dependence on energy imports has meant that rising prices—and the need to shift away from Russian fossil fuels—have bitten especially hard. Both growth and economic security are under pressure.

To be sure, some of these were short-term shocks. The pandemic-related disruptions have largely resolved themselves, and even inflation, which surged in the pandemic's aftermath, seems to be largely under control, thanks to the efforts of EU central banks, not least

Key points

» Europe's principal problem is that it's falling behind in technological innovation.

» Funding for necessary research is inadequate and unfocused. Infrastructure also is lacking.

» A blueprint for Europe's future might be inspired by contemplating the likely consequences of the status quo.

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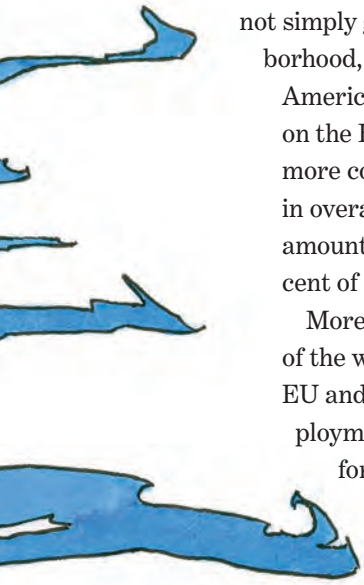
[Taylor Jones—for the *Hoover Digest*]

the European Central Bank, and the issue appears likely to be fully resolved within the next year.



But the EU faces a number of formidable economic challenges that will not simply go away. For starters, rising security risks in its neighborhood, combined with growing doubts about the durability of America's commitment to European defense, have put pressure on the EU to strengthen its own capabilities. This implies not only more coordination across countries, but also a significant increase in overall defense expenditure: the bloc's total spending currently amounts to 1.3 percent of GDP, well below NATO's target of 2 percent of GDP.

Moreover, productivity growth, which has been flagging in much of the world, is especially low in Europe, and the gap between the EU and the United States is widening each year. With the unemployment rate averaging some 6.5 percent, there is a bit of room for increased aggregate demand to fuel growth, but robust long-term growth will be virtually impossible if Europe cannot address lagging productivity.

This will be no easy feat. Long-term productivity growth in the developed economies depends significantly on structural change, driven mainly by technological innovation. This is where Europe's principal problem lies: in a range of areas, from artificial intelligence to semiconductors to quantum computing, the United States and even China are leaving Europe in the dust.

The main reasons for the EU's innovation deficit are well known. Both basic and applied research and development have suffered from chronic underinvestment. The effectiveness of funding for basic research is undermined by a decentralized approach, with uncoordinated and poorly targeted national programs taking precedence over EU-level finance and administration. In addition, the integration of the single market remains incomplete, particularly in services. This is especially important in digital fields, where returns on investment in innovation depend on market size.

Both basic and applied research and development have suffered from underinvestment.

The EU faces other barriers to becoming an innovation hub. One is a lack of the necessary infrastructure, especially the massive amounts of computing power required to train AI models. (At present, the EU relies largely

on American tech giants for such capabilities.) Another is that the venture capital and private equity needed to support innovation—investors with the experience and motivation to help young entrepreneurs build innovative enterprises—are not widely available, though there are promising entrepreneurial ecosystems in a number of countries.

Barring a new vision, Europe's pool of human capital will grow shallower as top talent migrates to other opportunities.

But these barriers can be surmounted. And if they are, the EU has important strengths on which it can capitalize, beginning with abundant talent coming from first-class universities. In addition, Europe's well-developed social services and social-security systems deliver a level of economic security that can facilitate entrepreneurial risk taking.

Unless the EU can capitalize on the technological drivers of structural change, however, parts of its economy will remain dominated by traditional industrial sectors that have proven slow to adopt productivity-enhancing innovations. In a global economy where value is increasingly derived from intangible sources, the EU will continue to depend on tangible assets to create value. And Europe's deep pool of human capital will grow shallower, as its top talent migrates to where opportunities are more abundant.

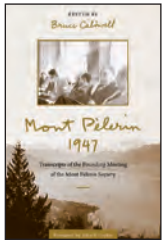
Europe must decide: it can remain on its current course, which is sure to lead to relative stagnation, or it can chart an entirely new path. The latter approach is riskier, but it also holds far more upside potential. There is no shortage of people in government, business, policy, and academia who understand the challenges Europe faces and are more than capable of devising, debating, modifying, and implementing a creative forward-looking plan.

Unfortunately, a plan for Europe's future does not appear to be a high priority.

Unfortunately, such a plan does not appear to be a high priority within European countries or at the EU level. It does not feature in the political debates that surround national elections. Perhaps what is missing is a clear picture of the likely consequences of maintaining the status quo, and, more important, a compelling vision that can inspire and guide policy and investment.

When a journey is challenging, a clear view of the destination is vital to keep people motivated. Technocrats often fail to recognize this, but Europe itself has experienced it firsthand in its quest to adopt sustainable growth patterns and economic models, where there is a clear vision of the destination. Likewise, leaders in successful developing countries typically promote a clear picture of their desired future, in order to encourage and enable the difficult choices that are needed to build it.

There is no reason to think that the EU is incapable of devising a new vision for its future and a roadmap for the digital and structural transformation it so badly needs. But first, Europeans must answer a simple but critical question: what should the EU look like—in terms of innovation, the economy, security, and resilience—in a decade? ◘



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American Federalism Today

The founders gave us a way to harmonize federal and state authority. How is their plan holding up?

By Michael W. McConnell

Key points

» The American federalist structure was an innovation, intended to confine the powers of the national government to certain enumerated objects.

» The new system aimed to "secure the public good," protect "private rights," and "preserve the spirit and form of popular government."

» Are smaller towns places of public virtue and political accountability or of narrow-mindedness and prejudice? The debate continues.

Delegates to the Constitutional Convention in Philadelphia in the summer of 1787 eventually emerged with a structure described by James Madison as "partly national, partly federal." This contemplated a genuinely national government, with representation from the people (and not just the states) and power to enforce its own laws through a vigorous executive and an independent judiciary, but the states would retain political autonomy and authority over the issues most significant to ordinary life. The powers of this national government would be confined to certain enumerated objects, primarily

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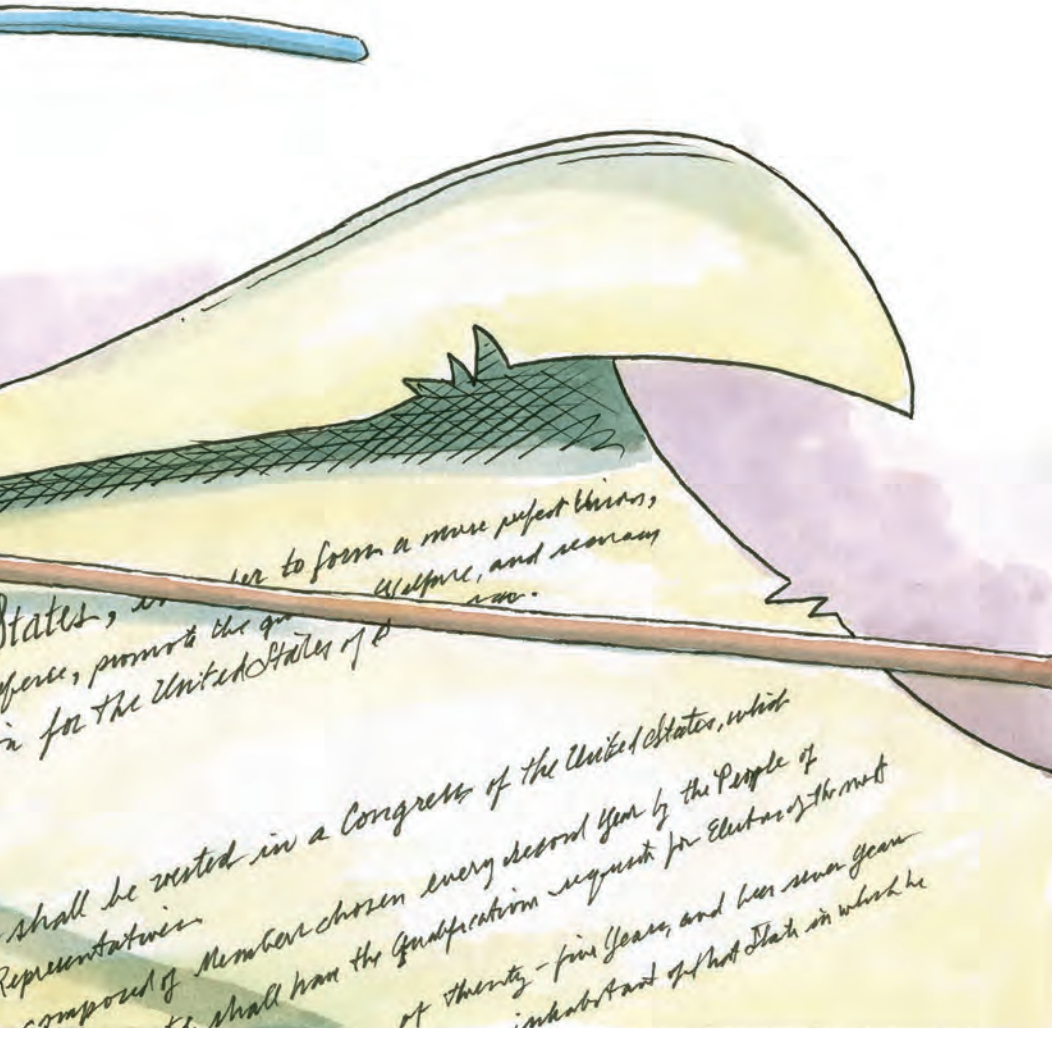
[Taylor Jones—for the *Hoover Digest*]

foreign affairs and interstate commerce. This was an innovation; there were no precedents in world history for such a mixed system.

The "natural attachment" of the people in 1787 to their states, as Madison described it in *Federalist* No. 46, was powerful—far more so than today. But the framers of the federalist system were not content to rest on natural attachments alone. They offered practical and theoretical arguments about how the new system of dual sovereignty would promote three complementary objectives: (1) "to secure the public good," (2) to protect "private rights," and (3) "to preserve the spirit and form of popular government." Achievement of these ends, according to James Madison, was the "great object" of



the Constitution. To understand the founders' design, we must look again at those arguments—not just in the mouths of the Federalists, who prevailed, but of the Anti-Federalists, too. As the people of the twenty-first century, we must evaluate these arguments in light of modern experience and knowledge about political decision making. Many of the arguments of 1787 stand up remarkably well, but others do not.

"SECURE THE PUBLIC GOOD"

Rejecting both pure confederation and consolidation, the "Federal Farmer" (a particularly able and influential Anti-Federalist pamphleteer) argued that a "partial consolidation" is the only system "that can secure the freedom and happiness of this people." He reasoned that "one government and general legislation alone, never can extend equal benefits to all parts of the United States: different laws, customs, and opinions exist in the different states, which by a uniform system of laws would be unreasonably invaded." Three important advantages of decentralized decision making emerge from an examination ofthe founders' arguments and the modern literature. First, decentralized decision making is better able to reflect the diversity of interests and preferences of individuals in different parts of the nation. Second, allocation of decision-making authority to a level of government no larger than necessary will prevent mutually disadvantageous attempts by communities to take advantage of their neighbors. And third, decentralization allows for innovation and competition in government.

In 1787, the "natural attachment" of the people to their states, as Madison described it, was powerful—far more so than today.

One size does not fit all. So long as preferences for government policies are unevenly distributed among the various localities, more people can be satisfied by decentralized decision making than by a single national authority. This was well understood by the founding generation. States are preferable governing units to the federal government, and local government to states. Modern public-choice theory provides strong support for the framers' insight on this point.

A second consideration in designing a federal structure is more equivocal. The unit of decision making must be large enough so that decisions reflect the full costs and benefits, but small enough that destructive competition for the benefits of central government action is minimized. In economic language, this is the problem of externalities.

Externalities present the principal argument for centralized government: If the costs of government action are borne by the citizens of state C, but the benefits are shared by the citizens of states D, E, and F, state C will be unwilling to expend the level of resources commensurate with the full social benefit of the action. This was the argument in *Federalist* No. 25 for national control of defense. Because a Minuteman III missile in Pennsylvania will deter a Russian or Chinese attack on Connecticut and North Carolina as well as Pennsylvania, optimal levels of investment in Minutemans require national decisions and national taxes. Similarly, because expenditures on water pollution reduction in Kentucky will benefit riparian zones all the way to New Orleans, it makes sense to regionalize or nationalize decisions about water-pollution regulation and treatment. Thus, as James Wilson explained to the Pennsylvania ratifying convention, "Whatever the object of government extends, in its operation, *beyond the bounds* of a particular state, should be considered as belonging to the government of the United States."

States are preferable governing units to the federal government, and local government to states. Modern public-choice theory agrees.

That significant external effects of this sort provide justification for national decisions is well understood—hence federal funding of defense, interstate highways, national parks, and medical research; and federal regulation of interstate commerce, pollution, and national labor markets. It is less well understood that nationalizing decisions where the impact is predominantly local has an opposite effect. If states can obtain federal funding for projects of predominantly local benefit, they will not care if total cost exceeds total benefit; the cost is borne by others. The result is a "tragedy of the commons" for Treasury funds.

The framers' awareness that ill consequences flow as much from excessive as from insufficient centralization is fundamental to their insistence on enumerating and thus limiting the powers of the federal government. Hence the other half of Wilson's explanation: "Whatever object of government is confined in its operation and effect, *within the bounds* of a particular State, should be considered as belonging to the government of that State." This stands in marked contrast to the modern tendency to resolve doubts in favor of federal control.

A final reason why federalism may advance the public good is that state and local governmental units will have greater opportunity and incentive to

pioneer useful changes. Justice Louis Brandeis put the point most famously: "It is one of the happy incidents of the federal system that a single courageous state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country." A consolidated national government has all the drawbacks of a monopoly: it stifles choice and lacks the goad of competition. If innovation is desirable, it follows that decentralization is desirable.

If states can win federal funding for projects of mostly local benefit, they won't care if total cost exceeds total benefit. The cost is borne by others.

Perhaps more important is that smaller units of government have an incentive, beyond the mere political process, to adopt popular policies. If a community can attract additional taxpayers, each citizen's share of the overhead costs of government is proportionately reduced. Since people are better able to move among states or communities than to emigrate from the United States, competition among governments for taxpayers will be far stronger at the state and local than at the federal level. Since most people are taxpayers, this means that there is a powerful incentive for decentralized governments to make things better for most people. In particular, the desire to attract taxpayers and jobs will promote policies of economic growth and expansion.

To be sure, the results of competition among states and localities will not always be salutary. The most important example of this phenomenon is the effect of state-by-state competition on welfare and other redistributive policies. In most cases, immigration of investment and of middle- to upper-income persons is perceived as desirable, while immigration of persons dependent on public assistance is viewed as a drain on a community's finances. Yet generous welfare benefits paid by higher taxes will lead the rich to leave and the poor to come. This creates an incentive, other things being equal, against redistributive policies.

This is an instance of the free-rider problem: even if every member of the community would be willing to vote for higher welfare benefits, it would be in the interest of each to leave the burden of paying for the program to others. Presumably that is why advocates of a more generous social safety net tend to push for expansion of federal programs, while advocates of the opposite policy tend to favor state-oriented solutions.

Thus, the competition among states has an uncertain effect: often salutary but sometimes destructive. There are races to the bottom as well as races to

the top. And it is often impossible to know which is which; this will depend on substantive policy preferences.

TO PROTECT "PRIVATE RIGHTS"

At the time of the founding, defenders of state sovereignty most commonly stressed a second argument: that state and local governments are better protectors of liberty. The most eloquent of the opponents of the Constitution, Patrick Henry, declared that in the "alarming transition, from a Confederacy to a consolidated Government," the "rights and privileges" of Americans were "endangered." He was far from alone in this fear.

Madison's most enduring intellectual contribution to the debate over ratification is his challenging argument that individual liberties, such as property rights and freedom of religion, are better protected at the national than the state level. His argument, greatly simplified, is that the most serious threat to individual liberty is the tyranny of a majority faction. Since any given faction is more likely to be concentrated in a particular locality, and to be no more than a small minority in the nation as a whole, it follows that factional tyranny is more likely in the state legislatures than in the Congress of the United States. This argument is supplemented by others, based on the "proper structure of the Union"—deliberative representation, separation of powers, and checks and balances—that also suggest that the federal government is a superior protector of rights. Madison's argument blunted the Anti-Federalists' appeal to state sovereignty as the guarantor of liberty. It was, however, only partially successful. Why?

Madison's theory gains support from robust modern social science evidence that homogeneous groups will tend to adopt policies more radical than those that individual members of the groups previously supported. Anyone who has been in a one-sided political gathering (such as a faculty meeting) will recognize the phenomenon. One-party states tend to go to unreasonable extremes. Certain states (California, Mississippi) are overwhelmingly dominated by one political party. The United States as a whole is very closely divided. Hence, the enduring plausibility of Madison's thesis. If we are concerned about the rights of politically unpopular minorities, we should locate rights protection at the national level.

The modern tendency is to resolve doubts in favor of federal control.

Public choice theory has, however, cast some doubt on elements of Madison's theory. In particular, Madison's assumption that the possibility

of minority tyranny is neutralized by majority vote requirements and that minority factions are inherently vulnerable to majority tyranny is undermined by studies showing that a small, cohesive faction intensely interested in a particular outcome can exercise disproportionate influence in the political arena. If these theories are correct, Madison underestimated both the dangers of minority rule and the defensive resources of minority groups. Moreover, some observers have suggested that the conditions of modern federal politics—especially the balkanized, issue-oriented conjunction of bureaucratic agencies and committee staffs—is especially susceptible to factional politics. Political scientist Keith Whittington thus argues that decentralization may be preferred because federal politicians are too responsive to special-interest groups—the modern equivalent of Madison's "factions."

But even taking Madison's fundamental insight as correct—and surely it has much to commend it—the argument on its own terms cautions against total centralization of authority in Washington. It points instead to a hybrid system in which states retain a major role in the protection of individual liberties.

Madison's argument demonstrates that factional oppression is more likely to occur in the smaller, more homogeneous jurisdictions of individual states. But it does not deny that oppression at the federal level, when it occurs, is more dangerous. The lesser likelihood must be balanced against the greater magnitude of the danger. The main reason oppression at the federal level is more dangerous is that it is more difficult to escape.

Recognition of this feature of decentralized decision making does not depend on any particular ideological understanding of the content of "liberty." All it takes is policy diversity, which America has in spades. Some may move to avoid high taxes, some to avoid anti-transgender laws, some to escape coercion to join a union, some to be eligible for welfare, some to be able to carry guns, some to get protection from crime, some to live under more sensible pandemic regulations (whatever those may be), some to find freedom to express themselves, some to get an abortion.

The competition among states is often salutary but sometimes destructive. There are races to the bottom as well as races to the top.

Madison pointed out that there are two different and distinct dangers inherent in republican government: the "oppression of [the] … rulers" and

the "injustice" of "one part of the society against … the other part." Significantly, while Madison argued that the danger of factions is best met at the federal level (for the reasons familiar from *Federalist* No. 10), he conceded that the danger of self-interested representation is best tackled at the state level.

This insight strikes this author as more questionable. As an abstract proposition, it is hard to know where the danger of entrenched, unrepresentative rule is worst. The idea of a "deep state" is likely exaggerated and to a degree paranoid, but it is hard to deny that the federal bureaucracy has its own interests and commitments, which are persistent over time and largely impervious to elections. On the other hand, most big cities have been in the grip of one-party rule for decades. Local journalism, and with it the likelihood of popular accountability for city governments, has atrophied. Particular ideological and economic factions seem to dominate at both levels. Which are worse?

Madison may have underestimated both the dangers of minority rule and the defensive resources of minority groups.

PUBLIC SPIRITEDNESS

Critics of governmental centralization warned that public spiritedness—then called "public virtue"—could be cultivated only in a republic of small dimensions. The only substitute for public virtue was an unacceptable degree of coercion, compatible only with non-republican forms of government. There were two reasons many founders believed that a centralized government would undermine republican virtue. First, public spiritedness is a product of participation in deliberation over the public good. If the citizens are actively engaged in the public debate, they will have more of a stake in the community. The federal government is too distant and its compass too vast to permit extensive participation by ordinary citizens in its policy formulations. By necessity, decision making will be delegated to agents. But as they are cut off from active participation in the commonwealth, the citizens will become less attached to it and more inclined to attend to their private affairs. Second, the natural sentiment of benevolence, which lies at the heart of public spiritedness, is weaker as the distance grows between the individual and the objects of benevolence.

Do these arguments still hold weight? It is a matter of contention. Are smaller towns places of public virtue and political accountability, as the

Anti-Federalists thought, or of narrow-mindedness and prejudice, as Madison's theory might suggest? We are still debating this. They are opposite sides of the coin. The very features that make smaller units of government closer to the people are also the features that make minorities within those communities uncomfortable.

We can have effective, responsive, majoritarian democracy or we can have maximal latitude for minority deviation from majority norms, but we cannot have both—except, perhaps, by the device of lodging power at one level for one kind of decision and another level for other decisions.

Whatever our chosen theory of interpretation, it is good to cast our minds back to the time of the founding, when popular attention was directed, uniquely in our history, to the issues of self-government. It is the only way to recall, and perhaps recapture, what we may have lost.

States and Borderlines

The federal government has jurisdiction over immigration and borders. But states wield their own power to help Washington, hinder it, or ignore it outright.

By Paul E. Peterson

Federalism affects the resolution of immigration policy even though it is a matter over which Congress is said to be the controlling authority. The key factor is the doctrine of dual sovereignty, which says the federal government cannot order a sovereign state to take any specific action. If California, for instance, does not want to cooperate with efforts to track and arrest undocumented immigrants, the sovereign state can defy the federal government with impunity. There may be 700,000 police officers employed in local tiers who can help enforce federal laws, but when they refuse to do so, the federal government is hamstrung.

Not long ago, then-senator Kamala Harris expressed doubts about tough border control. In 2018, she and other senators asked the Senate Appropriations Committee to "reject President Trump's … funding request for … a large increase in US Immigration and Customs Enforcement (ICE) personnel." Previously, as a prosecuting attorney in California, she had refused

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to give ICE the names of arrested migrants lacking documentation of legal residence. As the Democratic nominee for president, she pivoted again, promising in her campaign advertisements that she would "hire thousands more border agents."

It is no disgrace for a political figure to change her mind. In a democracy, we expect leaders to respond to public opinion. But Harris's turnaround reveals the power that states exercise over national policy. They have the boots on the ground to enforce—or not to enforce—what the federal government commands, and their decisions can shift the larger political context.

The COVID pandemic provided President Trump with emergency powers needed to nearly shutter the border.

When it comes to borders, boots count for a lot. When wars fail to end decisively, borders are typically at lines drawn to match the locations where armed forces stalled. Last summer, a North Korean deserter escaped to South Korea across a demilitarized zone located almost exactly where two armies faced one another seventy-two years ago. A similarly drawn border may someday separate Russia from Ukraine when that conflict comes to an unsatisfying conclusion.

Boots on the ground also make a big difference to law enforcement. In 2022, more than three-fourths of sworn law enforcement officers reported to state or local government officials. The remaining fourth were under the jurisdiction of eighty different federal agencies. Federal officers with major border-control responsibilities had just 30,000 pairs of boots: ICE had 12,800, the FBI 13,500, and the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), the agency that recently captured a notorious Mexican narcotics ringleader, just 2,600.

The Constitution gives Congress the power "to establish a uniform rule of naturalization," which the Supreme Court interprets as including the power to set the rules for entry into the country. The court also relies upon Congress's expansive power to regulate commerce as a constitutional basis for assigning plenary power over immigration to the national government.

In 1987, Oregon became the first state to refuse cooperation with federal immigration authorities. Connecticut followed in 2013. The dam broke after Donald Trump's inauguration in 2017. When Trump announced measures designed to tighten border control, a cluster of blue states, including

California, Colorado, Illinois, Massachusetts, New York, and New Jersey, joined the sanctuary movement.

The Trump administration fought back by ordering cuts in federal aid to police departments in states that were not cooperating with ICE. States retaliated in federal courts, a battle that continued without resolution until the Biden administration withdrew the Trump regulations. However, the COVID-19 pandemic provided Trump with emergency powers needed to nearly shutter the border.

As immigration rates jumped, red states took their own turn at undermining federal policy.

The Biden administration inherited those emergency powers. But even before they ended in May 2023, border crossings had begun to climb with more relaxed border control. During the 2023 fiscal year, 3.2 million undocumented migrants entered the United States.

As immigration rates jumped, red states took their turn at undermining federal policy. Governor Greg Abbott started to build a wall in Texas, thirty-four miles long as of last summer, designed to frustrate unauthorized border crossings. Even more important, perhaps, he bused undocumented migrants to New York City, Chicago, and Washington, DC. Florida governor, Ron DeSantis, sent them to Massachusetts.

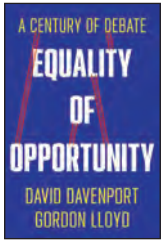
Suddenly, blue states were confronting a migration headache they thought was somebody else's problem. New York City welcomed the migrants but found its shelters and social services overwhelmed and fiscal costs skyrocketing. Similarly overwhelmed, Massachusetts was forced to leave immigrants at Boston's Logan Airport. Chicago's Mayor Brandon Johnson attacked Abbott for sowing "seeds of chaos." Asking for a federal solution, Johnson said it was "unsustainable" to ask "local governments … to subsidize" the feeding and housing of undocumented immigrants.

As blue state leaders asked Washington for help, the Biden administration reversed course. In June 2024, it restricted entry by 97 percent from its 2023 rate, falling to just 2,500 migrants per day. A red state gubernatorial play thus altered the direction of a blue-controlled national government.

Federalism can help the losers in the game of national power.

In sum, when a pro-migrant coalition failed to make headway in Congress, it turned to states as sanctuaries for the undocumented. And then, when the Biden administration implemented more welcoming policies, those in control of state governments undermined public support.

Federalism is neither left nor right. Both Democrats and Republicans can frustrate national policy via state action. But federalism befriends losers in the big game of national power by giving resources to opposition groups and interests otherwise pushed to the sidelines. That is not a bad thing for the survival of a constitutional democracy. ■

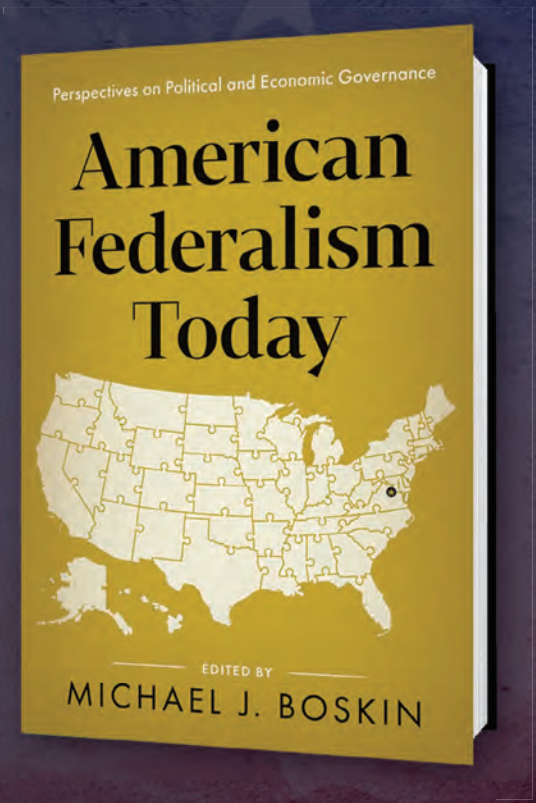


FROM HOOVER INSTITUTION PRESS

American Federalism Today

Perspectives on Political and Economic Governance

Edited by Michael J. Boskin



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Time Is Running Out

Chinese leaders see the subjugation of Taiwan "not as the endpoint of their security policy, but as the beginning." A discussion with Hoover fellow Matt Pottinger.

By Jonathan Movroydis

Jonathan Movroydis: How did *The Boiling Moat* come about?

Matt Pottinger: The book was an idea that Hoover fellow Larry Diamond and I hatched while we were visiting Taiwan in late 2022. It occurred to me that having a book that lays out several steps that we need to take in the United States, that Taiwan needs to take for itself, and that Japan needs to take to shore up deterrence would be welcome. Time is of the essence. So, I hustled to bring together a terrific group of co-authors and to contribute some chapters myself and edit this volume.

It's a military strategy, in a sense: the steps we need to take to show that we have the hard power available to credibly deter, or defeat, an attempt by Beijing to coercively annex Taiwan.

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).* ***Jonathan Movroydis*** *is the senior product manager for the Hoover Institution.*

We talk about the diplomatic and the economic realms as well, but we think that hard power has no substitute. There are things that can complement hard power, but you have to have hard power first to credibly change the calculus of the dictator in Beijing who's considering a war.

Movroydis: Taking Taiwan, or bringing Taiwan into the fold, was always a goal for mainland China. In February 1972, during President Nixon's historic trip to China, the two sides essentially agreed that Taiwan was an internal dispute and that the matter should be settled peacefully. How did this change?

Pottinger: US policy has been remarkably consistent on this question, going all the way back to our formalization of diplomatic ties with the People's Republic of China during the Carter administration. A couple of things happened. We normalized ties with Beijing, but we did so on the understanding that settling the question of Taiwan's status would have to be something that the people in Taiwan, which is a democratic society, would have to agree to, as well as those in the People's Republic of China. And not only would you need consent on both sides for settling this question, but it would also have to be peaceful and not something coerced by either side. That essence is captured in the communiques and in other important documents. One is the Taiwan Relations Act, where Congress made clear that it would be a matter of grave significance for the United States if Beijing were to try to coerce a change in Taiwan's status, and that the United States would provide for Taiwan's defense. Others came from the Reagan administration—documents declassified during the first Trump administration—and made clear how the United States interprets its communiques with China and its obligations to itself and Taiwan.

"There are things that can complement hard power, but you have to have hard power first."

What has changed is that China's leader, Xi Jinping, rather than settling for a peaceful status quo and for some kind of negotiations with Taiwan, has instead refused to negotiate with the elected government of Taiwan—now two elected governments in a row that he's been unwilling to talk with.

Xi has also made clear that he wants to change the status quo and is willing to use force to get there. So, his impatience, his insistence that Taiwan actively move toward a kind of political unification with the People's Republic of China, and his willingness to apply increasing levels of coercive threats are a departure from his predecessors.

Movroydis: So, it's a departure from Hu Jintao, Deng Xiaoping, even all the way back to Mao Zedong.

Pottinger: Mao Zedong and Deng Xiaoping both said they could wait centuries, if necessary, to find a settlement with Taiwan. None of those leaders ever renounced the possible use of force, but at the same time, they didn't apply increasing coercion through military activities around Taiwan and

[Taylor Jones—for the *Hoover Digest*]

through efforts to wage what Beijing calls the three warfares—legal, psychological, and discourse—to such a degree that Xi Jinping has undertaken.

Movroydis: And what has that entailed? You document some public statements by Xi Jinping that are markedly different from those of his predecessors.

Pottinger: When he met with President Biden almost a year ago in San Francisco, Xi Jinping said something that I'm not aware any Chinese leader has ever said to an American president: Beijing now expects Washington's support for its policy of "resolving" the Taiwan question. Previously, Beijing had said, as you mentioned, that this is an internal matter and they don't want the United States in the middle of it. Now what Beijing is saying is, no, actually, we want Washington to essentially collude with Beijing to subvert Taiwan's democracy and sovereignty.

"Xi has also made clear that he wants to change the status quo and is willing to use force to get there."

He also told President Biden that peace is all well and good, but really, it's more important now to push this to a resolution point. So, prioritizing a so-called *resolution* of the Taiwan question over *peace* in the Taiwan Strait is not something we've heard from a Chinese leader in many decades.

Movroydis: The book's subtitle is "urgent steps to defend Taiwan." Why are they urgent?

Pottinger: I think that the combination of Xi Jinping's statements of intent, along with the very formidable military capability China has amassed and is continuing to amass quite rapidly, is what creates the sense of urgency. Those capabilities constitute the largest peacetime buildup by a country since Nazi Germany in the 1930s.

Also, the fact that Xi Jinping is now progressively eroding Taiwan's sense of its security and agency over the waters that it patrols is a very troubling signal. For example, Beijing has now boarded a Taiwan-flagged vessel in at least one instance. It increasingly sends Chinese government vessels inside the restricted waters very close to the shore of Taiwan-administered islands. Not just Kinmen and Matsu, which we remember from the famous Kennedy-Nixon debate decades ago, but also islands that are closer to Taiwan, like Dongyin. Dongyin is important to Taiwan's defense, and Beijing has recently sent ships into its restricted waters. Beijing has also sent coast guard ships right off the east coast of Taiwan to hang out there for a couple of weeks at a

time. Those ships carry out exercises in which they board mainland Chinese vessels to demonstrate that they might go further and start trying to board Taiwan's vessels.

Movroydis: You write that a coercive annexation of Taiwan, even in the absence of a US intervention, would not alleviate Sino-American tensions, but would in fact supercharge them. Why?

Pottinger: Because it's clear from China's military doctrine that they view the subjugation of Taiwan as the first step in a regional and global hegemony strategy, not as the endpoint of their security policy. For example, Chinese military doctrine, as first discovered by Ian Easton, a researcher based in Washington, shows that Beijing views Taiwan as an important prerequisite to coercing Japan into sort of a vassal-state status.

In Beijing's view, once China is able to set up submarine tenders, air bases, and surface fleet bases in Taiwan, it will be easier to flank Japan on its eastern side and effectively threaten blockades to ensure that Japan is subordinate to Beijing's will. The same is true for Southeast Asian countries like the Philippines, which is, like Japan, a treaty ally of the United States. What you're left with is Chinese doctrine that confirms the worries of General Douglas MacArthur back in 1950 when he said that we cannot allow Taiwan to fall into the hands of a hostile power because it would become "an unsinkable aircraft carrier and submarine tender." It would make America's alliance commitments untenable in places like the Philippines and Japan.

"They view the subjugation of Taiwan as the first step in a regional and global hegemony strategy, not as the endpoint."

It's essentially about pushing the United States out of the Pacific, even though the Pacific has been central to American security and prosperity since George Washington was president.

Movroydis: Do you think, from your perspective and those of your co-authors, that China would risk invading Taiwan in the near future? And could Taiwan deter a Chinese invasion on its own?

Pottinger: Taiwan does not have the capabilities on its own to win a protracted war against the People's Republic of China.

What Taiwan does have is a professional active-duty military. It has a number of capabilities that it needs to add to and to supplement in order

to threaten the Chinese navy so that China continues to understand that it would be an extremely costly endeavor to try to coercively annex Taiwan.

I will say that Xi Jinping is not a reckless gambler, according to my reading of his actions in the dozen years that he's been supreme leader and in the many hours that I've spent in meetings with him during my time working at the White House. I don't think he is as willing to gamble as, say, Vladimir Putin. Xi Jinping is holding those iron dice, but he's not going to fling those dice across the table and engage in war unless he's extremely confident in the result ahead of time.

What that means is there's still an opportunity, although the clock is winding down, for us to deter him, and deterrence is far preferable to war. Imagine if we had done a better job as a NATO alliance of deterring Putin before he undertook his 2014 invasion of Ukraine and then his much larger, full-scale war in February 2022.

Deterrence is an act of psychology. It's about persuading your adversary that war will be highly unpredictable and far more costly than pursuing means short of war. That has to be the sum total of the actions we undertake as a government and in concert with our allies and partners. They should add up to a fading sense of optimism in the mind of Xi Jinping about the utility of war.

Movroydis: What will that take?

Pottinger: Well, the good news is that even as China has spent trillions of dollars on its military buildup since the turn of the century, the types of capabilities that the United States, Japan, Australia, and Taiwan need to have in their arsenals to foil an invasion or blockade are actually far cheaper than the capabilities that Beijing has been painstakingly building in order to impose its will on an island a hundred miles from its shore. In warfare, a defender has a natural advantage. Numerically, it takes roughly three times as many soldiers and forces to take a defended position as it takes to defend that position.

"It's essentially about pushing the United States out of the Pacific."

When you add the factor of amphibious warfare and that Beijing would have to send its fleets across the waters, the ratio actually is even more favorable to the defender. What that means is that we need to be acquiring capabilities through increased, rapid investments in our collective defense that put the very expensive, exquisite systems in the PLA arsenal at risk: things

like warships, large ferries that would be used as troop carriers and armored personnel carrier ferries, and all that sealift. Taiwan doesn't need to have air dominance. It just needs to deny Beijing air dominance.

That is also a much better cost curve for the defender. You can find asymmetrically cheap capabilities to hold expensive capabilities in the Chinese arsenal at risk. My co-authors and I, after this whole exercise of trips to Taiwan, research, interviewing, and writing—we came away with a sense of optimism that this is a deterrable conflict. Only, however, if we begin to take more concerted, serious steps to acquire the capabilities to hold China at risk. We also need to do more to respond to other aggressors in the world, whether it's Vladimir Putin in the Ukraine conflict, or Iran with its terrorist proxies operating on Israel's borders or in Yemen attacking shipping in the Red Sea, or even Nicolás Maduro of Venezuela, who just stole an election from his own people. We need to respond to these things to demonstrate to Xi Jinping that we have the resolve to actually stand up for our interests around the world.

"If our leaders were better armed with that knowledge, they would be less timid about standing their ground in places like the Western Pacific."

Movroydis: What role do our allies play in this, specifically in the Indo-Pacific region?

Pottinger: We spent a lot of time looking at Japan's role because Japan, according to several of its own leaders, depends on Taiwan being a neutral or friendly polity for Japan to feel secure about its own prosperity and security. The good news is that Japan has a very professional navy; they have a professional air force and ground force as well. And those are force multipliers for the United States in both deterring China and possibly defeating China in a war.

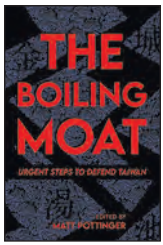
So, what we need to see now is more investment by Japan. And of course, Japan has, under the current prime minister, Fumio Kishida, pledged significant increases in its defense spending. That's a very important step and a powerful signal to Beijing. But I believe, and my co-authors believe, that Japan needs to do more to prepare its society for what a conflict would entail, so that the society is prepared. And the more prepared Japan is as a society to wage war, the less likely it is that it will have to wage war. That means putting civilian infrastructure at the service of US and Japanese

military forces that would be responding to a conflict. For example, hospitals, airstrips, highways, and shipyards.

There is another point I would like to see circulate more widely. Matthew Turpin and I made an effort to dispel the myth that there's such a thing as an accidental war. Historians including Geoffrey Blainey in Australia, the late Michael Howard at Oxford and Yale, and others have been unable to identify a true instance where someone initiated a war accidentally. If our leaders were better armed with that knowledge, they would be less timid about standing their ground in places like the Western Pacific—or we might have done a better job of signaling to Vladimir Putin that we were going to continue to provide lethal armaments to Ukraine in advance of the February 2022 invasion.

In other words, it's a very powerful bit of knowledge to know that even lethal accidents and mishaps do not turn into warfare, although they're sometimes used as a pretext for warfare. But there's a big difference between a cause of war and a pretext for war. We should be more and more confident that our activities in defense of our sovereignty and in defense of our friends and allies around the world do not cause wars. In fact, they make war less likely by changing the calculus of would-be aggressors. This is encapsulated in the old Latin phrase usually translated "peace through strength." ■

Special to the* Hoover Digest. *This interview was edited for length and clarity.



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Flank Speed

Now that the Chinese economy is by some measures bigger than our own, Xi Jinping is using it to build a vast, sophisticated military that reaches across oceans and even into space.

By Gordon G. Chang

The People's Republic of China is in the midst of the fastest military buildup since the Second World War. Expect the rapid expansion to continue. China's regime is building an industrial base that will sustain that growth. For instance, Chinese shipyards, according to the US Navy's Office of Naval Intelligence, now have a capacity more than 232 times greater than America's.

Once, the People's Liberation Army was land-based and relied on a "Stalin-like strategy of weight in numbers," as Peter Robertson and Wilson Beaver write. The Chinese military is still the world's largest, but now it is also agile and built around a navy and air force able to project power far from China's shores and even in the heavens.

For more than a decade, Xi Jinping, the Communist Party's general secretary and also chair of its Central Military Commission, has accelerated the modernization push. Today, his effort to strengthen an already fearsome-looking military is nothing short of an all-of-society campaign.

China's military-industrial complex, Richard Fisher of the Maryland-based International Assessment and Strategy Center told me last year, is made up of thousands of companies, some state-owned and others private. Fisher was

***Gordon G. Chang** participates in the Hoover Institution's Military History in Contemporary Conflict Working Group. He is a columnist, author, and lawyer.*

NAVAL DOMINANCE: From the bridge of the guided-missile destroyer USS* Mustin, *Cmdr. Robert J. Briggs and Cmdr. Richard D. Slye monitor the movements of the Chinese aircraft carrier* Liaoning *in the Philippine Sea. Xi Jinping's military procurement strategy is to buy as much as possible as soon as possible. [Petty Officer 3rd Class Arthur Rosen—US Navy]

talking about only companies overtly military in orientation. In a broader sense, the military-industrial complex includes all of Chinese society.

The Communist Party of China considers the nation to be totalitarian in nature, seeing the country as a single entity with all components owing "absolute" loyalty to itself. It should come as no surprise, then, that Xi enforces a doctrine once called "civil-military fusion" but now known as "military-civil fusion." In short, in Xi's China, every individual, company, enterprise, university, and institution must hand over to the military whatever the generals and admirals think they need.

Xi's effort to strengthen an already fearsome military is nothing short of an all-of-society campaign.

In 2022, a Chinese factory owner making medical equipment for consumers told me that local officials had demanded he convert his production lines in China to make items for the military. Communist Party cadres were issuing similar orders to other manufacturers. The party, this entrepreneur said, was now operating formerly privately owned factories because the owners had fled China, not wanting to stick around for "Xi Jinping's war."

China set a GDP growth target of "around 5 percent." The military's budget will jump 7.2 percent.

Xi, to support modernization of the People's Liberation Army, has been transforming the Chinese political system to achieve what the *Financial Times* called his "Dream of a Chinese Military-Industrial Complex." At the Communist Party's twentieth National Congress in October 2022, he engineered "unprecedented" promotions for "a new group of political leaders in the top echelons of power" who did not have "the usual careers in provincial government or Communist Party administration." Instead, the new group had "deep experience in China's military-industrial complex."

Since then, the new leaders have solidified the military's hold over the Chinese regime. This disturbing trend is evident in increased spending on the PLA.

That spending is gobbling up resources. In his most recent Work Report, released last March at the annual meeting of the National People's Congress, Premier Li Qiang announced an increase of general public expenditures of 4 percent for the year. Li also set a GDP growth target of "around 5 percent," but the economy will undoubtedly grow far slower than that. At the same time, Beijing announced the military's budget would jump 7.2 percent.

In all probability, actual military spending will outstrip public expenditures and economic growth by margins far larger than reported last March.

Xi's procurement strategy is straining China's resources.

Xi's procurement strategy is to buy as much as possible as soon as possible. Critics have noticed. They point out that Xi's spending is straining China's resources in much the same way that large military budgets strained the finances of the Soviet Union. They also think Xi's procurement strategies appear designed to solidify his position in the Communist Party, and observers note his accelerated spending pace has resulted in procurement problems of all sorts.

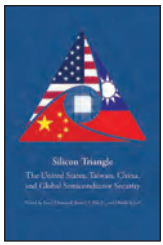
For instance, General He Weidong, the second-ranked vice chairman of the Central Military Commission and China's number three military official, railed last March against "fake combat capabilities." Hong Kong's *South China Morning Post* reported that He, whose words were somewhat ambiguous, appeared to target corruption in the procurement of military equipment.

There has been widespread publicity about this very ill. Some believe that flagrant corruption led Xi to purge scores of officers in the Rocket Force, the branch of the Chinese military responsible for most of the country's nuclear weapons, in the second half of 2023. Moreover, Xi sacked Defense Minister General Li Shangfu, whom he had hand-picked just months before, apparently over corruption concerns.

These revelations lead to questions: Is Xi Jinping's military procurement strategy as successful as it appears? And, more important, is his breakneck pace of procurement undermining the military's readiness to fight?

Outsiders do not know the answer to these questions, but Xi apparently thinks his military is big enough. He may not yet have made the decision to go to war, but his belligerent actions show he has made the decision to risk war.

And he now has a military to wage one. ◼



Red Thread

What explains Beijing's ambitions and its contempt for Western ideas? The People's Republic of China is a communist state and has never been otherwise.

By Miles Yu

As the world faces the paramount threat of the Chinese Communist Party (CCP), it's imperative to have a realistic perspective on the party's aspirations for global influence and to focus on its ideological underpinnings. This perspective is structured around two main parts: the historical evolution of the CCP as a process of enriching and authenticating its ideological purity and orthodoxy, and the party's strategies to achieve its ambitions on the contemporary global stage.

Key points

» China has always been determined to express a communist identity, and to impose its ambitions on the world.

» Estrangement from the USSR in the 1950s helped to convince China of its own ideological purity.

» American leaders were lulled into thinking that China's leaders were nationalists, not communists.

First, consider the CCP's ideological evolution and its innate ambitions for global dominance. The party's foundational ideology is an ecumenical, millenarian, and zealous system of communist theories pioneered by Karl Marx and Vladimir Lenin. The CCP's origins are linked to the global communist movement spearheaded by the Soviet Union–led Comintern, which aimed for

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[Taylor Jones—for the *Hoover Digest*]

a worldwide communist society. This historical context is crucial for understanding the CCP's long-term vision and objectives.

The early CCP saw the Soviet Union as a model and leader in the communist movement. This acknowledgment underlines the importance of Soviet influence in shaping the CCP's strategies and ideologies during its formative years between 1921, when it was founded by Lenin's agents in Shanghai, and 1953, when Lenin's ideological inheritor and successor, Josef Stalin, died. The subsequent perceived deviation from Lenin and Stalin's policies by the USSR's new leader, Nikita Khrushchev, marked a significant ideological rift within the communist bloc, which influenced the CCP's stance towards the Soviet Union and its own commitment to Marxist-Leninist principles.

Historical context is crucial for understanding the party's vision and objectives.

The severing of ties with the USSR in the early 1960s highlights the Chinese Communist Party's assertion of its own path towards party orthodoxy, underscoring its desire for global ideological leadership and strategic autonomy.

The survival of the CCP amid the 1989 worldwide anti-communist eruptions, via a brutal massacre centering on Tiananmen Square in Beijing, contrasted with the demise of communism in Eastern Europe by the end of 1989 and the Soviet Union's collapse two years later. Both events reinforced the party's belief in its ideological purity and its strategic resilience, informing its contemporary global outlook.

The post-1989 era saw the CCP doubling down on its commitment to Marxist-Leninist principles, reinforcing its self-perception as the rightful heir to the communist cause. The CCP aimed for global dominance through untraditional means such as leveraging economic, technological, and diplomatic engagement to create global dependencies on the communist regime in Beijing. No one can say that the CCP has not accomplished much in this epic endeavor, even amid a global awakening to the danger posed by the party—an awakening engendered by the political interregnum of the first Trump administration.

Old "China hands" dismissed the communists as peasants in straw hats, led by agrarian reformers.

DEMANDING RESPECT

Second, look at the CCP's historical resentment and frustration with its global vision of communism not being taken seriously, but instead underestimated

by the West—especially by the United States. This animus toward the West, and the United States in particular, has been a driving force in China's foreign policy and its efforts to assert its communist identity and its global ambitions.

This political psychology explains China's military and ideological hostility toward the West as part of a broader strategy to challenge Western perceptions and assert global ideological pre-eminence. This hostility was manifested in the 1950s and 1960s by a series of landmark developments, including the party's dramatic revelation of its complete ideological symbiosis with Stalin's Soviet Union; the joint military actions by Russian, Chinese, and North Korean forces in the Korean War; the CCP's aggressive moves against the US-supported Republic of China in Taiwan and its offshore islands of Quemoy and Matsu during the two Taiwan Strait Crises of 1954 and 1958; the explosive ideological split with the Soviet Union; the anti-revisionist movement of Mao's Cultural Revolution; and myriad other vengeful reactions against the US government's stubborn insistence that the CCP was essentially not communistic but nationalistic.

This stubborn insistence—a bizarre doctrine, in fact—was perpetrated by many officials, including Ambassador to China John Leighton Stuart, and by two generations of missionary-children-turned-"China hands" in the State Department, who viewed the Chinese Communists as no more than peasants in straw hats led by a progressive group of agrarian reformers. Also among these officials was Secretary of State Dean Acheson, who warned against the Soviet Union's interference in Asian affairs, but nevertheless placed his hope in a rebellion against Soviet influence in North Korea and the Chinese Communist Party, whose leaders were deemed more nationalistic than communistic.

After 1989, China doubled down on its Marxist-Leninist principles, even as it sought advantages in the global economy.

It was President Richard Nixon and key adviser Henry Kissinger who brought about a pivotal moment for the CCP to gain recognition as a formidable communist power, with a global vision for influence and domination. In 1971 and 1972, Nixon and Kissinger correctly grasped the CCP's desperate desire to be treated as a global power and exhibited excessive respect both for the ailing and fragile Great Chairman Mao Zedong—treated as a global strategist of far-reaching insights—and Mao's willing executioner, Premier Zhou Enlai. Zhou was then promoted in the West as China's man of wisdom and prince of sagacity.

As a result, the Nixon/Kissinger certification of the party's global importance created exceptional opportunities to march into the Western-dominated

international free market system and reap enormous economic, technological, and military gains for nearly half a century. The result was the Frankenstein's monster that today torments its Western creators.

INTO THE WORLD

Even worse, today's Russia, Iran, and North Korea, the three biggest rogue states in the world—and unlike China, all virtually outside the global "rules-based" economic system, and all heavily sanctioned by that system—have become the dangerous proxies of the economically enriched, technologically advanced, and militarily empowered Chinese Communist Party.

Beijing uses pariah states to create global strategic distractions and diversions for the United States.

Beijing uses these pariah states to create global strategic distractions and diversions for the United States, which, since the first Trump administration, has shifted its strategic focus away from Europe and the Middle East to the Indo-Pacific region, where China actively prepares for a military showdown with the United States. China's communist leaders envision a decisive victory that would mark the end of the United States' global leadership and the emergence of the CCP's global hegemony. Such a feat would move the world ever closer to the ideological goal of Marx, Lenin, Mao, and Xi: global communist leadership. No doubt this new International would be under the dominant influence and power of the world's only remaining communist state of consequence—led by the forever ideologically correct Chinese Communist Party.

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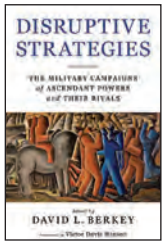

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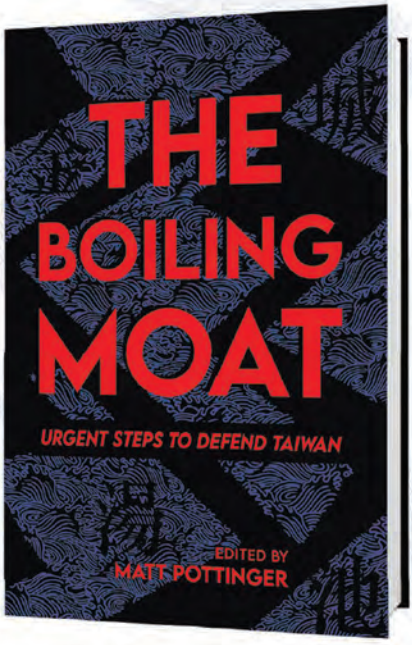
FROM HOOVER INSTITUTION PRESS

THE BOILING MOAT

Urgent Steps to Defend Taiwan

Edited by Matt Pottinger



Military and political leaders map out a workable strategy for Taiwan, the United States, and their allies to deter China from pursuing acts of aggression against Taiwan.

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"*The Boiling Moat* is a one-of-a-kind book that lays out precisely how we can deter the catastrophic war that China's dictator is planning."

—MIKE POMPEO, former US secretary of state and CIA director

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A Time for Terror

Hoover fellow Robert Service compares Russian behavior in Ukraine to Bolshevik behavior during the revolution. Leaders in both cases served a cruel, blind ideology.

By Andrew Roberts

***Andrew Roberts,* Secrets of Statecraft:** Former professor of Russian history at Oxford and currently senior fellow at the Hoover Institution, Robert Service has written seventeen books on Russia, including biographies of Lenin, Stalin, and Trotsky. Bob, back in July 2021—so, seven months before the invasion of Ukraine—Vladimir Putin wrote an essay, somewhat pompously titled *On the Historical Unity of the Russians and Ukrainians.* Quite apart from its use as propaganda, how does it stand up as history?

Robert Service: Very, very poorly. The problem with it is that he tries to deny that the Ukrainian territorial entity ever existed before Lenin created a federation called the Soviet Union and gave Ukraine a republican identity. But that's complete rubbish, absolute, total rubbish. In 1917, the provisional government accepted the reality of Ukraine and allowed the formation of Ukrainian armed units in order to win the war against imperial Germany. And thereafter, after the October 1917 revolution, when the Communists came to power, again, there were Ukrainian governments who spread

Robert Service** is a senior fellow at the Hoover Institution and Emeritus Professor of Russian History, St. Antony's College, Oxford. **Andrew Roberts** is the Bonnie and Tom McCloskey Distinguished Visiting Fellow at the Hoover Institution, a member of Hoover's Working Group on 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.

NO DISSENT: A historic photo, printed from a glass-plate negative, shows Leon Trotsky exhorting Bolshevik forces. Trotsky, who established the Red Army, was as brutal and committed to the revolution as any other Communist Party leader, according to scholar Robert Service. "If he had come to power, he intended to collectivize the peasantry himself. . . . The overlap, in other words, between Lenin, Stalin, and Trotsky is bigger than the discrepancies between the three of them. This is the key to understanding Soviet history." [George Grantham Bain Collection—Library of Congress]

their network of governance over the whole of roughly what we would call Ukraine.

At the end of that civil war, in the whole of the former Russian Empire, the decision had to be taken, should there be a place that they would call Ukraine? And Lenin decided that there should be, because somehow the Communists had to hold on to the loyalty, or at least the acquiescence, of the ethnic Ukrainians who numbered many millions and who had gone through such terrible times. And many of them had fought against the Reds, against Lenin's own Communists.

Roberts: In that essay, Putin refers to Lithuania no fewer than seventeen times. Do you think if Ukraine were to lose this war, that he would start thinking about the "historical unity" of the Russian and Lithuanian people?

Service: I think that the Baltic States, generally, Estonia, Latvia, and Lithuania, have good reason to fear for the future if the war is lost in Ukraine. And, in fact, Putin was talking about the artificiality of the Estonian frontier with Russia back in 1991. So, this is not a new way of thinking for him.

Roberts: And in some of those Baltic states, there are large ethnically Russian populations, aren't there?

"The Baltic States, generally, Estonia, Latvia, and Lithuania, have good reason to fear for the future if the war is lost in Ukraine."

Service: There are populations that got bigger after the Second World War, when Stalin wanted to make sure that he held onto them after annexing them. That is a Russian resident population of whose interests he has long wanted to appear as the protector, and it would be the pretext for a further incursion into the Baltic states.

Roberts: Are those populations actually loyal to the Baltic states that they're part of?

Service: I think most Russians living in the Baltic states want peace; they want peace and quiet. They're not as prominent in those states as they were in the Communist period. Many of the Russians in Estonia, Latvia, and Lithuania are at the bottom of the social pile. But a good number of them appreciate that they've got more freedom under Estonian, Latvian, and Lithuanian rule than they would have in the much more chaotic and dangerous society that Russia is today.

Roberts: How do you see the war in Ukraine at the moment? How do you see it progressing as well?

Service: Well, it would be foolish to think that the Ukrainians are doing as well now as they were doing in early 2023. It's absolutely crucial, I think, that the weaponry needed by the Ukrainian armed forces is given to them by the West, short of provoking a catastrophic nuclear war. I think that as long as the Ukrainians want to go on fighting, then they should be given the wherewithal to do that.

Roberts: You mentioned nuclear war. In your studies of Putin, do you see him as the kind of person who might start one?

Service: I think he has a certain brittleness of temperament, a domineering attitude to his subordinates, which has been increased by being in power for

two decades and being able to put in positions of responsibility whoever he wants to. He was very volatile when he met Tony Blair in the early 2000s and barked at him at press conferences. I think generally, though, he is restrained by the knowledge that a nuclear war would be an absolute catastrophe for Russia. Anyone who lived through the last days of the Soviet Union remembers very well what happened at Chernobyl and how the wind can blow nuclear dust west, but it can also blow it east.

"I think that as long as the Ukrainians want to go on fighting, then they should be given the wherewithal to do that."

Also, I think the Chinese have warned him: do not touch the nuclear button. So, there's a good deal of bluster, as we've seen with a lot of other dictators. When it comes to a crisis, the will to retain power can provoke decisions that are much more dangerous than those dictators might consider desirable in other times, in more peaceful times. But I don't think he's looking for a nuclear war, no.

IDEOLOGICAL BLINDERS

Roberts: In the year 2000, you wrote a superb, definitive life of Vladimir Lenin. What made him tick?

Service: Well, he was a Marxist fanatic, he was a brilliant intellectual, unrestrained by the training of the mind that would have allowed him to see the downside of what he was proposing. I don't think that he imagined that he would set up a totalitarian dictatorship before he seized power. But he very readily descended into totalitarianism once the difficulties became clear of governing a state where most people believed in God, where most people worked on the land and weren't living in a Marxist industrial utopia. Where most people—even the people who had voted for the Communists in 1917—still wanted the freedom to trade and keep their personal assets, to have private property.

So, I don't think he had the imagination, because he was such a committed Marxist, to think it would be a really difficult job to govern a society where most people didn't share his fundamental assumptions.

He had a burning conviction that he embodied the revolutionary imperative. So, if people inside the Communist Party disagreed with him, he treated them as what he called ballast, and he didn't mind if they left. He treated some of the greatest intellectuals that Russia ever produced as "scum" and

deported them to Germany in 1922. Really, I think that's when the totalitarian system was completed, within a year or two after the civil war, when Russia became hermetically sealed off by the will of the Communist leadership from the rest of the intellectual world in which they had lived.

Roberts: And one of the ideas that the Bolsheviks had was that they could actually change human nature itself. Talk about that a little.

Service: They assumed that under capitalism, human nature was channeled in a particular direction that could be rechanneled when they had power in their own hands.

Trotsky talked about how there had been only one Dante in history, one Shakespeare in history, but soon there would be tens of thousands. Through communist education, a whole new potential of humankind would be released. The communalism inherent in every human being would be released, and that would lead to a different sort of society, and the next generation would be brought up differently and would think differently and act differently. They were utopians. They didn't accept that some things about the society which they had essentially conquered were deeply embedded.

After 1991, instead of there having been a communist civilization in Russia, lots of trends rose up to the surface that had been suppressed for seven decades into the underground—religion, dissident literary culture, and ideas about the privacy of the family. Ideas that say to me, anyway, that actually communism never truly, utterly conquered Russia. And that's why we see such a diverse society now.

"They were utopians. They didn't accept that some things about the society which they had essentially conquered were deeply embedded."

Roberts: They admired the French Revolution, didn't they? They look back to it a good deal, with concepts such as abolishing Christianity and resetting the entire calendar and having ten-day working weeks—these ideas that seem pretty strange to us now actually worked because of their very revolutionary context. It was something that the Bolsheviks sort of looked back to with admiration, didn't they? And the terror, I suppose.

Service: And the terror, yes. And they knew they were doing something dangerous. They knew that there was a strong possibility of a counterrevolution. So, every day that they survived after October 1917, they almost pinched themselves. They had a phrase that they were "living on their suitcases," they

were ready to make a run for it. They wanted to last at least as long as the Paris Commune of the 1870s and, in fact, they lasted for seven decades.

But you're right, they did think a lot about the French Revolution. They were constantly comparing themselves with it and they were proud of having gone beyond it. They were proud of having rethought things learnt from the French Revolution, and said that this time we're going to try to avoid some of the mistakes.

"Communism never truly, utterly conquered Russia. And that's why we see such a diverse society now."

Of course, some of the mistakes they didn't recognize as mistakes, such as mass terror. They truly believed that holding ex-policemen, former aristocrats, priests, mullahs in prison, killing them, would shorten the schedule for the pathway to communism. They didn't see the terror of the French Revolution as counterproductive. They thought this was the way forward. It's a terrifying way of thinking.

But as the civil war went on, those Bolsheviks who didn't envisage using terror came around to thinking that this is the only way you deal with enemies. So, totalitarian thinking came late to some of the Communists, but it became deeply embedded in their mentality. And this made it more difficult for the Communists who were later hostile to Stalin to have the intellectual and practical cautionary attitude to prepare themselves to resist an even worse terror in the late 1930s.

Roberts: Which, of course, they could have learned from the French Revolution and the emergence of Napoleon ten years after the outbreak of the French Revolution. The historical precedent was there for Stalin, wasn't it?

Service: Yes. Indeed, when I was doing my biography of Trotsky, I was constantly torn between thinking, this is a man who is about to have an ice pick plunged into the top of his head, whose family is going to be persecuted. The bits of his family that he left behind in the Soviet Union, they're going to be persecuted. But on the other hand, this is a man who wrote a book on terror in the civil war, endorsing its use as a way of communizing a society.

Well, how sorry do you feel for him that he'd been such an idiot? Worse than an idiot.

THE LATE, LAMENTED TROTSKY

Roberts: There are people on the left, aren't there—the late Christopher Hitchens was one—who essentially argued that had Trotsky defeated Stalin

in the internecine Bolshevik struggle in the Politburo after Lenin's death, that somehow communism would have been humanized. We know of the purges, the collectivization, the Ukrainian famine, and so on. What do you think about this argument that somehow, essentially, Trotsky was a good Communist, whereas Stalin was a bad one?

"They didn't see the terror of the French Revolution as counterproductive. They thought this was the way forward."

Service: There are Trotskyists still today who have a romantic view of the man; they're almost in love with him. They don't appreciate either what he did when he was in power—their excuse is a civil war was being fought—or, for example, that he made very little comment indeed about the atrocities committed during agricultural collectivization at the end of the 1920s to early 1930s, when millions and millions of innocent peasants were bludgeoned into joining collective farms.

There were famines and mass executions all over Ukraine and southern Russia. So, the idea that things would have been hunky-dory under Trotsky is completely beyond belief. And not just because he behaved very brutally during the Russian Civil War, immediately after the October 1917 revolution. But also, because he said so little in sympathy for the peasants, whom Stalin even more brutally bludgeoned into joining the collective-farm system when Trotsky was out of power.

He had the opportunity to say then that this is absolutely atrocious behavior, this is inhumane as a policy, but he said almost nothing about it. If he had come to power, he intended to collectivize the peasantry himself, he claimed he would do it by "persuasion." But what would he have done if the peasants had said no, we don't want these collective farms, we don't want to give you the grain quotas that you demand?

This was a man who had used force all the years when he had been in power. I think it's a failure of the imagination on the part of Trotskyists, some of whom still exist today, to answer these questions. When my biography came out over ten years ago, I had meetings and talks disrupted by them in London; even worse, we had to have police protection in Berlin.

It's so offensive to them, but they really have to face up to this. And I did debate with Christopher Hitchens, actually, in this building twenty-odd years ago. He who had ceased to be really a self-described Trotskyist still had a romantic image of his former idol.

Roberts: And by the time Trotsky died in 1940, he had endorsed the invasion of the Baltic states by Stalin and the invasion of Poland from the east by Stalin. I think he also didn't denounce the Nazi-Soviet pact, did he?

Service: Trotsky had a very curious way of dealing with Stalin's policies. He emphasized the policies on which he disagreed with him. And I agree with you, Andrew, that one should look at the things he didn't much emphasize or aren't much emphasized by his supporters now.

The overlap, in other words, between Lenin, Stalin, and Trotsky is bigger than the discrepancies between the three of them. This is the key to understanding Soviet history, I think.

RECKONING WITH THE PAST

Roberts: You were a great friend and colleague of the late, great Robert Conquest. Who also, of course, worked in this building here in the Hoover Institution. He was a giant in Russian studies, and he pointed out that Stalin had essentially started the Cold War. Today, there's a big revisionist movement, especially amongst historians of the left, to try to blame the West for the Cold War. How do you feel the debate is going at the moment?

Service: Well, I think that there is a diversity of opinion about all of these questions concerning the origins and the course of the Cold War. But Robert Conquest was a very, very astute observer of the cracks inside the Soviet Politburo. What attracted me to his way of thinking was that he was always looking for ways in which this apparently monolithic system could one day literally fall apart. And his first book, on the anti-party group of 1957, was an absolutely tremendous contribution. And then *The Great Terror,* which did more than anyone else had done to say that this is a whole system of punishing dissent and even non-dissent, it's a way of running an entire society.

That book was a pillar of sensible investigation. What others were saying at the time, they're not really saying now, but they haven't repented for saying it. They were saying, "poor old Stalin, he was trying to run a rather unruly political milieu, and he wasn't as vengeful or as violent as people imagine." And that hasn't totally gone away.

Roberts: Well, until recently, you had people like Eric Hobsbawm arguing that. And Bob Conquest, of course, had the most terrible trouble. You did too, with your Trotsky book. But his book *The Great Terror* was denounced in all the bien-pensant magazines and literary outlets and so on, until it was proved

to be absolutely right. And if anything, it actually slightly underestimated the number of people Stalin killed.

Service: One of the things I always thought after meeting him in the early 2000s was how jovial he was about the idiots who had said, against all the evidence, that there was no reason to think that Stalin was an enthusiastic mass murderer.

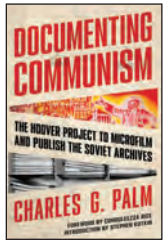
Roberts: Is there anything to the argument that the size of the country, the natural sort of brutality, the lack of liberalism, mean that there's no hope for liberalism in the Russia? That basically, Russian history tells you that they need a strongman.

Service: I don't go along with all of that. I think I'd put it another way: that in the twentieth century and into the twenty-first, Russia has had such a lot of fundamental economic, social, and political traumas that most Russians just want a peaceful life. And I fear that this is the key to why so many Russians sustain in popular opinion polls a positive image of Putin.

I know we can't trust those opinion polls, but still there is a feeling that as long as I'm not being conscripted into a war, I've got a more manageable life now than I had in the 1990s, when all was utter chaos and immiseration, or in the late 1980s, when things were going from bad to worse for most people.

So, I think if we take that into account, it's not surprising that Russians are currently content with a "great leader," with a so-called great, and rather oppressive, leader, rather than go back to the chaos of any earlier period, including 1917. I don't totally lose faith in the mentality of the Russian people. ■

This interview was edited for length and clarity. Adapted from* Secrets of Statecraft with Andrew Roberts, *a Hoover Institution podcast.



"My Village Is No More"

Survivors in a ruined Ukrainian town describe the brutal behavior of Russian soldiers. An eyewitness account.

By Paul R. Gregory

In March 2022, Russian troops committed unrestrained atrocities against Ukrainian civilians and prisoners of war during an occupation of Bucha, a suburb of Kyiv. Bucha's undisputable evidence of mass executions, rape, torture, and the cynical mass deportation of children prompted the civilized world to demand charges of war crimes reaching into the upper echelons of Russian military and civilian power, even to Vladimir Putin himself.

We know about the Bucha atrocities because Ukrainian troops retook the city a month later. Now, as Ukrainian settlements fall to Russia's eastern offensive, we have little information about the myriad "Buchas" that are being absorbed into the unrecognized "people's republics" of Ukraine's Donbas region by Russia. Are they receiving the same treatment as their compatriots in Bucha?

We do have horrific accounts of massacres by Russian forces in occupied villages and towns in eastern Ukraine. One of these is the hometown of my

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daughter-in-law, Ryta. She spends much of her day in contact with friends and relatives back home as they struggle to survive. She offers a grim litany of accounts from friends and neighbors that confirm that "Bucha" is the rule rather than the exception. Atrocities against women, children, and the elderly are a Russian core strategy, not merely the result of untrained recruits running amok. These atrocities are carefully planned and executed by hardened combat soldiers, whose task is to annihilate the adult male population of Ukraine.

"Such memories must remain just memories. My Mykhailivka is no more."

Accordingly, I asked Ryta to describe the Russian takeover of her home village in her own words as she recounts the horrific accounts told by survivors.

She writes the following:

In my imagination, I can picture my village of Mykhailivka (some 45 kilometers from Donetsk City and 20 km from Pokrovsk). I can see in my mind's eye our home, much of it built by hand by my father, a coal miner, near blind from mining accidents incurred during the Soviet era. I can still picture the lush vegetable garden tended by my mother and father. I can hear the bubbling stream from which my father brought home a bounty of fresh fish. In my dreams, I picture our village school and conjure up the images of my "same-year classmates" (odnoklasnyky) with whom I spent ten years of my life.

Such memories must remain just memories. My Mykhailivka is no more. It has been wiped from the map, reduced to a pile of rubble and makeshift graves.

Here is what people from my village tell me: As the order to evacuate Mykhailivka came down from the Ukrainian military command, villagers fled either in their own cars, a communal van, or on foot to nearby Selydove or Pokrovsk, from where they could be sent to the relative safety of western Ukraine by train—or nowhere, because they lost everything. Many escaped thanks to a Dunkirk-like operation in which brave volunteers shuttled villagers out of Mykhailivka, all the while risking encirclement by advancing Russian troops. They had to cease rescue operations before the evacuation was complete, leaving behind stragglers to fend for themselves.

What the evacuees left behind was mainly rubble from protracted shelling of the past weeks. It took only one bomb to wipe out the main street, which was parallel to my parents' street. The day before, the house of the person who worked in the administration department of my village had been incinerated with her entire

family inside by a smart bomb (she had helped Ukrainian soldiers a lot). I guess the Russians knew whom to kill first. Located a little outside of town, our home was also reduced to nothing more than a pile of rubble. Goodbye, childhood memories!

A few of my neighbors decided to stay, thinking that the occupation by Russian troops could not be worse than the nonstop shelling they had sustained. With Russians occupying the village, the bombing should stop, they probably concluded. A group of them hid—men and women—in an abandoned farm repair station left over from Soviet times, hoping volunteers could reach them. They have not been heard from. Most likely they are dead. Mykhailivka descended into an eerie silence as remaining villagers watched for the first detachment of Russian forces. The wait was not long; incoming Russian troops immediately got down to their bloodthirsty business. The Pishuk family owned a grocery store in Mykhailivka. The husband was shot in front of his wife, who pleaded for her husband to receive a proper burial. They rejected her plea, saying, "His body will preserve better in the cellar." Seeing that, she walked out of the village alone toward Selydove. Along the way, she encountered rubble, human bodies, and animal remains, victims of the sustained bombardment of the region.

Back in Mykhailivka, the Russians shot the men of the Pavlov family, whose son was a lifetime Down's sufferer cared for by his father. The father was led away, never to be seen again. I guess they thought that the Russians would take pity on a severely handicapped person, who posed no harm to anyone. They even killed their dog and cat.

Ryta's account of the Mykhailivka massacre confirms several bitter points. First, there are no real limits on Russia's way of war in Ukraine. It is genocide. And the indiscriminate execution of males is a conscious policy to reduce the supply of men fighting to halt the Russian advance. No questions are asked: just shoot, whether they are twenty or eighty. Second, women are not routinely executed unless they occupy some official position, such as mayor, or are just unlucky. Perhaps Russian officers fear that the wholesale shooting of women would not sit well with their troops, some of whom are new to the battlefield. Third, the leveling of all buildings and structures is specifically designed to prevent anyone from inhabiting the area in the near future. Fourth, neighbors from nearby towns exhibited incredible courage, risking their lives to rescue Mykhailivka residents before the Russian troops arrived.

"The wait was not long; incoming Russian troops immediately got down to their bloodthirsty business."

We also recognize Russia's strategy for the future. As Mykhailivka is gradually rebuilt, Russian families will be moved in. Children will be deported to Russia to receive "patriotic education." At some point, the residents will be asked to "vote" on whether they want to be a part of Russia. We need not speculate on their forced answer.

With mounting civilian and military casualties, there is scarcely a Ukrainian family that has not lost sons, daughters, fathers, and mothers in a war initiated by Russia for the political benefit of its ruling class. Throughout Ukraine, the hatred of Russia and Russians is palpable. This hatred will not dissipate through any conceivable plan for "peace." Any peace considered unjust by the Ukrainian people (and Putin will demand such a peace) will lead to violent reactions, perhaps resulting in a partisan war aimed at Russia and Russian interests. If Putin thinks that he will achieve victory by way of a "peace" engineered by the Kremlin without the United States or Europe as guarantors, he is in for a surprise.

"The world cannot turn a blind eye to the ongoing violence and suffering; it must act decisively."

Here is Ryta's plea:

It is time for the world to open its eyes, to throw away false optimism, and to provide real help to Ukrainians to stop this genocide. The atrocities we witness in Mykhailivka and beyond should not be forgotten or ignored. The international community must unite to condemn these acts and support Ukraine in its struggle for survival and justice. The world cannot turn a blind eye to the ongoing violence and suffering; it must act decisively to help those in need, ensuring that the voices of the victims are heard and that their stories lead to accountability and change. ◘

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To Arms

Britain and the rest of Europe have disarmed as if there were no tomorrow—and no Vladimir Putin. But no amount of wishful thinking can wish away the war in Ukraine.

By Niall Ferguson

> "Halfway up Wimbledon High Street … there was the blackened shell of a Panzer IV, a monument to some unknown youth who—with a Worthington beer bottle, filled from the service station at the top of the hill, and a box of Swan Vesta matches—passed into legend, and into songs that were sometimes crooned softly where no German ears listened."
>
> —From Len Deighton's novel *SS-GB* (1978)

Losing a war on your own soil is the ultimate nightmare. It is a nightmare England has been spared for nearly ten centuries. But we had a close call in 1940. That was why, when Len Deighton's thriller *SS-GB*—set in a Britain occupied by Nazi Germany—was published in 1978, it made so many shudder.

Britain avoided defeat in 1940 because enough of our soldiers were rescued from Dunkirk, and enough had been done to prepare our air force for the Battle of Britain. Defense spending had essentially flatlined from 1923 until

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1933. But between then—the year Adolf Hitler came to power in Germany—and 1938, it rose by a factor of four.

Relative to gross domestic product, it rose from 2.6 percent to 7.4 percent.

We have come a long way since V-E Day 1945—mostly, but not always, downhill. There is still much to be proud of. Today, Britain's armed services continue to punch above our economic weight compared with most European countries. In cash terms, we have the largest defense budget in Europe—£52 billion last year, ahead of France and Germany. The previous year it was equivalent to 2.1 percent of GDP, making the United Kingdom one of only eleven members of NATO spending more than 2 percent.

We have come a long way since V-E Day 1945—mostly, but not always, downhill.

British soldiers, sailors, and airmen are active in multiple conflict zones around the world. The army has trained more than sixty thousand Ukrainian troops in the past ten years. The Royal Air Force has joined in American-led attacks on the Houthi rebels in Yemen, whose missiles and drones have chased so much merchant shipping out of the Red Sea. The Royal Navy's aircraft carrier HMS *Prince of Wales* played a leading role in last year's NATO exercise Steadfast Defender, the alliance's biggest military exercise since the Cold War.

All this is taking place after the Russian invasion of Ukraine and Hamas's attack on Israel, and perhaps on the eve of a US-China showdown over Taiwan.

In a speech at Chatham House, the chief of the Defense Staff, Admiral Sir Tony Radakin, tried to look on the bright side.

"We are not on the cusp of war with Russia"' he declared, reassuringly. "We are not about to be invaded. No one in the Ministry of Defense is talking about conscription.… Britain is safe.… We are safe because we are part of NATO, the world's largest and strongest alliance, and also because we are a responsible nuclear power."

TOO LEAN

If Britain truly is safe, however, it is despite a remarkable deterioration in the state of our defense.

The navy has been embarrassed multiple times recently. Our lead aircraft carrier, HMS *Queen Elizabeth,* had to withdraw from Steadfast Defender (to be replaced at the last minute by *Prince of Wales*) after

[Taylor Jones—for the *Hoover Digest*]

problems with a propeller shaft. A Trident nuclear missile crashed shortly after being launched from the submarine HMS *Vanguard* during an exercise in January 2024 (the Ministry of Defense blamed "an anomaly of the testing regime").

In Bahrain in January 2024, two minesweepers—HMS *Chiddingfold* and HMS *Bangor*—collided in broad daylight.

POISED: A British F-35 fighter on the deck of the carrier HMS* Prince of Wales *is illuminated by the aurora borealis during a NATO exercise off the coast of Norway. The vessel played a leading role in Steadfast Defender 2024, the alliance's biggest military exercise since the Cold War. But a former first sea lord and chief of the naval staff, Admiral Lord West, warns that "chronic underfunding over many years has impacted on the strength and capability of the Royal Navy." [AS1 Amber Mayall, RAF—UK MOD © 2024 Crown]

The former first sea lord and chief of the naval staff, Admiral Lord West, is not alone in believing that "chronic underfunding over many years has impacted on the strength and capability of the Royal Navy." True, the navy should start taking delivery of the first of its new Type-31 frigates in 2027, as well as a new nuclear attack submarine. But two Type-23 frigates are to be retired, cutting the frigate fleet to just nine ships.

Meanwhile, General Sir Patrick Sanders, the former chief of the general staff, has warned that underfunding threatens "inadvertently" to reduce the army to a "domestically focused land force." And the harsh truth is that the army has been already reduced as drastically as if the weight-loss drug Ozempic had been mixed in with the rations.

Back in 2021, then–defense secretary Ben Wallace announced a 10,000-member shrinkage in the size of the army, taking it down to 72,500 by this year. With recruitment in the doldrums, that target may be overshot. A 70,000-member army can barely muster a single heavy division.

True, an upgraded tank is on the way, the Challenger 3, but there will be just 148 of them. Poland will have ten times that many modern tanks.

And matters are not helped by procurement fiascos including abandonment of a key strand of the £3.2 billion Morpheus program—which aims to deliver the next generation of tactical communication and information systems—and the bone-rattling Ajax armored fighting vehicle, which has been subject to repeated technical difficulties and delays.

As for the RAF, it's downright anorexic. We had thirty-one jet squadrons at the end of the 1980s. We may soon be down to seven.

And yet, the Ministry of Defense could still find £1.75 million to spend on a four-year diversity, equity, and inclusion program for the air force.

BUDGETS ARE TIGHT EVERYWHERE

A part of the military funding problem is the cost of our not-quite-independent nuclear deterrent, (which in fact relies heavily on US support). Nukes account for a fifth of the total defense budget and a third of the planned equipment budget for the next ten years. As the *Economist* has pointed out, strip out the nuclear weapons, and the true UK defense budget is closer to 1.75 percent of GDP.

Vladimir Putin's nuclear saber-rattling makes it clear that we still need a nuclear deterrent.

Yet Vladimir Putin's nuclear saber-rattling makes it clear that we still need a nuclear deterrent. It has emerged that the Russians have plans to use tactical nuclear weapons in the event of a war with a major power, according to leaked military files dating back to 2008–14. Since February 2022, Putin has regularly threatened to use such weapons if Western Europe "escalates" its support for Ukraine.

Almost as alarming to Britain's defense establishment was Donald Trump's claim at a rally in South Carolina about what he might say to a NATO ally spending less than 2 percent of GDP on defense: "You're delinquent? No, I would not protect you. In fact, I would encourage them [by implication the Russians] to do whatever the hell they want."

Yet the broader problem is that we cannot easily afford to increase our defense budget. For while defense spending has been going down, spending on all kinds of civilian programs has been going up. The entire Western world has been living in a fool's paradise, imagining that the post–Cold War era would never end. We have been living in the age of butter not guns, ploughshares not swords.

Christoph Trebesch, director of the International Finance and Global Governance Research Center at the Kiel Institute for the World Economy, has tracked the secular shift away from defense spending towards spending on health, labor, welfare, and social and educational programs, as well as nonmilitary public sector pensions.

Most NATO countries have in effect imposed the kind of demilitarization on themselves that was forced on Germany at Versailles.

Before World War I, the countries that today belong to the G7 devoted on average around a third of their central-government budgets to defense, and less than 5 percent to nonmilitary social programs. The world wars caused military expenditures to soar, but did not prevent a sustained upward trend in social expenditures. After the Korean War (1950–53), defense spending began an almost mirror-image decline.

Today, social expenditures are on average above 40 percent of central-government spending. Defense is down below 10 percent.

Expressed as shares of GDP, the G7 countries now spend above 10 percent of GDP on social programs and a little over 3 percent of GDP on defense, with the United States spending the largest share. Since 2006, various social programs in the United Kingdom have accounted for more than half of government spending and 20 percent of GDP.

The reversal in central-government priorities is especially striking for Germany. In the 1950s and 1960s, German defense spending averaged 3.8 percent. In 2023, according to NATO estimates, the German defense budget was equivalent to 1.57 percent of GDP—two-fifths of the US figure of 3.49 percent. More than two-thirds of total NATO spending—a staggering 68 percent—is now done by the United States. No wonder Trump blustered.

By the standards of the Cold War, most NATO countries have disarmed themselves to an astonishing extent. They have in effect imposed the kind of

demilitarization on themselves that was forced on Germany by the Treaty of Versailles in 1919.

THE DEBT MILLSTONE

There are other asymmetries within the alliance. If we look at effective aid to Ukraine, as opposed to commitments, we see that support is highly skewed, with the Baltic states, Poland, and Scandinavia doing much more than most relative to their resources.

When a great power is spending more on interest payments than on defense, it's in trouble.

Moreover, in a number of cases there is an additional problem. Exploding public debts since the global financial crisis and the pandemic, followed by the inflation and higher interest rates of 2022–23, have created an additional and irresistible competitor for taxpayers' money: the costs of debt service.

What I call Ferguson's Law states that when a great power is spending more on interest payments than on defense, it is in trouble. (True of Spain in the seventeenth century, France in the eighteenth, the Ottomans in the nineteenth, and Britain in the late twentieth.)

The United States is now perilously close to that predicament. The United Kingdom has been in it for all but one of the past ten years. Indeed, the 2023 interest payments were precisely double the defense budget (£108 billion to £54 billion).

This was not the case in the 1930s, when rearmament was imperative to avoid the nightmare of defeat at Hitler's hands and the cost of debt service was falling.

There's a very long way to go before European "strategic autonomy"—a favorite phrase of French President Emmanuel Macron—can become a reality.

For years, Europe kept on disarming even as geopolitical storm clouds gathered. However, the interruption of US support to Ukraine, almost a year before the presidential election, did seem to have woken Europeans up. Last year, European defense spending was finally going up. And even German politicians were beginning to grasp that rearmament might be both prudent from the point of national security and economically beneficial to the country's ailing

manufacturing sector. (Guess what? Germans are pretty good at making weapons! Who knew?)

On top of these national efforts, the European Commission said it would launch a €100 billion defense fund to boost armaments production.

The West plainly doesn't want Ukraine to lose. But does it want Ukraine to win?

In one interview, the German Defense Minister, Boris Pistorius, pledged that Europe would soon be producing more artillery shells than the United States. After long years of torpor, output at Rheinmetall, the German arms manufacturer, is already surging. And there are promising signs of a lively new defense-technology sector, stimulated by the advances in drone warfare witnessed in Ukraine.

Yet there is a very long way to go before European "strategic autonomy"—a favorite phrase of French President Emmanuel Macron—can become a reality.

SLAYING THE MONSTER

Such a drastic step should not be necessary if a united NATO can maintain its commitment to arming and aiding Ukraine. Unfortunately, that is now a very big "if," contingent on the wheeling and dealing within the US House of Representatives, to say nothing of what might follow the US presidential election.

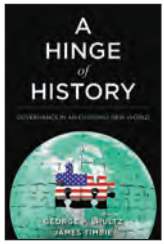
The mood among Ukrainian troops at the front line is bleak, as you might expect with ammunition being rationed and the Russians advancing. At an international security conference in Munich, Yuliia Paievska—a Ukrainian paramedic taken prisoner after the siege of Mariupol—described with unforgettable, excoriating words the physical and psychological torture inflicted by her Russian captors. She required six surgical procedures after her return to Ukraine.

"We are the dogs of war," she said, in one of the most electrifying speeches I have ever heard. She had seen "streams of blood" in her work at the front line. The war was like "a monster" with an insatiable appetite for blood. Only by giving Ukraine the weapons to kill the monster could the West get this war to stop.

The West plainly doesn't want Ukraine to lose—to suffer the humiliation Len Deighton imagined if Britain had been overrun in 1941. But does it want Ukraine to win?

Does it want Yuliia, and so many other victims of Russian brutality, to be avenged? Does it want to see Putin defeated—without which there can be no real security for Europe?

I wish I felt more certain that the answers to those questions were yes.



Illusions of Germany

After two ruinous wars, Germany for some seven decades devoted itself to being good and doing well. Today? There are entirely new "German questions." Europe awaits answers.

By Timothy Garton Ash

Countries, unlike human beings, can be old and young at the same time. More than 1,900 years ago, Tacitus wrote a book about a fascinating people called the Germans. In his fifteenth-century treatise *Germania,* Aeneas Silvius Piccolomini, better known as Pope Pius II, praised German cities as "the cleanest and the most pleasurable to look at" in all of Europe. But the state we know today as Germany—the Federal Republic of Germany—has celebrated only its seventy-fifth birthday, on May 23 of last year. Its current territorial shape dates back just thirty-four years, to the unification of West and East Germany on October 3, 1990, which followed the fall of the Berlin Wall on November 9, 1989.

Yet already the post-Wall era is over and everyone, including the Germans, is asking what Germany will be next. Not just what it will do; what it will *be.* In his excellent *Germany: A Nation in Its Time,* the German-American

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SWEPT AWAY: A visitor examines the Berlin Wall Memorial, a preserved border strip on Bernauer Strasse. The Russian invasion of Ukraine, the largest war in Europe since 1945, reduced core assumptions of post-Wall Germany—political, economic, and military, but also moral—to rubble.
[Arnulf Hettrich—Newscom]

historian Helmut Walser Smith reminds us just how many different Germanies there have been over the five centuries since Piccolomini's *Germania* was first printed in 1496. Not only have the borders and political regimes changed repeatedly; so have the main features identified with the German nation.

Sometimes the dominant chord was cultural: the land of *Dichter und Denker* (poets and thinkers); the *patrie de la pensée* (homeland of thought) described by Madame de Staël in *De l'Allemagne* (1813); the Germany that according to George Eliot has fought the hardest fight for freedom of thought, has produced the grandest inventions, has made magnificent contributions to science, has given us some of the divinest poetry, and quite the divinest music, in the world.

After two world wars and all the horrors of the Third Reich, many people naturally identified Germany with militarism. But Smith shows how first Prussian and then German military expenditure has in fact been on a roller coaster for the past two centuries.

IN DOUBT: Former German chancellor Angela Merkel dramatically misjudged Vladimir Putin's intentions. Germany increased its dependence on Russian energy supplies at the same time that it failed to increase defense spending, forcing an even greater dependence on the United States for protection. [European People's Party]

Very often, however, German nationhood has been identified with economic development and prowess. This point was powerfully made by the Princeton historian Harold James in a book called *A German Identity,* published the year the Wall came down. And James wrote presciently that Clio, the muse of history, "should warn us not to trust Mercury (the economic god) too much."

ECONOMIC POWER

Post-Wall Germany trusted to Mercury. After West Germany under Chancellor Helmut Kohl unexpectedly achieved its goal of unification on Western terms, the old-new Federal Republic moved its capital from the small town of Bonn to previously divided Berlin and settled down to be a satisfied status quo power. Very much in the wider spirit of those times, it was the economic dimension of power that prevailed.

The historian James Sheehan has characterized this as the *Primat der Wirtschaftspolitik* (the primacy of economic policy), but it was also, more specifically, the *Primat der Wirtschaft* (the primacy of business). "The business of America is business" is a remark attributed to US president Calvin Coolidge. If one said of the post-Wall Berlin republic that "the business of Germany is business," one would not be far wrong. This involved the very direct influence of German businesses on German governments, enhanced by the distinctive West German system of cooperative industrial relations known as *Mitbestimmung*. If it was not the big automobile or chemical company bosses on the telephone to the Chancellery, it was the trade union leaders, all urging some lucrative commercial deal. (Bosses and labor leaders could argue between themselves afterward about how to divide the resulting pie.)

German nationhood has long been identified with economic development and prowess.

By 2021, a staggering 47 percent of the country's GDP came from the export of goods and services. The most spectacular growth was in business with China, on which Germany became significantly more dependent than any other European country. And while it self-identified as a civilian power, it exported a lot of German-made weapons, including nearly three hundred Taurus missiles to South Korea between 2013 and 2018—the very make of missile that Chancellor Olaf Scholz has stubbornly refused to send to embattled Ukraine. In the years 2019–23, Germany had a 5.6 percent share of global arms exports, ahead of Britain although still behind France. Mars in the service of Mercury.

With the eastward enlargement of the EU and NATO, Germany no longer had the insecurities of a front-line state. As former West German president Richard von Weizsäcker put it, this was the country's liberation from its fateful historic *Mittellage* (middle position) between East and West, since it was now blessedly surrounded by fellow members of the geopolitical West. Accordingly, its defense expenditure sank as low as 1.1 percent of GDP in 2005.

Particularly in the angry polemics between Northern and Southern Europe during the eurozone crisis that became acute in 2010, Germans tended to attribute their economic success to their own skill, hard work, and virtue. After all, they had not piled up debt like those feckless Southern Europeans. German industry does indeed have extraordinary strengths, as anyone knows who drives a BMW, does their laundry in a Miele washing machine, cooks dinner in a Bosch oven, or wears Falke socks. And in the early 2000s, faced with the huge

costs of German unification, the government of Gerhard Schröder had worked with business and trade union leaders to push through a painful set of reforms that kept German labor costs low while they soared in Southern Europe.

Yet this economic success was also the result of a uniquely favorable set of external circumstances. The single European currency, which many Germans regarded as a painful sacrifice of their treasured deutschmark, brought considerable economic advantage to Germany, since its companies could export to the rest of the eurozone without any risk of currency fluctuation and to the rest of the world at a more competitive exchange rate than the mighty deutschmark would have enjoyed. Meanwhile, the eastward enlargement of the EU enabled German manufacturers to relocate production facilities to countries with cheap skilled labor like Poland, Hungary, and Slovakia while exporting freely across the entire EU single market. In a sense, this was the achievement of the liberal imperialist politician Friedrich Naumann's 1915 vision of *Mitteleuropa* as a German-led common economic area, but it was done entirely peacefully, for the most part to mutual advantage, and within the larger legal and political structure of the EU.

Germany, wrote one commentator, outsourced its security needs to the United States, its energy needs to Russia, and its economic growth needs to China.

Even more important were the external conditions beyond Europe. The Washington-based German commentator Constanze Stelzenmüller summed this up in a sharp formula. Post-1989 Germany, she wrote, outsourced its security needs to the United States, its energy needs to Russia, and its economic growth needs to China.

DEEP CURRENTS

Countries change but still manifest deep continuities. The French long for universalism; the British cleave to empiricism. Germans were good at making things in the fifteenth century—the Mainz entrepreneur Johannes Gutenberg's movable-type printing press, for example—and they still are. Another of those deeper German continuities is what the German-British social thinker Ralf Dahrendorf identified as a yearning for synthesis.

With these growing external dependencies, however, synthesis became not just an intellectual preference but a political imperative. Everything had to be not merely connected to but also compatible with everything else. German

interests had also to be European interests. Beyond Europe, Germany had to be friends with the United States but also with Russia and with China, all at the same time. The country's export-based business model must also be in harmony with its values-based political model. The Germans could do well while also being good.

In the case of the Federal Republic, being good has a specific meaning: to have learned the lessons from the Nazi past, and hence always standing for peace, human rights, dialogue, democracy, international law, and all the other good things we associate with the ideal of liberal international order. How Germany has fared in this respect is the subject of another outstanding book, Frank Trentmann's *Out of the Darkness: The Germans, 1942–2022,* a probing moral history with a distinctly mixed verdict. "When moral principles served German interests they were flaunted," Trentmann writes at one point, "when they stood in the way they were ignored."

These claims for synthesis were framed within a larger view—prevalent in much of the West in the post-Wall years, but nowhere more so than in Germany—of the way history was headed. "The end of history" was an American idea, but it was the Germans who lived the neo-Hegelian dream.

So, history was going our way. Germany, Europe, and the West altogether had a model on which others would eventually converge. Globalization would facilitate democratization. True, Russia and China didn't look terribly like liberal democracies, but as they modernized, they would get better. Western investment and trade would help them down history's preordained track, while economic interdependence would underpin a Kantian perpetual peace.

The country in which the Berlin Wall had come down enjoyed the greatest successes—but also nourished the greatest illusions.

Thus, the country in which the Berlin Wall had come down enjoyed the greatest successes but also nourished the greatest illusions of Europe's post-Wall era.

Over the past sixteen years this model has collapsed in two ways: gradually, then suddenly—to recall Ernest Hemingway's description of how one goes bankrupt. The gradual phase coincided with a general crisis of Europe's post-Wall order that started in 2008 with two near-simultaneous events: the eruption of the global financial crisis and Vladimir Putin's military seizure of two large areas of Georgia. The sudden arrived on February 24, 2022, with his full-scale invasion of Ukraine.

The direct primacy of business meant that there wasn't even a proper primacy of economic policy, since the effect was to privilege the immediate interests of existing German businesses, such as the automobile and chemical industries, over the industries of tomorrow. As a result, Germany (along with the rest of Europe) is far behind the United States and China in AI and other innovative technologies, and faces competition from Chinese electric cars that may be both cheaper and better than German ones.

For neglecting innovation, Germany (along with the rest of Europe) is far behind the United States and China in artificial intelligence. It even faces competition from China's electric cars.

Two extreme manifestations of fiscal conservatism—a "debt brake" written into the constitution in 2009 and the so-called "black zero," the finance ministry's insistence for many years on running no budget deficit—have left the country with exceptionally healthy public finances but also chronic underinvestment in infrastructure.

A panicky choice to abandon all civil nuclear power after Japan's Fukushima nuclear power plant disaster in 2011 has made it even more difficult to make the transition to green energy, urgently required to address the climate crisis, while at the same time weaning the country off Russian fossil fuels. Angela Merkel's decision to let in some one million refugees from Syria and the wider Middle East in 2015–16 was admirably humane, and most of the new arrivals have been successfully integrated into the German economy, helping to ameliorate its acute shortage of skilled labor. But the fear that this irregular immigration from faraway and often majority-Muslim countries was "out of control" and would culturally transform the country too fast gave a big boost to the hard-right nationalist party Alternative für Deutschland (AfD).

A panicky choice to abandon all civil nuclear power made it more difficult to transition to green energy.

While there has been enormous investment and significant economic growth in East Germany, the psychological divide between East and West has increased rather than decreased—even while the chancellor was an East German. Many East Germans feel an angry sense that they are treated as second-class citizens.

Change through consensus has historically been one of the keys to the success of the Federal Republic, in politics as in industrial relations. But with the fragmentation of the political landscape into seven or eight parties, felt at the federal level also through the Bundesrat (the upper house, which represents the federal states), and significant interventions by the powerful Federal Constitutional Court, it has become more difficult to achieve either consensus or change.

Meanwhile, many of the countries that were meant graciously to converge toward the liberal democratic ideal have moved in the opposite direction—even in Germany's immediate neighborhood. Since 2010, Hungarian prime minister Viktor Orbán has systematically demolished democracy in a nearby country where the German car industry is heavily invested. In China, the turn has been even sharper, from the high hopes of gradual liberalization that accompanied the Beijing Olympics in 2008 to the harsh authoritarianism of Xi Jinping's rule today. Yet German companies have continued to make major investments in these places, often turning a blind eye to any conflict with their own country's proclaimed values.

The psychological divide between East and West has increased rather than decreased. Many East Germans feel like second-class citizens.

The most dramatic misjudgment was about Russia. Merkel, a fluent Russian speaker who as chancellor had a portrait of Catherine the Great—a Russian ruler of German origin—in her office, was by far the most influential European politician when it came to dealing with Putin. One might argue that the Minsk II agreement, which Germany (along with France) was instrumental in concluding in February 2015, following Putin's annexation of Crimea and the start of the Russo-Ukrainian war in 2014, was the best that could be done to stabilize the situation at a moment when Ukrainian defenses were collapsing. Completely indefensible, however, was the German failure to change tack thereafter, realistically reassessing the Russian threat. The most telling evidence is that, far from decreasing its energy dependence on Russia, Germany increased it: by 2020 a staggering 55 percent of its gas, 34 percent of its oil, and 57 percent of its hard coal came from Russia.

PULLED IN ALL DIRECTIONS

To complete the trio of major extra-European dependencies, Germany depended more than ever on the United States for its security. Even

Donald Trump's challenge to European NATO partners during his presidency produced only a slow and reluctant upward adjustment of German defense spending. In a speech in Munich in 2017, Merkel did say that "the times when we could completely rely on others are to some extent past." But there was no fundamental change of policy.

Then, on February 24, 2022, Putin launched his full-scale invasion of Ukraine. The beginning of the largest war in Europe since 1945 reduced core assumptions of post-Wall Germany—political, economic, and military, but also moral—to rubble that was less immediately visible than that of the Ukrainian city of Mariupol but no less real.

There was an appeal for Germany to initiate an immediate boycott of fossil fuels from Russia. Scholz's coalition government decided against taking this radical step, and the way he made the argument was telling. It would plunge Germany and Europe into a recession, he said. "Hundreds of thousands of jobs would be in danger, whole branches of industry on the brink." (The chemical giant BASF alone guzzled some 4 percent of the country's total annual consumption of gas, delivered through its own special pipeline.) And then Scholz said—for remember, everything must be in harmony with everything else—"Nobody is served if, with eyes wide open, we put our economic substance at risk." But if Putin had suddenly been deprived of a principal source of funding for his war machine, somebody would have been served: the Ukrainian people.

Instead, Germany would wean itself off Russian fossil fuel just as quickly as was compatible with avoiding a recession. The choice may be defended on the basis of what Max Weber called an "ethics of responsibility," but it was Ukrainians who paid a tragic human price for more fortunate people's past mistakes. According to the most careful independent assessment, by the Center for Research on Energy and Clean Air, in the first year of the full-scale war Germany paid Russia some $30.6 billion for gas, oil, and coal. Some of this money will actually have gone toward the production and transportation of those fuels, but prices had soared precisely as a result of Putin's war, making much of this pure profit. Since the energy sector is an integral part of Putin's regime, we must conclude that these payments made a significant contribution to funding Russia's war against Ukraine. (To give a sense of scale, Russian military expenditure in 2022 was estimated by the Stockholm International Peace Research Institute to be around $102 billion, up from $66 billion in 2021.)

In the meantime, and to its great credit, Germany has become one of the leading supporters of Ukraine. According to the Kiel Institute for the World Economy's "Ukraine support tracker," Germany committed some €22.1 billion in military, economic, and humanitarian aid to Kyiv in the first two years of the

full-scale war, second only to the United States. It has taken a leading role in the provision of air defenses. By 2024 the German chancellor was even lecturing other European countries on how they must do more for Ukraine. Yet at every stage, Scholz dragged his feet on sending more powerful weapon systems.

To explain Scholz's stance, one needs to understand his cautious managerial personality and formative experiences as a Young Socialist peace activist in the 1980s, as well as the presence of a Russia-fixated appeasement tendency in his party and a domestic politics in which he hopes to win over voters by positioning himself as a *Friedenskanzler* ("peace chancellor"). Yet in a larger perspective Scholz can also be viewed as a representative figure of Germany in this uncertain, transitional time.

A similar disorientation can be seen in other areas. Donald Trump's regaining the US presidency has called into question the US commitment to NATO's "all for one and one for all" guarantee to defend European member states. At a campaign rally in February 2024, Trump boasted about how as president he had told the leader of a large NATO member state that he would "encourage" Russia to do "whatever the hell they want" to countries that didn't pay more for their own defense. The response in Germany? For several days, the media were full of speculation about how one might create a European nuclear deterrent to cover Germany. Thus, a country that had recently completed its exit from civil nuclear power was now suddenly talking about having nuclear weapons.

FROM ANGST TO ACTION

The Federal Republic is certainly the single most powerful country inside the European Union. Berlin may not always get what it wants in Brussels, but very little happens if Berlin doesn't want it to. And which way Germany goes matters more to Europe than the future course of any other European country.

In the seventy-five years of the Federal Republic, there have been three great moments of German strategic choice: the so-called *Westbindung,* its founding chancellor Konrad Adenauer's decision to bind the fledgling Federal Republic firmly into the transatlantic West in the 1950s; Chancellor Willy Brandt's *Ostpolitik,* the West German détente policy toward the Soviet bloc, implemented in the 1970s; and Chancellor Helmut Kohl's commitment to embed German unification in further steps of European unification in the 1990s.

At each of these turning points, there were "Roads Not Taken," the title of an illuminating exhibition currently on view at the German Historical Museum in Berlin. It was not obvious to the German public that this was the right way to go, and the government's policy was often fiercely contested.

The international setting today positively demands a strategic change. As for leadership, Scholz looks like a transitional figure, but someone else can emerge, at the latest after the national election due in autumn 2025. Adenauer, Brandt, and Kohl did not enter the chancellor's office as great European statesmen—they grew on the job.

German specialists on Russia and Eastern Europe have been outspoken in their critique of Berlin's failed Russian policy and half-hearted support for Ukraine. In many ways, this reminds me of the intellectual ferment in the 1960s that gave birth to Brandt's *Ostpolitik*. There is less evidence, unfortunately, that the country's politicians and business leaders are listening. Yet Germany today needs open, critical thinking as badly as an overweight, middle-aged man needs exercise. For the individual questions that together make up this new German Question are very challenging.

Given the fragmentation of the party landscape, how can change through consensus be achieved? If the old export-based business model is increasingly incompatible with the country's values-based political model, what is the new business model? Or will Berlin, as the acerbic economic commentator Wolfgang Münchau anticipates, "revert to its old practice of carving out deals with Eurasian dictators for the sake of German industry"? Returning from a recent trip to China, the Bavarian leader Markus Söder tweeted his satisfaction at having acted as a political "escort" to German business, adding, "We do Realpolitik instead of Moralpolitik."

Germany today needs open, critical thinking. There is little evidence, unfortunately, that politicians and business leaders are listening.

Then there's the military question. If Germany spends 2 percent of its GDP on defense, it will have the fourth-largest defense budget in the world. If Donald Trump were to drastically reduce the US presence in Europe, Germany would soon become the continent's leading military power outside Russia. What would all these German soldiers and guns be there for? Where, how, and with what ethos would they be deployed? How would Mars sit beside Mercury?

In German, the entire language of war has been poisoned by its association with Nazism. In 2020, the head of the German army caused a stir when he said the country's armed forces should be *siegesfähig*—capable of winning. The defense minister now says the armed forces must be *kriegstüchtig*—war-capable. It will require imagination and judgment to find an appropriate new German vocabulary for the hard business of being ready to fight and die so that that you don't need to fight and die.

German society has been described as "post-heroic." In a recent poll, only 38 percent of those asked said they would be ready to take up arms to defend their country if it were attacked, whereas 59 percent said they wouldn't. But then, unlike Poles or Estonians, let alone Ukrainians, most Germans still don't really believe they might need to.

To talk of German angst is a hoary old cliché. But the German word angst can mean either fear or anxiety. These are two very different things. Fear can mobilize—to "fight or flight." Anxiety paralyzes. It's the latter kind of angst that Germany is suffering from at the moment. The challenge for political and intellectual leadership will be to carry an anxious public to a position that is more realistic, morally consistent, and geopolitically, economically, and environmentally sustainable, without any sudden lurch from one extreme to another.

Can Germany swing the balance of the European Union toward a genuine strategic commitment to include Ukraine, Moldova, the Western Balkans, and Georgia? Can it contribute the bold, innovative thinking needed to reform the EU, making it ready both to make another big enlargement and to face a dangerous world? Can it help shape a realistic new European policy toward Russia, not for the next twenty months but for the next twenty years? And how is Europe as a whole—including countries like self-marginalized Britain—to defend its values and way of life in a world where often reflexively anti-Western great and middle powers such as China, India, and Turkey are increasingly influential, while the US interest in Europe has diminished and will continue to diminish? Germany cannot do any of these things on its own, but without Germany none of them will happen.

Here is today's German Question, and the only people who can answer it are the Germans themselves. ■

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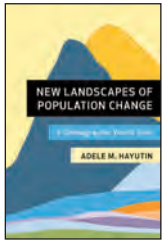

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Knowledge Is Power—and It's Portable

What we don't know definitely *can* hurt us. That's why education and technology—research, talent recruitment, innovation—will prove indispensable to American security.

By Amy B. Zegart

When Russia's invasion of Ukraine appeared imminent in early 2022, US intelligence officials were so confident that Russian tanks would roll quickly to victory that staff evacuated the US embassy

Key points

» Countries increasingly derive power from intangible resources. The United States risks squandering its many advantages in technology and science.

» A broken military procurement system disproportionately hinders new, small, and innovative companies that could create tomorrow's technological edge.

» Educational proficiency is a critical ingredient of knowledge power. It demands close attention.

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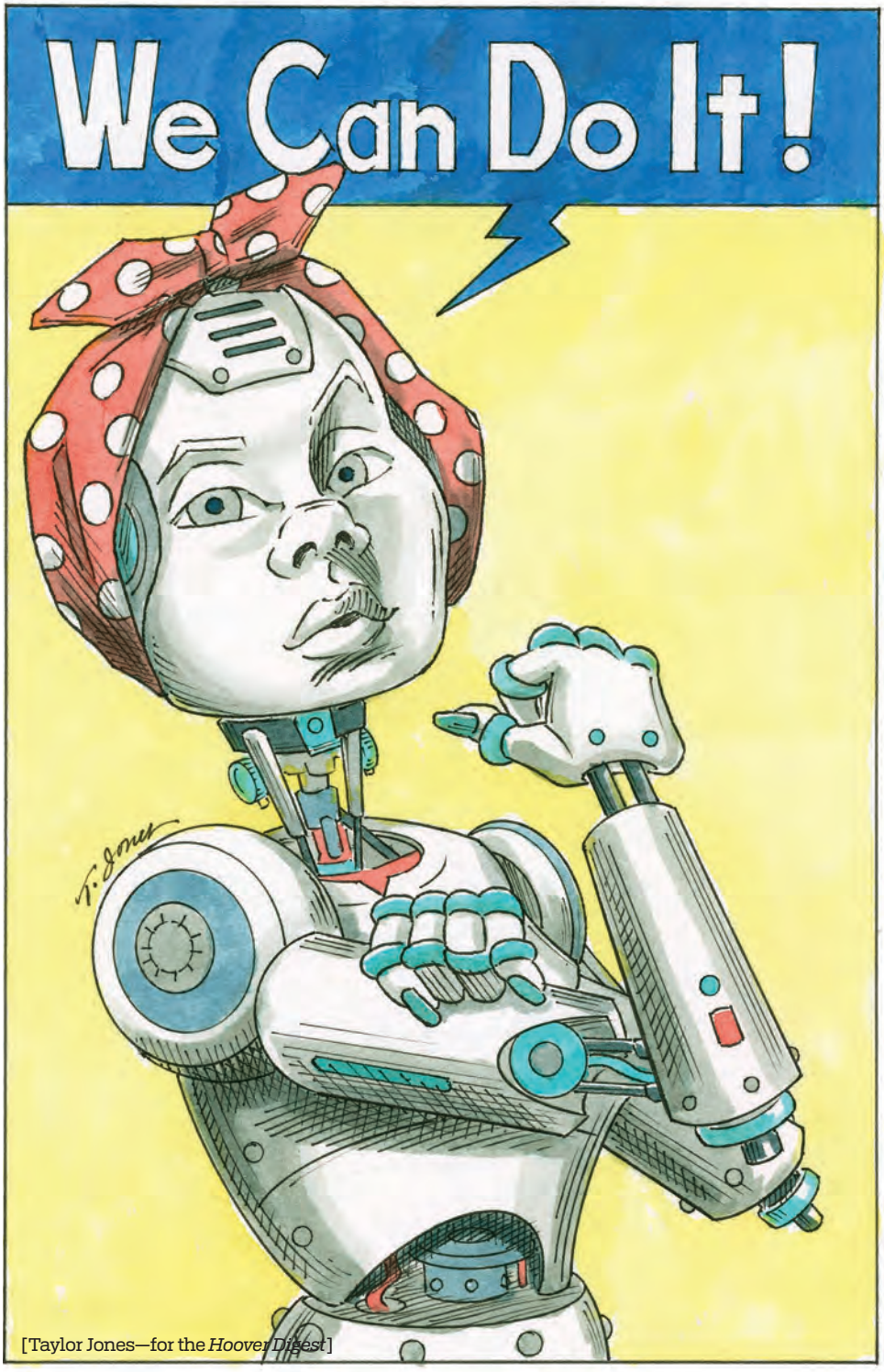


[Taylor Jones—for the *Hoover Digest*]

in Kyiv. Based on traditional measures of power, the intelligence assessment made sense. In 2021, Russia ranked fifth in the world in defense spending, whereas Ukraine was a distant thirty-sixth, behind Thailand and Belgium. Yet more than two years later, Russia and Ukraine are still fighting their brutal war to a standstill.

Ukraine's resilience is a telling indicator that power is not what it used to be. The country's surprise showing is in no small part a result of its highly educated population and a technology innovation ecosystem that has produced vast quantities of drones and other homemade weapons on the fly. Ukraine has even managed to wage naval warfare without a navy, using homemade drones and other devices to destroy nearly two dozen Russian ships and deny Russia control of the Black Sea.

For centuries, a nation's power stemmed from tangible resources that its government could see, measure, and generally control, such as populations that could be conscripted, territory that could be conquered, navies that could be deployed, and goods that could be released or restricted, such as oil. Spain in the sixteenth century had armies, colonies, and precious metals. The United Kingdom in the nineteenth century had the world's strongest navy and the economic benefits that emerged from the Industrial Revolution. The United States and the Soviet Union in the twentieth century had massive nuclear arsenals.

Today, countries increasingly derive power from intangible resources—the knowledge and technologies such as artificial intelligence that are supercharging economic growth, scientific discovery, and military potential. These assets are difficult for governments to control once they are "in the wild" because of their intangible nature and the ease with which they spread across sectors and countries. US officials, for example, cannot insist that an adversary return an algorithm to the United States the way the George W. Bush administration demanded the return of a US spy plane that crash-landed on Hainan Island after a Chinese pilot collided with it in 2001. Nor can they ask a Chinese bioengineer to give back the knowledge gained from postdoctoral research in the United States. Knowledge is the ultimate portable weapon.

The fact that these resources typically originate in the private sector and academia makes the job of government even more challenging. Foreign policy has always been a two-level game; US officials have to wrangle both domestic actors and foreign adversaries. But more and more, the decisions of private companies are shaping geopolitical outcomes, and the interests of the US private sector are not always aligned with national

objectives. In the past year, American CEOs with vested Chinese business interests have met face-to-face with Chinese leader Xi Jinping about as often as Secretary of State Antony Blinken has. And when war erupted in Ukraine, the billionaire Elon Musk singlehandedly decided whether, where, and when the Ukrainian military could communicate using the Starlink satellite network he owns.

At the same time, many of the US government's capabilities are deteriorating. Its traditional foreign policy tools have withered: confirming presidential appointments has become so fraught that at least a quarter of key foreign policy positions sat vacant halfway through the first terms of the last three US presidents. Thanks to spiraling federal debt, this year, for the first time ever, the United States will spend more on interest payments than on defense. Because Congress often cannot pass an annual budget, the Pentagon increasingly runs on stopgap budget measures that fund only existing programs, not new ones, preventing new research and development initiatives or weapons programs from getting off the ground. This broken system disproportionately hinders new, small, and innovative companies. As a result, big, expensive weapons systems persist while new, cheap solutions wither.

If China were to design a budget process with the intent to stifle invention, send weapons costs through the roof, and weaken American defense, it would look like this. In today's knowledge- and technology-driven world, US policy makers need to think in new ways about what constitutes US power, how to develop it, and how to deploy it. Prosperity and security will depend less on preventing adversaries from acquiring US technologies and more on strengthening the country's educational and research capacity and mobilizing emerging technologies to serve the national interest.

INNOVATE, ANTICIPATE

For decades, US policy makers have employed hard- and soft-power tools to influence foreign adversaries and allies. To advance US interests with hard power, they built military might and used it to protect friends and threaten or defeat enemies. With soft power, they shared US values and attracted others to their cause. Both hard and soft power still matter, but because they do not determine a country's success the way they once did, the United States must work to expand its knowledge power—advancing national interests by boosting the country's capacity to generate transformational technology.

Knowledge power has two essential elements: the ability to innovate and the ability to anticipate. The first relates to a country's capacity to produce

and harness technological breakthroughs. The second has to do with intelligence. Part of this work fits into the traditional mission of US spy agencies, which are tasked with discovering the intentions and capabilities of foreign adversaries to threaten US interests. As the boundaries between domestic industry and foreign policy blur, however, intelligence agencies also need to help the government understand the implications of technologies developed at home.

Knowledge power has two essential elements: the ability to innovate and the ability to anticipate.

Innovation and anticipation are not merely ingredients that strengthen the United States' military and its powers of attraction. They may do both, but the primary function of knowledge power lies closer to home. Whereas traditional foreign policy tools aim outward—using threats, force, and values to affect the behavior of foreign actors—building and using knowledge power requires Washington to look inward. It involves marshaling ideas, talent, and technology to help the United States and its partners thrive no matter what China or any other adversary does.

Education and innovation are key to the United States' ability to project power.

The components of knowledge power can be hard to see and quantify. But a good place to start is national educational proficiency levels. Overwhelming evidence shows that a well-educated workforce drives long-term economic growth. In 1960, East Asia nearly tied sub-Saharan Africa for the lowest GDP per capita in the world. Over the next thirty years, however, East Asia vaulted ahead, spurred in large measure by educational improvements.

The geographic concentration of technological talent is another useful indicator of knowledge power, suggesting which countries are poised to leap ahead in critical areas. There is a reason leading scientists and engineers congregate in labs and recruit superstar teams instead of isolating themselves in their offices, designing experiments alone and reading research papers online. Physical proximity matters; the world's top minds working closely together is a recipe for technological breakthroughs.

Physical proximity matters. The world's top minds working closely together is a recipe for breakthroughs.

Gauging a nation's long-term power prospects also requires measuring the health of its research universities. Companies play an essential role in technological innovation, but the innovation supply chain really begins earlier, in campus labs and classrooms. Whereas companies must concentrate their resources on developing technologies with near-term commercial prospects, research universities do not face the same financial or temporal demands. Basic research, the lifeblood of universities, examines questions on the frontiers of knowledge that may take generations to answer and may never have any commercial application. But without it, many commercial breakthroughs would not have been possible, including radar, GPS, and the Internet.

More recently, what looked from the outside like the overnight success of mRNA-based COVID-19 vaccines was in fact the result of more than fifty years of basic research in universities. Similarly, the cryptographic algorithms protecting data on the Internet today stemmed from decades of academic research in pure math. And many new advances in artificial intelligence, from ChatGPT to image recognition, build on the pioneering work developed at the University of Toronto, the University of Montreal, Stanford University, and elsewhere.

BRAIN DRAIN

If education and innovation are key to the United States' ability to project power, then the country's prospects are on shaky ground. American K–12 education is in crisis. Students today are scoring worse on proficiency tests than they have in decades and falling behind their peers abroad. US universities are struggling, too, as they face greater global competition for talent and chronic federal underinvestment in the basic research that is vital for long-term innovation.

In 2023, math and reading scores among American thirteen-year-olds were the lowest in decades, according to the National Assessment of Educational Progress. Half of US students could not meet their state's proficiency requirements. And scores on the ACT, the popular college admissions test, declined for the sixth year in a row, with 70 percent of high school seniors not meeting college readiness benchmarks in math and 43 percent not meeting college readiness benchmarks in anything. Notably, these trends began before the COVID-19 pandemic.

While students in the United States fall behind, students in other countries are surging ahead. According to the Program for International Student Assessment, which tests fifteen-year-olds worldwide, in 2022 the

United States ranked thirty-fourth in average math proficiency, behind Slovenia and Vietnam. (Reading and science rankings were higher but barely cracked the top ten and top twenty, respectively.) More than a third of US students scored below the baseline math proficiency level, which means they cannot compare distances between two routes or convert prices into a different currency. At the top end, only 7 percent of American teens scored at the highest level of math proficiency, compared with 12 percent of test takers in Canada and 23 percent in South Korea. Even pockets of excellence inside the United States don't fare well internationally. Massachusetts was the top-scoring US state in math in 2022 but would rank just sixteenth in the world if it were a country. Most US states rank near the global median. And the lowest-scoring state, New Mexico, is on par with Kazakhstan.

Part of this story is the "rise of the rest": the global population has become vastly more educated in the past several decades, redrawing the knowledge power map in the process. Since 1950, average years of schooling have risen dramatically, and the number of college graduates worldwide has increased thirty-fold. As the educational playing field levels, US universities and companies increasingly rely on foreign talent to remain world-class. In 1980, 78 percent of doctorates in computer science and electrical engineering awarded by American universities went to US citizens or permanent residents. In 2022, it was 32 percent. About one million international students now study in the United States each year. The largest share comes from China, at 27 percent.

The United States' record of attracting talent from around the world is an enormous asset. Nearly 45 percent of all Fortune 500 companies in 2020, including Alphabet, SpaceX, and the chip giant NVIDIA, were founded by first- or second-generation immigrants. About 40 percent of Americans awarded Nobel Prizes in scientific fields since 2000 have been foreign-born. Yet here, too, the country is forfeiting its short-term advantage and creating long-term vulnerabilities. Outdated immigration policies have created a self-sabotaging talent system that educates exceptional foreign students and then requires many of them to leave the United States, taking everything they learned with them.

Outdated immigration policies have created a system that educates exceptional foreign students and then forces many of them to leave.

What's more, this talent supply chain works only as long as foreign students want to study in the United States and their governments allow it. Foreign universities have improved substantially in recent years, offering more alternatives for the best and brightest. Already, polls show that the share of Chinese students who prefer to study in Asia or Europe instead of the United States is rising. If the Chinese government were ever to restrict the flow of top students to the United States, many university labs and companies would be in serious trouble.

Funding trends are also headed in the wrong direction. Only the US government can make the large, long-term, risky investments necessary for the basic research that universities conduct. Yet overall federal research funding as a share of GDP has declined since its peak of 1.9 percent in 1964 to just 0.7 percent in 2020. (By comparison, China spent 1.3 percent of GDP on research in 2017.) The 2022 CHIPS and Science Act was supposed to reverse this downward slide by investing billions of dollars in science and engineering research, but these provisions were later scrapped in budget negotiations.

China's basic research spending is due to overtake US spending within ten years.

Basic research has been particularly hard hit. Although the United States still funds more basic research than China does, China's investment in research rose more than 200 percent between 2012 and 2021, compared with a 35 percent rise in US investment. If current trends continue, China's basic research spending will overtake US spending within ten years.

The gravitational pull of the private sector is bolstering short-term innovation and economic benefits, but it is also draining the sources of future innovation. In one top-ranked US computer science department, nearly a third of the senior AI faculty a decade ago have left academia. At another top-ranked department, an AI scholar, who spoke on the condition of anonymity, has estimated that half the AI faculty have gone part-time. Doctoral students and faculty at an AI lab at another leading university do not have the ability to discuss their research freely, which is vital for collaboration, because some are working at OpenAI and have signed nondisclosure agreements. Last year, more than 70 percent of newly minted AI PhD's in the United States went directly to industry, including a disproportionate share of the top students. As a US government commission on AI put it, "Talent follows talent."

A generation from now, policy makers will lament, "How could we not have seen this talent crisis coming?" But all they needed to do was look.

FIRST, TAKE STOCK

US policy makers need a new playbook that will help them assess, enhance, and use the country's knowledge power.

The first step is developing intelligence capabilities to gauge where the United States is ahead in emerging technologies and where it is behind, and to determine which gaps matter and which do not. The Pentagon has legions of analysts comparing US and foreign military capabilities, but no office in the US government does the same for emerging technologies. This needs to change.

The Office of the Director of National Intelligence has already begun building stronger relationships with companies and universities to gain insight into US technological developments. These efforts must be institutionalized, with channels to share expertise faster and more frequently. To spur progress, Congress should hold annual technology net assessment hearings with intelligence officials and academic and industry leaders. And universities must step up by sharing the details and implications of their latest lab discoveries. For instance, my institution, Stanford University, along with the Hoover Institution has launched an initiative called the *Stanford Emerging Technology Review* to provide more accessible and regular information to policy makers about key emerging technologies—including AI, bioengineering, space technologies, materials science, and energy—from leading experts in those fields.

The Pentagon has legions of analysts comparing US and foreign military capabilities, but no office to do the same for emerging technologies.

Washington also needs to invest in the national infrastructure necessary for technological innovation. In the 1950s, President Dwight Eisenhower developed the Interstate Highway System to bolster US economic growth and to make it easier to evacuate civilians and move troops in the event of a Soviet attack. After the 1973 oil crisis, President Gerald Ford established the Strategic Petroleum Reserve, the largest stockpile of emergency crude oil in the world, so that a foreign oil embargo or other disruption would never again cripple the US economy. The missing national security infrastructure today is computational power. Progress in nearly every field relies on artificial intelligence, which in turn requires

advanced computational power to operate. Today, only large companies such as Amazon, Google, Meta, and Microsoft can afford to buy the massive clusters of advanced chips required for developing frontier AI models. Everyone else struggles to afford the bare minimum.

A national strategic computational reserve would provide free or low-cost advanced computing to researchers through competitive grants that lease time on existing cloud-based services or supercomputing systems at national labs. The reserve could also build and operate smaller-scale computing clusters of its own. This infrastructure would be accessible to researchers outside large tech companies and well-endowed research universities. It would facilitate cutting-edge AI research for public benefit, not just private profit. And it would help stem the flow of top computer scientists from academia to industry by offering them resources to do pioneering work while remaining in their university positions.

A national strategic computational reserve could provide free or low-cost advanced computing to researchers.

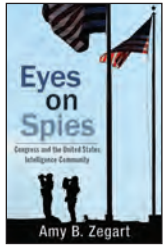
Enhancing US knowledge power is not just about developing new capabilities. Washington also needs to fix problems in the country's immigration system and defense budgeting. Congress must pass immigration reforms to allow more of the world's best and brightest students to stay and work in the United States after they graduate from American universities, provided measures are in place to protect US intellectual property and guard against espionage. The secretary of defense should make reform of the Pentagon's weapons acquisition process a top priority, putting real funding behind long-standing promises to embrace affordability and innovation and making clear to Congress and the American people that budget dysfunction makes the country less safe.

If US research universities are to remain engines of future innovation, the federal government must also reverse years of chronic underinvestment in basic research. Only the US government—which spends $125 million on a single F-35 fighter jet—can invest on the scale that is necessary. And given the pace and stakes of technological change, it is not enough for funding to increase. It also needs to be delivered faster.

Finally, the United States needs to fix K–12 education. Warnings that educational decline threatens the country's future prosperity, security, and global leadership are nothing new, but education reform has not been treated as the urgent national security priority that it is. Today, in most of the country's

13,500 public school districts, teacher compensation is based on years of experience and graduate education, which means that physics and physical education teachers receive the same pay. So do the best and worst teachers. Some cities are already piloting better approaches.

None of these changes will be easy, but without them, the United States' knowledge capacity will continue to erode, and US power will grow weaker in the years ahead. Washington has been clinging to the idea that restrictions on China's access to US technology through export controls and outbound investment limits can preserve the country's technological advantage. But simply thwarting China will do nothing to spur the long-term innovation the United States needs to ensure its future security and prosperity. Now more than ever, Washington must understand that knowledge is power—and that it must be cultivated at home. ◘



The New Killer Apps

Cheap, high-tech weapons introduced "creative destruction" to the battlefield. When will the Pentagon's creaky procurement come in for "creative destruction" itself?

By Bing West

Today, millions of drones are battling in the Ukrainian sky, while unmanned naval variants stalk Russian ships. Cheap unmanned weapons have changed the twenty-first-century face of war. This surprised the intelligence community, the Pentagon, and its major defense contractors. Every Ukrainian infantry platoon employs drones to kill any Russian soldier venturing into the open. Seaborne drones sank so many warships that Russia pulled its fleet out of most of the Black Sea, enabling Ukraine to resume grain exports deemed impossible when the war began. President Biden, intimidated by Vladimir Putin, forbade Ukraine to employ US-provided weapons to strike inside Russia; nonetheless, Ukraine is employing its own patchwork drones to hit deep inside enemy territory.

Over the past three years, the face of war has been forever altered by the commoditization of digital technologies. This has enabled unmanned systems to wreak destruction at a fraction of the previous costs—but these cheap

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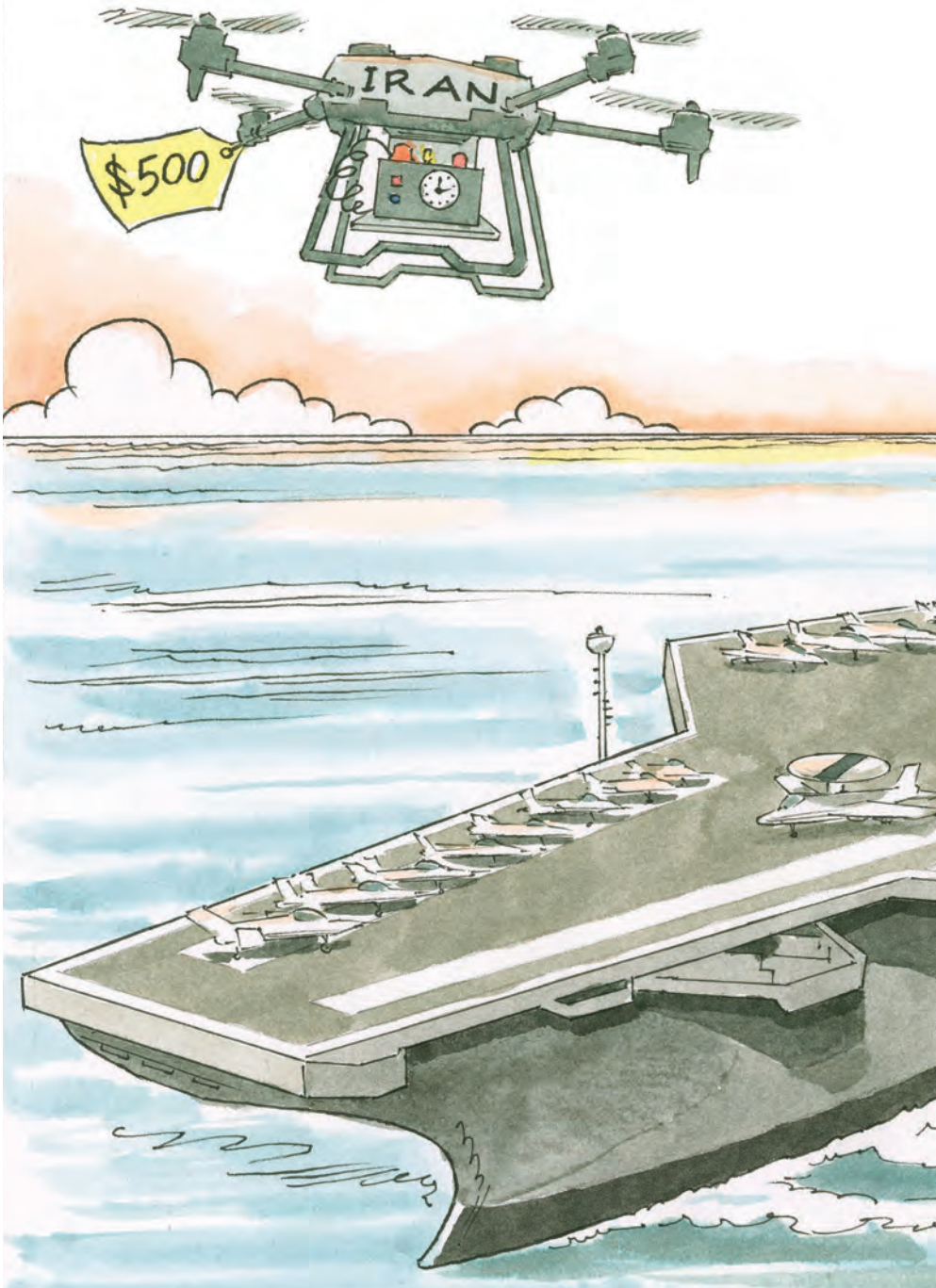
RICH TARGET: The Russian guided-missile cruiser* Moskva*, flagship of the Black Sea fleet, sits at anchor in 2012. Ukrainian anti-ship missiles sank the ship in 2022. Seaborne drones have sunk so many warships that Russia has pulled its fleet out of most of the Black Sea, enabling Ukraine to resume grain exports. [Public domain]

economies of scale are advantaging Iran, Russia, and China, because the American military procurement system has not adapted.

A BLOATED, CLOSED SYSTEM

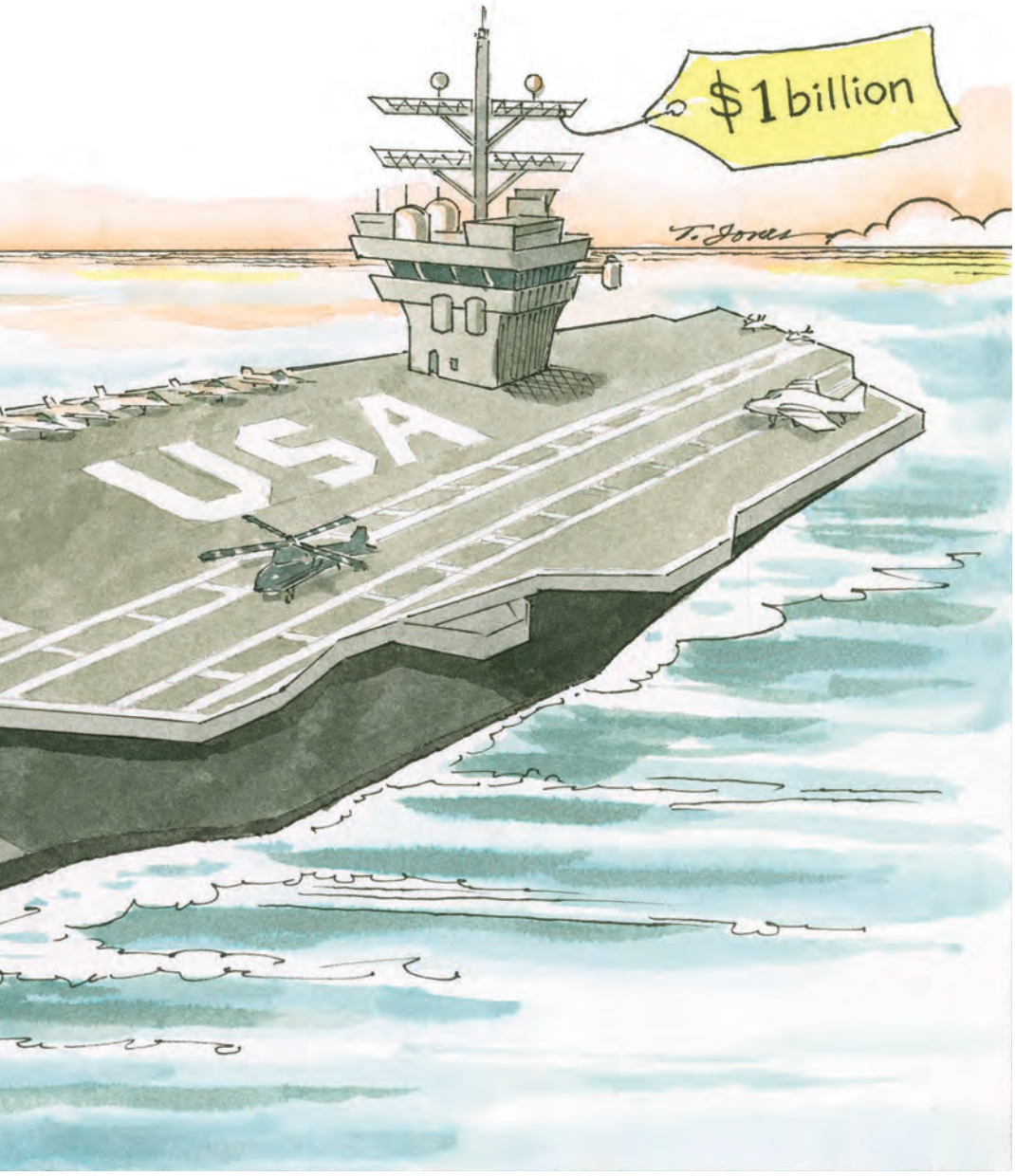
The economist Joseph Schumpeter coined the memorable phrase *creative destruction* to summarize how upstart companies, decade after decade, have introduced manufacturing innovations that destroyed more established companies. Cars bankrupted buggy-whip companies, digital photography doomed Kodak, and so on. In the free marketplace, millions of consumers choose what to buy. If a company does not keep pace, its products fail to sell, and bankruptcy follows.

Cheap economies of scale are advantaging Iran, Russia, and China. The US military procurement system has not adapted.



[Taylor Jones—for the *Hoover Digest*]

Over the past three decades, the number of large defense contractors has plummeted from fifty-one to the current "big five": Lockheed Martin, Raytheon, Boeing, General Dynamics, and Northrop Grumman. Because the military was the sole customer that decided what products it wanted, the shrewder corporations developed unique skills and bureaucratic acumen,



accumulating comparative advantages that blocked out competitors. These mega corporations subcontract to hundreds of small companies to manufacture parts for weapons like an aircraft carrier. Scattering these subcontracts ensures jobs for the politicians in their home districts.

For decades, this closed-system oligopoly produced fearsome weapons that were also fearsomely expensive. This business model worked well when defense budgets accounted for 5 percent of GDP (a bargain for the world's superpower) and when the United States' enemies were second-rate armies or terrorists equipped with rudimentary technology. In our wars in Iraq and Afghanistan, there were ample funds for expensive items. Between 1980 and 2020, the United States possessed a monopoly on air power, overhead surveillance, and precision strike ability. The Pentagon oligopoly didn't do cheap. The famous Global Hawk drone built by Northrop Grumman, for instance, was projected to cost $10 million in 1994. Two decades later, the cost had inflated to $131 million.

For decades, the arms oligopoly produced fearsome weapons that were also fearsomely expensive.

Congress paid that high sticker price because we were fighting in Iraq and Afghanistan. The White House released photos of top officials mesmerized by precision drone strikes and bragging about killing any terrorist anytime, anywhere, with no collateral damage. Left unspoken were the millions of dollars spent on each strike package. Those wars ended badly.

As a consequence, the US defense budget has plummeted to 3 percent of GDP, driving out any tolerance for error in procurement. At the same time, the low-priced commoditization of digital military-applicable technologies has left the Pentagon with a losing business model. Our exquisitely engineered surveillance drones are too pricey; our offensive strike missiles are too few; and we lack a streamlined manufacturing process to produce cheap unmanned weapons. Just as embarrassing, our anti-drone defensive missiles cost ten to fifty times more than the drones they intercept, as the Houthi forces in Yemen demonstrate by persisting in drone attacks on ships sailing the Red Sea.

STUBBORN DECISIONS

To date, the Pentagon's efforts to adjust have been embarrassing. In fiscal year 2022, unmanned systems (drones) were included in 140 procurement line items, mainly for highly expensive, sophisticated surveillance platforms.

To remedy that, this year the Pentagon's Defense Innovation Unit (DIU) invested a billion dollars in "cheap drones" intended to be "attritable" on the battlefield, as are bullets and shells.

But DIU then selected an established contractor that is to deliver those drones at more than $50,000 per unit, pricing the Pentagon out of the warfighting market. Impoverished Ukraine is producing a million drones at $500 per unit, while Russia keeps pace with its own million drones. China, controlling 70 percent of the worldwide commercial drone market, is quite capable of annually producing well over a million attack drones. The Pentagon's oligopoly, with layers of executives, is producing several thousand exquisite Lamborghinis instead of a million cheap but solid Mustangs.

The Pentagon's procurement system is too onerous and expensive to keep pace. According to the *Wall Street Journal,* America can't build drones fast and cheap enough, or with better defenses against electronic warfare. "We are further behind today than we were two and a half years ago," said a project manager at the DIU.

The potential consequences are perilous. "We are at an absolute pivot point in maritime warfare," retired admiral James Stavridis, former supreme allied commander of NATO, said. "Big surface ships are highly at risk to air, surface, and subsurface drones. The sooner great-power navies like that of the United States understand that, the more likely they are to survive in major combat in this turbulent twenty-first century. Like the battleship row destroyed at Pearl Harbor, carriers are in the twilight of their days. It is absolutely time to move the rheostat away from manned warships and toward more numerous and far less expensive unmanned vessels."

During the Civil War, the Union navy constructed an original coal-fired steamship, the *Wampanoag.* When the war ended, the navy reverted to sailing ships. Two more decades passed before sailing ships were replaced by steamships. Admiral Stavridis is alarmed that today's Navy is repeating that mistake.

Drones guarantee that surface warships must stand farther and farther from the conflict zone in order to survive, rendering them less effective. This proven effectiveness of drones renders vestigial the ritualistic declaration that America needs more warships. Why build more targets?

The Marine Corps offers an illustration of obsolete thinking. Not long ago, the commandant decided Marines should be ready to sink Chinese warships by shooting missiles from atolls in the South China Sea. Sixty-four missiles, at $2 million per unit, with a hundred-mile range were purchased. To get

within that hundred-mile range, the commandant then requested thirty-five small amphibious ships, each costing $350 million.

At the same time, the Navy was designing a new, cheaper missile with a range of three hundred and fifty miles, to be launched from an aircraft without endangering the crew. Now there was no need for Marines, at exponentially higher costs, to risk ships and crews venturing into well-defended Chinese waters. But instead of treating the missiles already purchased as a sunk cost and getting back to preparing to win land battles, the Marines have persisted in requesting those thirty-five vulnerable ships, at a total estimated cost in the billions of dollars. The new Marine mission confounds the US Navy; why spend so much for a mission already obsolete?

The new Marine Corps mission confounds the Navy; why spend so much for a mission already obsolete?

The tenacity of Marine leaders in denying the laws of physics reflects the obduracy besetting the leaders in all the military services. Professionally, they know cheap, AI-equipped unmanned systems armed with missiles have changed warfare; but emotionally, they resist the divesting of their pricey, vulnerable legacy systems to free up money for upgrades. In land battle, drones now reduce the threat of a successful surprise attack and hold vulnerable all supply depots in the rear. All Army and Marine platoons, like Ukrainian platoons, should be equipped with disposable attack drones, just as they are equipped with bullets. Yet our ground forces are not adapting to what is the daily reality of the land battles in Ukraine.

Drones now reduce the threat of a successful surprise attack and hold vulnerable all supply depots.

CHEAP AND DEADLY

On balance, unmanned systems advantage the defense over the offense. This should make a mockery of Chinese leader Xi Jinping's pledge to seize Taiwan, a vow that constitutes the most dangerous near-term military challenge to the United States.

To invade, China must mass a thousand ships or more. On a shoestring budget, Ukraine is producing a million drones a year; if wealthy Taiwan did

the same, each Chinese ship would face a swarm of five hundred to a thousand attack drones.

By immediately exploiting drone technology, for several billions of dollars Taiwan can mount an impregnable defense. But instead of building drones at low cost in its own factories, Taiwan is spending $360 million to purchase a paltry thousand US-made drones. Unfortunately, Taiwan, like the Pentagon, is resisting the cheap drone revolution, a mortal act of military malpractice.

More Hot Air

Global-warming activists exaggerate the relatively small number of deaths that result from hot weather and ignore the greater number that result from cold. If we produced more energy, not less, we could address both problems.

By Bjorn Lomborg

The reason you heard a lot about extreme heat deaths last summer has more to do with demagoguery than data. Alongside the United Nations Secretary-General António Guterres's "call to action" on the topic in July, mandarins across UN organizations issued warnings that were heavy on emotion and light on facts.

In early August, the World Health Organization trumpeted a disturbing figure: in Europe alone, more than 175,000 people die each year because of extreme heat. That was about a fourfold exaggeration. When called out, the organization quietly edited its online publication to remove the word "extreme" from the statement's title, a concession that these deaths are not, as the WHO suggested, the result of a cataclysmic shift in temperatures.

Unfortunately, the media had already spread the WHO's original, mistaken claim far and wide. Moreover, the edited version left out other important context: while seasonal rises in temperature that have been the norm for decades do kill people, it's a far smaller toll than that taken by cold. In Europe, cold kills nearly four times as many people as heat—a danger that a warming climate helps ameliorate.

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UNICEF—the United Nations' dedicated child-welfare organization—also rang a false alarm in July. It published a policy brief claiming that about 377 young people died in 2021 from high temperatures across Europe and Central Asia. UNICEF didn't mention that the data source it cites—"Global Burden of Disease" statistics from the Institute for Health Metrics and Evaluation—shows annual heat deaths of young people have declined more than 50 percent over three decades, or that cold causes about three times as many child deaths in these regions each year.

In Europe, cold kills nearly four times as many people as heat.

The brief also neglected to mention that heat is one of the least significant causes of death for young people. Malnutrition claims 26,000 young lives across Europe and Central Asia every year. In a world of limited resources, you'd think that would be UNICEF's priority.

The overwrought tone of the WHO and UNICEF claims matched Guterres's alarmism. In his call to action, he emphasized that heat deaths of old people globally have increased 85 percent over the past twenty-two years. He left out that almost all of this increase is because old people are 80 percent more numerous.

Guterres declared that "extreme heat is increasingly tearing through economies, widening inequalities, undermining the Sustainable Development Goals and killing people." He claimed there has been "a rapid rise in the scale, intensity, frequency, and duration of extreme-heat events."

This is misleading, to say the least. A landmark 2024 study on extreme heat and its effects on mortality revealed that over the past thirty years the annual global average of days with heat waves had increased from 13.4 to 13.7—hardly a rapid rise. While Guterres blames climate change for extreme heat deaths, this makes clear that high temperatures are mostly a result of seasonal changes that have long existed. Only perhaps a third of a day of yearly heat waves is likely attributable to climate change over the past three decades.

Most heat deaths are caused by moderate heat, not extreme heat.

Guterres's image of a fire-blasted planet is further belied by the fact that most heat deaths are caused by moderate heat. While 334,000 people die each year from moderate heat, according to a 2021 *Lancet* study, only 155,000 do from extremely high temperatures. Cold deaths are a far larger problem, killing 4.5 million people annually.

Most important, even though the planet is warming, that groundbreaking 2024 study found that the global death rate from extreme heat has declined by more than 7 percent a decade over the past thirty years. When researchers adjusted for the increasingly older age distribution of the world population, they found that the global extreme heat death rate has declined by 13.9 percent every ten years.

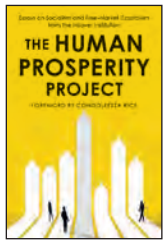
Falsely attributing heat deaths to global warming is likely to lead to more heat deaths. The recent decline in heat mortality is largely thanks to greater access to electricity and therefore to air conditioning. The best policy to avoid extreme heat deaths—or cold deaths for that matter—is to ensure that more people can afford technology to control the temperature in their homes. That necessitates economic growth and cheap, reliable energy.

The policies promulgated by the United Nations would raise energy prices and stifle growth.

The WHO's four-step guide on how to avoid the dangers of extreme heat suggests that people rely on "blinds or shutters" and "night air." The closest it comes to mentioning air conditioning is its recommendation to cool off by spending a few hours in the supermarket.

Guterres is pushing policies that would jack up energy prices and undercut economic growth. He insists the world's "disease" is an "addiction to fossil fuels" and demands that governments keep the average global temperature rise to 1.5 degrees Celsius. That would cost quadrillions of dollars, spike electricity costs, and spread poverty.

All this raises the question whether Guterres and his cohort are more interested in stopping heat deaths or ginning up support for climate activism. At the very least, they should get their numbers right.



Left Unsaid—or Else

Censorship has a long and disreputable history in the United States. Can free people be trusted to think or speak for themselves?

By Peter Berkowitz

Censorship—the regulation, suppression, and criminalization of disfavored speech—has mounted a comeback. Government officials, social media content moderators and moguls, journalists, and professors have aligned to thwart dissemination of misinformation, disinformation, malinformation, hate speech, and harmful or offensive remarks. They applaud themselves as brave activists blazing a new path to the achievement of a truly diverse, equitable, and inclusive democracy.

Key points

» Modern censors consider themselves brave activists, and free speech a threat to their aims.

» Americans, like most people throughout history, have struggled to defend speech that is difficult, offensive, or troublesome.

» Free speech is essential to American constitutional government, and it fortifies rights such as freedom of religion, conscience, and assembly.

Yet they are throwbacks, as Jonathan Turley shows in *The Indispensable Right: Free Speech in an Age of Rage*. A distinguished George Washington University

***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.*

Law School professor, Turley is also an eminent columnist, television analyst, and litigator. His book provides a bracing "history of the struggle for free speech in America" and an incisive account of "the promise of free speech" in the United States and wherever basic rights and fundamental freedoms are protected. Through his winning combination of historical reconstruction, legal analysis, and philosophical exposition, Turley reveals that the arguments for regulating speech that the contemporary censorship-industrial complex touts as original have a long and disreputable lineage.

Those who try to expand official censorship are in tune with most of history's political authorities.

In the West, which developed exemplary principles of free speech, that lineage of censorship stretches back to democratic Athens, which put Socrates to death for teaching the young to ask hard questions about virtue and justice, human nature, and the cosmos. It encompasses the early modern Star Chamber, which in sixteenth- and seventeenth-century England prosecuted the crime of seditious libel—speaking ill of public officials, the laws, or the government—and the great eighteenth-century English jurist William Blackstone, who insisted on seditious libel's criminality. And despite America's founding promise and constitutional imperatives, government silencing of criticism of government extends throughout the nation's history. Those who today undertake to expand the authorities' power to determine what is and what is not fit for the public to think, say, and hear give fashionable expression to the authoritarian impulses, aims, and actions that not only have beset the West, but which also have marked most political societies throughout most of history.

American constitutional government sought to break authoritarianism's grip. The Declaration of Independence stated that government's primary task was to secure unalienable rights, starting with life, liberty, and the pursuit of happiness. In the original Constitution, the sovereign people protected speech by declining to delegate to Congress the power to regulate it. The First Amendment, ratified two years after the Constitution went into effect, explicitly denied Congress the power to abridge free speech. This reinforced the fundamental freedom—as stated in

Under the Constitution, the sovereign people protected speech by declining to give Congress the power to regulate it.

Cato's Letters, widely read in eighteenth-century America—to "think what you would and speak what you thought."

WHY IS SPEECH FREE?

Free speech, Turley emphasizes, has two major justifications.

The first is functional: Free speech undergirds the liberal education and robust public discussion that produce the informed citizenry on which a rights-protecting democracy depends.

The second justification, grounded in natural-rights teachings, affirms that speaking freely is inseparable from our humanity.

While both justifications are crucial to constitutional government in America, Turley stresses that the tendency to rely exclusively on the functional argument alone has proved calamitous. Protecting free speech solely because it is good for democracy invites the curtailment of this utterance or that publication on the grounds that it undermines democracy.

Free speech fortifies the four other First Amendment freedoms. Religious freedom includes the right to profess one's faith, as well as the right not to profess other faiths or any faith at all. A free press keeps citizens knowledgeable about the news and circulates opinions and ideas. The freedoms of assembly and petition enable citizens to communicate among themselves and express their concerns to the government.

Free speech's benefits go beyond the political. It honors our inherent dignity as social and political animals who reason, speak, make moral judgments, create, and pursue happiness.

Recent years have witnessed attacks on free speech from multiple angles. For example, during the COVID-19 pandemic, Twitter and Facebook cooperated with government to stifle discussion of the virus's origins and the efficacy of masks, lockdowns, and vaccines. And in October 2020, a few weeks before the previous presidential election, social media blocked access to a *New York Post* exclusive about Hunter Biden's abandoned laptop. The laptop, which the FBI had possessed for ten months and had authenticated, contained compromising materials about Hunter and his father, the Democratic presidential nominee. Reports from internal Twitter documents and a letter from Meta CEO Mark Zuckerberg to Jim Jordan, chairman of the House Committee on the Judiciary, confirm these illicit collaborations to stifle speech.

Meanwhile, the federal government, large corporations, and universities worked to compel employees to affirm the goals of the diversity, equity, and inclusion movement. DEI, as it is widely known, does not generally furnish

lessons in respecting others at the workplace and on campus regardless of race, ethnicity, and sex—basic requirements in a free society. To the contrary, DEI, as it is commonly practiced, downplays traditional conceptions of merit in hiring, retention, and promotion and instead advocates advancing individuals based in significant measure on their identity as members of historically discriminated against groups.

As they stood over their children's shoulders for Zoom classes during the pandemic, many parents were stunned to observe that K–12 schools wielded the curriculum as a weapon to promulgate progressive views: gender is fluid, America is systemically racist and rapacious, and, not least, free speech endangers individual well-being. Predictably, progressive indoctrination generated a backlash on the right, provoking some conservatives to overreach by endeavoring to ban books that espoused progressive notions. However, the proper remedy to indoctrination in a free society, adopted by leading conservative reformers, is not banning the teaching of progressive books and ideas or requiring the teaching of conservative ones but prohibiting schools from presenting *any* books or ideas as unchallengeable orthodoxy.

Hamas' October 7, 2023, massacre and kidnapping of Israeli civilians precipitated another public awakening to the erosion of and confusion surrounding free speech in America. On the nation's campuses, especially elite ones, students and faculty not only championed the jihadists' genocidal cause—destruction of the Jewish state—but disrupted academic programs and threatened Jewish students for their faith and for supporting Israel. Notwithstanding a few honorable exceptions, colleges and universities that would swiftly shut down speech deemed harmful to women and many minorities proved reluctant to prohibit harassment and intimidation that called for the genocide of the Jews.

TWO WAYS TO DEFEND FREE SPEECH

The routinization of progressive censorship in America over the past few years does not stem from a recent shift in the winds. Rather, it represents the latest stage in a decades-long embrace by professors, teachers, and administrators of the belief that education's primary purpose is not to transmit knowledge and cultivate independent thought but to promulgate progressive values. Progressives, however, have all too many precursors in the resort to censorship.

Crackdowns on free speech, Turley stresses, have recurred regularly in America. They include the Alien and Sedition Acts signed into law in 1798

by President John Adams, President Woodrow Wilson's use of the Espionage Act of 1917 and its expansion in the Sedition Act of 1918 to punish dissent to America's involvement in World War I, Supreme Court Justice Oliver Wendell Holmes Jr.'s opinions upholding the World War I criminalization of political speech, and Senator Joseph McCarthy's campaign to root out and destroy communists and their sympathizers.

Today, the academy leads the charge against free speech. Often an echo chamber rather than a community of inquiry, universities feature prominent professors who, according to Turley, reject objective knowledge, which they deride as "reactionary and harmful." Many professors believe that their job, both as scholars and classroom teachers, is to construct narratives to advance social justice. Influential law professors, particularly critical legal studies scholars and feminist theorists, maintain, Turley reports, that the "textual or historical interpretations that were once the foundation of legal analysis" must be replaced by the unimpeachable personal experience of minorities and women. The reasoned analysis and hard evidence of the oppressors—white men—must be silenced in favor of the fiction, poetry, and dreams of the oppressed, who are just about everybody else.

Protecting free speech solely because it is "good for democracy" leads to disaster. Speech can then be suppressed for allegedly "undermining democracy."

Turley advances two major proposals for restoring free speech in America. The first conditions federal funding—including research grants and student loans—on universities' protection of free speech. It follows the Title VI and Title IX model. The former bars discrimination based on race, color, and national origin at universities that receive federal funds. The latter bars sex discrimination at universities that receive federal funds.

The second proposal would eliminate sedition prosecutions. Turley cites James Madison's 1798 letter to Thomas Jefferson condemning the Adams administration's censorship laws as the "monster that must forever disgrace its parents." In the determination to convert such serious charges against January 6 Capitol rioters as criminal trespass, assault, and conspiracy to obstruct congressional proceedings into sedition cases, for example, Turley identifies an attempt to "amplify the culpability of the defendants" by punishing their beliefs. Turley stresses that Donald Trump "was wrong on his view of the election fraud claims and his view of the authority of Vice President Pence to block certification" and underscores

that the "riot was worthy of universal condemnation." At the same time, Turley also sees Madison's monster rearing its head in the portrayal of Trump's January 6 Ellipse speech—entirely protected by the First Amendment—as part of a criminal undertaking to obstruct Congress. And Turley sees Madison's monster as driving state efforts to keep Trump off the 2024 presidential election ballot on the grounds that he engaged in "insurrection or rebellion," which would disqualify him from holding federal office under Section 3 of the 14th Amendment (drafted and ratified with the Civil War in mind).

The best protection against misinformation, disinformation, malinformation, hate speech, and harmful or offensive remarks remains liberal education and open and vigorous public debate. Essential to both, free speech is a human right as well as a constitutional imperative.

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Submission and Silence

Out-of-control surveillance and political intolerance—in Britain, free speech is dying.

By Ayaan Hirsi Ali

In Michel Houellebecq's satirical novel *Soumission,* the French elite submits to Islamic rule rather than accept a National Front government. Ten years after its publication, submission seems more imminent on the other side of the English Channel.

My American friends are surprised to learn there's no equivalent to the First Amendment in Britain. They have forgotten a free press was one of the things their ancestors rebelled to establish in the United States. Free speech is a much more recent thing in the United Kingdom. If it was born in the 1960s, it seems to be dying in the 2020s.

After riots last year, people were given prison sentences for posting words and images on social media. In some cases, the illegal incitement to violence was obvious. Julie Sweeney, fifty-three, got a fifteen-month sentence for a Facebook comment: "Blow the mosque up with the adults in it." Lee Dunn, fifty-one, on the other hand, got eight weeks for sharing three images of Asian-looking men with captions such as "Coming to a town near you."

As these sentences were delivered, the government announced its intention to axe the Higher Education (Freedom of Speech) Act. Education

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Secretary Bridget Phillipson said the act, which requires universities and students' unions to protect free speech and academic freedom, would place too much of a burden on universities and expose them to costly legal action. But there's been speculation the real motive for ditching it is to avoid antagonizing China, a country noted for the number of students it sends to the United Kingdom and not for its commitment to free speech.

When I came to the West in 1992, free speech seemed a settled issue. From defamation to fraud, perjury to libel, insult to incitement, the legal limits were largely decided. Some European countries kept blasphemy laws, but these were dead letters. We understood why *Mein Kampf* was banned in Germany but not in the United States. Each country had taken a different historical journey towards the liberal end of history.

Beginning in the 1960s, the United Kingdom moved away from a paternalistic regime of censorship and censoriousness. The British were proud of their newfound free speech, including their tolerance for lèse-majesté and blasphemy. Think of the impotence of the BBC's ban on the Sex Pistols' "God Save the Queen" or the success of Monty Python's *Life of Brian*.

But a triple whammy toward the end of the twentieth century upended this: the arrival of fundamentalist Islam in the West, the rise of far-left critical theories of social justice, and the advent of the Internet as the public square.

THREE DANGEROUS DEVELOPMENTS

The clash between fundamentalist Islam and modern British values became clear in 1989, when Ayatollah Ruhollah Khomeini, the supreme leader of Iran, issued a fatwa against Salman Rushdie for his novel *The Satanic Verses*. At the time, Margaret Thatcher provided Rushdie with taxpayer-funded protection. The message was clear: Britain wouldn't submit to foreign actors who threatened murder in pursuit of censorship. It wasn't enough. The threat to Rushdie continued, very nearly claiming his life in 2022.

In the early days after the Rushdie fatwa, the message was clear: Britain wouldn't submit to foreign actors who threatened murder in pursuit of censorship.

Those who expressed concern about the cultural differences with fundamentalist Islam were condemned as xenophobic. Even the police feared confronting Muslim men who ran grooming gangs for fear of being viewed as racist.

The second trend was the rise of far-left ideas within the Labour Party. Though Jeremy Corbyn was too obvious a leftist for British voters, Keir Starmer successfully presented himself as a harmless alternative to an inept Tory government. Now his government seems intent on enshrining a definition of "Islamophobia" in law, using the All-Party Parliamentary Group (APPG) on British Muslims' definition as "a type of racism that targets expressions of Muslimness or perceived Muslimness." Starmer reportedly intends to introduce the definition in a non-legally-binding fashion, similar to Theresa May's definition of anti-Semitism in 2016. But I agree with those, such as Bob Blackman, the chairman of the 1922 Committee (formally the Conservative Private Members' Committee), who warn this is a move towards a blasphemy law. Blackman should know. He was accused in parliament of Islamophobia for sharing a post critical of sex gangs in the United Kingdom.

The Online Safety Act uses the troubling phrase "legal but harmful" to characterize certain content.

The third force at work is the Internet, which gave Islamists and the radical left the chance to reach impressionable youths. It particularly suited them in 2020 when the most popular platforms made clear they would adopt critical race theory and other elements of woke ideology, under the guise of "content moderation."

Of course, some Internet regulation is necessary to prevent it becoming a bazaar for child pornography, drugs, and weapons. But conservatives underestimated how regulation could morph into a regime of surveillance and censorship. The Online Safety Act was passed by the Tory government in October 2023. As Fraser Nelson argued, it could serve as a "censor's charter" because of its inclusion of the phrase "legal but harmful" to characterize certain content.

It suited the Islamists when popular online platforms adopted woke ideology under the guise of "content moderation."

CENSORSHIP GROWS

Now the left wants more. London Mayor Sadiq Khan said after last year's riots that amendments are needed. He described the act as no longer "fit for purpose." Peter Kyle, the science and technology secretary, added that the

government is committed to "building on the Online Safety Act"—whatever that means.

The losers in all this are not the hapless fools languishing in jail because of their crude online posts. The losers are the millions of people who believe the government exists to protect us from foreign enemies and criminals, not to prohibit ideas, words, or images that might offend.

The winners? That unholy alliance of Islamists and leftists who want to use the state to impose their dogmas on everyone else. ■

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The Family Way

Of all the things that help students achieve success and economic mobility, the two-parent family is the most powerful. A new study proves it.

By Paul E. Peterson

Let's take a moment to celebrate the economic and social power of families. The prevalence of two-parent families in communities predicts their average level of student achievement and social mobility rates for those from disadvantaged backgrounds—even after adjusting for income, education, ethnic composition, racial segregation, and other community factors. Children learn more if they have two parents, and they benefit as well from living in places where two-parent families are the norm.

Western Carolina University economist Angela Dills, Dany Shakeel of the University of Buckingham, and I discovered the importance of families after digging into county-level data on social mobility for children from lower socioeconomic backgrounds, which has been made available by Opportunity Insights at Harvard University.

As with many previous studies, including a recent book by Melissa Kearney, we find that having two adults in the home creates more opportunity for success than otherwise, even when money and other factors are taken into account. As important as dollars is time, the scarcest resource of all. Adult time is needed for a child to learn words and numbers, to receive emotional support, to learn about learning resources, and to get a ride—or walk—to

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school. An opportunity for children to have twice as much time with a parent counts for a lot.

Not all two-parent families make the best use of their time with children. Conversely, many single parents find ways to make extraordinarily good use of the limited time they have. Grandparents, aunts, uncles, and neighbors sometimes have their back. We have all witnessed single parents who somehow succeed in raising capable children on their own. These heroic accomplishments are to be celebrated as much as, perhaps even more than, those of parents with partners to help them through the pleasures and challenges of diaper changing, toddler minding, book reading, word learning, birthday-party throwing, adolescent comforting, and more.

Yet the stark reality shining through the data we examined is that children from low-income backgrounds who grow up in communities with a greater density of two-parent families tend to earn more as adults. That's partly due to the fact that children in these communities are learning more at school, as measured by their performance on state tests. The higher achievement at these schools translates into higher rates of social mobility for children from disadvantaged families.

Schools win the silver medal in the social mobility competition, but it is not just learning at school that counts. The prevalence of two-parent families in a community has a large, direct effect on children's future incomes as adults irrespective of their achievement levels in school. We do not have all the information needed to identify the mechanisms at work. In all likelihood, learning skills needed for future success reflects what happens in the family and the family's access to many community resources, not simply the learning taking place within school buildings.

A greater density of community organizations, both religious and secular, also facilitates social mobility.

A greater density of community organizations, both religious and secular, also facilitates social mobility: scouts, church groups, YMCAs, sports clubs, and similar organizations. Social mobility rates are higher in those areas where these kinds of groups are more densely concentrated. Still, the prevalence of community organizations wins the bronze, as it trails both the importance of good schools and a dual-parent presence in the county.

Adolescent friendships can help to boost social mobility as well. Low-income students who have a higher proportion of friends from more advantaged backgrounds in high school will be more likely to climb the social ladder, a point

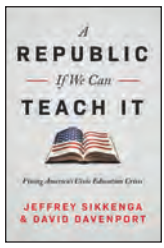
also made by Raj Chetty and his team at Opportunity Insights. This is more common if students have higher achievement levels. More exactly, places with higher levels of student achievement are the same places that have more friendships across the social divide. We are unable to figure out which factor causes the other. That's a bit like determining whether the frog or the tadpole comes first.

The mobility of the next generation seems not to depend greatly on reducing political and social discord.

We also looked into whether trust in political institutions affects children's opportunities to move up the income ladder. To our surprise, this factor, although given so much attention in contemporary discussions, seems irrelevant to upward mobility once other factors are taken into consideration. The mobility of the next generation depends more on the preservation of dual-parent families, good schools, and beneficial community organizations than on reductions in political and social discord.

The gold medal goes to dual-parent families, which by a wide margin contribute more to an equal-opportunity society than any other factor. If preschool programs, nutritious food in schools, earned-income tax credits, and tax credits for families with children all help to preserve two-parent families, it means they contribute to social mobility for the disadvantaged. The successful single mother deserves our praise, but public policy should work to preserve as many two-parent families as possible. ◘

The successful single mother deserves our praise, but public policy should work to preserve as many two-parent families as possible.



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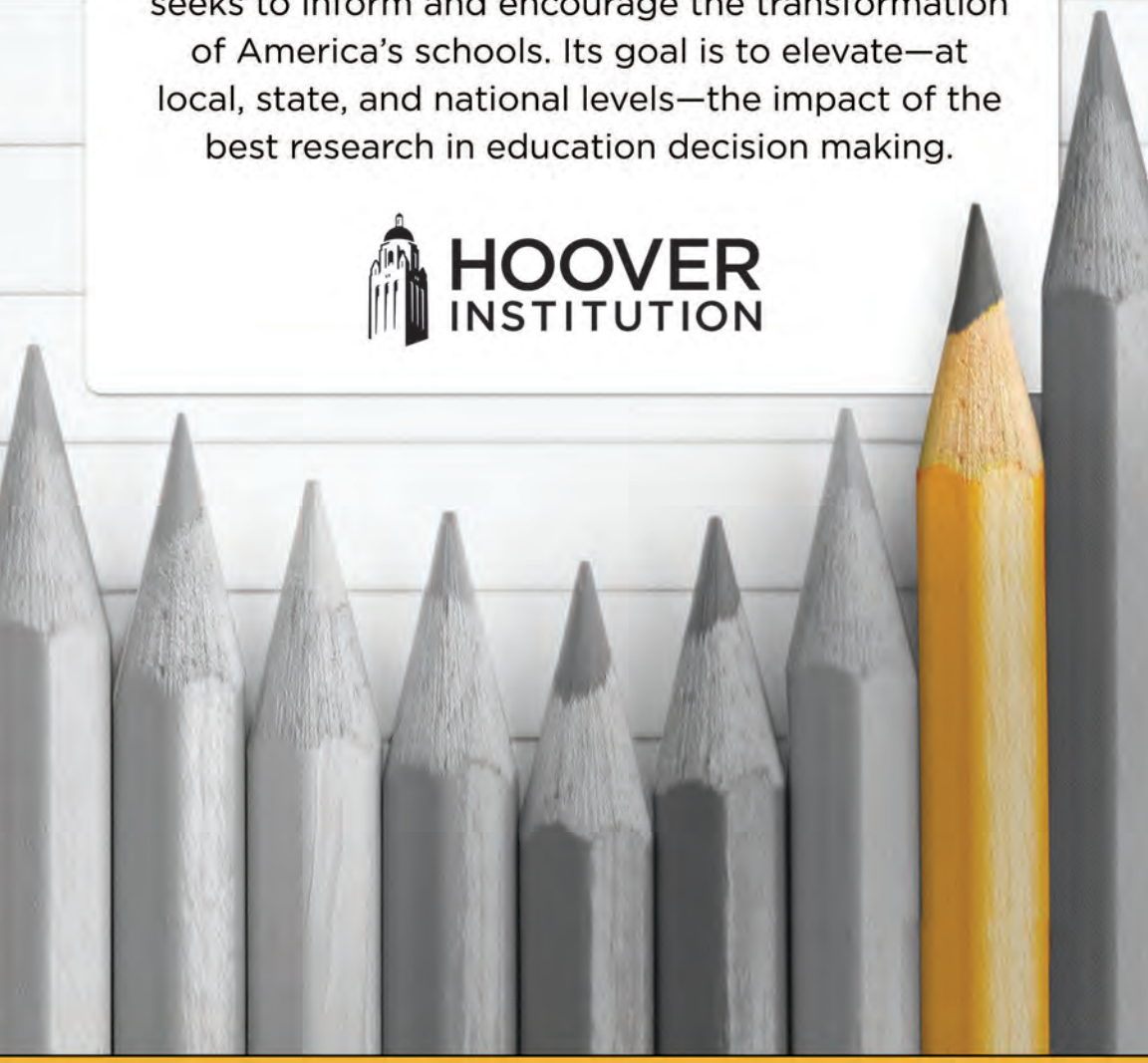

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The Camps Never Close

Homelessness in California: billions spent, little achieved. It's about time Californians demanded accountability.

By Lee E. Ohanian

Key points

» Oversight of California's spending on homelessness is severely lacking.

» Living in California—especially in coastal areas—is simply unaffordable for many people. The social safety net should not be used to alter this fact.

» California wastes money building over-the-top expensive shelter for the homeless.

Since 2019, California has spent about $24 billion on homelessness, but homelessness since then has increased by about 30,000 people, to more than 181,000. Put differently, California spent the equivalent of about $160,000 per person (based on the 2019 figure) over five or so years. With this level of spending, it was reasonable to expect that homelessness would decline substantially. What went wrong?

Three major problems with California's homelessness policies are facilitating this increase. One problem is a significant lack of oversight and information about homelessness spending. The state auditor recently evaluated this

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spending and submitted a report that highlights the failure of the state to track spending and outcomes:

> The state lacks current information on the ongoing costs and outcomes of its homelessness programs, because [it] has not consistently tracked and evaluated the state's efforts to prevent and end homelessness.… [The state] has also not aligned its action plan to end homelessness with its statutory goals to collect financial information and ensure accountability and results. Thus, it lacks assurance that the actions it takes will effectively enable it to achieve those goals.

The auditor attempted to closely evaluate the costs and benefits for five separate homelessness programs, though it found data that permitted this for only two of those programs. More broadly, the failure to invest in adequate information technology infrastructure and data collection within California's state government has been a chronic problem and has been very costly.

In 2020, California's antiquated hardware and software within the Employment Development Department (EDD) was a key factor in about $32 billion in unemployment benefits fraud. The department's computer system is based on 1980s architecture running 1950s software.

And not only was the EDD overrun with fraudulent claims, it also delayed legitimate payments for months. The former deputy director of unemployment insurance described the EDD's ability to deal with the high number of COVID claims as follows: "The best way I can describe it is like going to a gunfight with a squirt gun."

Too many households simply do not earn enough to live sensibly in California.

California's Department of Motor Vehicles (DMV) is upgrading its system, but this follows a series of tech upgrade failures over the previous thirty years that burned through hundreds of millions of dollars. And the state's annual report on its fiscal soundness is chronically late because of an IT upgrade.

SAFETY NET MISUSED

A second key problem with California homelessness policy, one that is rarely, if ever, discussed, is that there are too many California households who simply do not earn enough to live sensibly in California, given the state's very high cost of living. For example, nearly half of California households rent, and of this group, about 30 percent—about 1.9 million households—pay

50 percent or more of their pretax income as rent. This is far too high, based on the standard recommendation that a household pay a maximum of 30 percent of pretax income as rent.

This group of people, considered "extremely rent burdened," are remarkably vulnerable to losing their housing. Given that the average household size among renters is about 1.5 individuals, this group represents about 2.8 million people. If just 1 percent of this group become homeless annually because they lose their ability to pay, then the rolls of the homeless will rise 28,000 each year.

And it is not just this group who are financially vulnerable. About one-third of California households live in poverty or near-poverty. This suggests the possibility of many more people falling into homelessness each year. An estimated 10,000 people became homeless between 2022 and 2023 in California. If this estimate is accurate, then California has been dodging a bullet—the number of homeless could be much worse than it is, based on the large number of households on the cusp of financial exigency.

[Taylor Jones—for the *Hoover Digest*]

These statistics about the number of Californians who don't earn enough realistically to live here, particularly in the expensive areas near the coast, raise important questions about the state's approach to homelessness and how taxpayers should view its homelessness safety net. A social safety net exists to provide support for those who experience an adverse event that they cannot realistically insure themselves against. Our homelessness safety net should exist for those who become homeless as a result of family crises, such as a child running away or a family dissolution that results in a parent and children with nowhere to go. It should also exist for those who suffer disabilities and for seniors who may have a limited ability to relocate. However, there is no justification for reliance on the safety net to pay for those who do not have the resources to responsibly live in California.

STOP IGNORING AFFORDABILITY

Perhaps the most important reason that many Californians are financially burdened is housing affordability. The sensible policy response to this is to facilitate building housing in the state that low-income households can realistically afford without significant public assistance. This means building low-cost housing, which likely means utilizing manufactured housing (housing that is built from start to finish within a factory, and then shipped to the homesite)—which can be built at only about $100 per square foot—and building in areas where land values are not so high, which means outside of the state's very expensive coastal areas. For example, a 1,000-square-foot manufactured home placed on a small lot outside of California's highest-land-cost areas can likely be created for under $200,000. A household earning $50,000 per year, which is far below California's median household income of over $90,000 annually, could realistically afford such housing on their own.

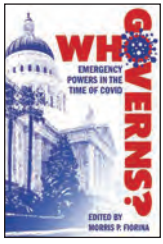
But the state's policy toward building housing for the homeless is the opposite of this approach and is the third reason why our homelessness policies are not working as intended. New housing for the homeless can cost over $1 million per unit, such as a recently approved Santa Monica 120-unit apartment complex that will cost $123 million to build and be located about three blocks from the beach. The estimated cost of this complex does not include the value of the land, which might approach $10 million.

The state's existing practice of building over-the-top expensive housing for the homeless is not fiscally responsible, nor is it feasible within the context of a realistic budget. And reducing building costs to a level commensurate with the budgets of those who are vulnerable to financial risk also means freeing up funds for mental health, drug addiction, and physical-therapy services that can help many homeless individuals get back on track.

California's practice of building over-the-top expensive housing for the homeless is neither fiscally responsible nor feasible.

Investing in adequate information infrastructure, reducing building costs, and investing in low-cost housing outside of the most expensive coastal areas could significantly advance the state's goals of addressing homelessness while respecting a reasonable budget. But I see no urgency within the state's political leadership to implement these ideas. In fact, Governor Gavin Newsom vetoed bipartisan legislation that would have required his administration to conduct an annual evaluation of homelessness spending. Without these changes, California will continue to spend enormous sums on homelessness while the number who are homeless remains very high.

New housing for the homeless can cost more than $1 million per unit. One project is a $123 million apartment complex three blocks from the beach.



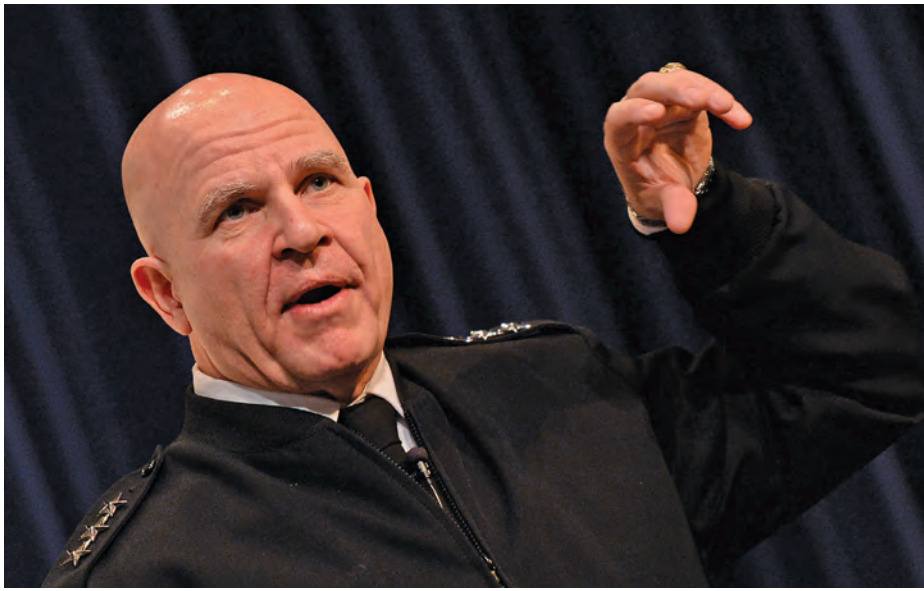
"Play the Role Assigned You"

In his new memoir about serving in the Trump White House, Hoover fellow H. R. McMaster recalls how duty drew him to Washington—and "power games" ultimately drove him away.

By Peter Robinson

***Peter Robinson,* Uncommon Knowledge:** A retired lieutenant general in the United States Army and a fellow at the Hoover Institution, H. R. McMaster served from 2017 to 2018 as national security adviser to President Donald Trump. General McMaster graduated from West Point, earned a doctorate from the University of North Carolina at Chapel Hill, and played important roles in the Gulf War, the war in Afghanistan, and the war in Iraq. A warrior but also a historian, in 1997 General McMaster published *Dereliction of Duty: Lyndon Johnson, Robert McNamara, the Joint Chiefs of Staff, and the Lies that Led to Vietnam,* a book that remains essential reading in much of the officer corps today. In 2020, General McMaster published

H. R. McMaster *(US Army, Ret.), a former national security adviser, is the Fouad and Michelle Ajami Senior Fellow at the Hoover Institution and a member of Hoover working groups including military history, Islamism, China/Taiwan, and the Middle East. He heads the Hoover Afghanistan Research & Relief Team and hosts the Hoover interview series* ***Battlegrounds.*** *His latest book is* ***At War with Ourselves: My Tour of Duty in the Trump White House*** *(2024, Harper).* ***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.*



"A LOT OF WORK TO DO": Lt. Gen. H. R. McMaster, shown in 2016, remained on active duty when he accepted the post of national security adviser in the Trump administration in 2017. "I saw my role as helping the president determine his foreign policy and national security agenda and then assisting with the sensible implementation of his decisions." [Chief Mass Communication Specialist James E. Foehl—US Navy]

Battlegrounds: The Fight to Defend the Free World. Which brings us to General McMaster's latest book, *At War with Ourselves: My Tour of Duty in the Trump White House*.

I'm quoting from your book, H. R. "A few months after I departed the White House, President Trump called me. 'I miss you, General,' the president said. 'Thank you, Mr. President,' I replied, 'If I had the opportunity, I would do it again.' We both knew, however, that we could never work together again." Why not?

H. R. McMaster: Well, Peter, you just get kind of used up with Donald Trump at some stage.

And I felt, actually, that to do my duty effectively—and I tell many anecdotes related to this in the book—that I often had to tell President Trump what he didn't want to hear, and I had to try to guard his independence of judgment. And in doing so, I think that over time that alienated me from him.

Also, our relationship was poisoned by those who really didn't appreciate my role in trying to give him multiple options. There were those around me, and there are many stories about this, who would prefer to try to manipulate decisions consistent with their agenda, not Donald Trump's agenda, but their agenda. And so, we got kind of used up in that whole maelstrom. We parted ways amicably.

"I often had to tell President Trump what he didn't want to hear."

Robinson: But you were done?

McMaster: But I was done. Yeah, I was done.

Robinson: All right, the job. The national security adviser serves as the principal adviser to the president on national security and foreign policy and chairs the National Security Council. The position was founded during the Eisenhower administration. So, we're talking about a role in the government that goes back decades. And the National Security Council itself was founded during the Truman administration. What does it mean in an age of nuclear proliferation, cyberwarfare?

McMaster: Well, it's important to understand those historical roots because the National Security Council was formed really as a reaction to the intelligence failure associated with Pearl Harbor. And the lessons of World War II were that we had to integrate all elements of national power in an effort to mobilize our society to fight that cataclysmic and vitally important war for all humanity. The National Security Council institutionalizes some of those lessons: the need for coordination and integration across the government to provide the president with the best analysis, the best information.

"Our relationship was poisoned by those who really didn't appreciate my role in trying to give him multiple options."

And, I think, vitally important multiple options so the elected president can determine his or her policy agenda.

And what's unique about the position is the national security adviser is the only person who has the president as his or her only client in the areas of national security and foreign policy. The other cabinet officials have other constituencies, they have their own departments,

maybe agendas within their own departments, maybe some significant bureaucratic inertia associated with existing policies. So, there is a natural tension there I tried to allay. This is a big part of the story of the book.

Robinson: It's a staff job.

McMaster: Yes.

Robinson: You were a commander. Commanders typically don't like staff jobs.

McMaster: Yes.

Robinson: Why did you consider this one?

McMaster: Well, as Epictetus said, this is what is most important: to play well the role assigned you. Right? And I knew that was my role. My role was not to run foreign policy, my role was not to make decisions, my role was not to centralize decision making. I realized that the decision maker is the president. Nobody elected me. Actually, nobody elected the secretaries of defense or state, either. I saw my role as helping the president determine his foreign policy and national security agenda and then assisting with the sensible implementation of his decisions.

"It can be a very turbulent period in the transition of administrations."

Robinson: OK, one more piece of context as you begin. It involves Michael Flynn—like you, three stars, United States Army, retired, takes over as national security adviser and lasts a glorious twenty-two days. He resigns over a controversy on information he may or may not have given to the Russian ambassador.

McMaster: He was railroaded.

Robinson: Exactly. I was about to say, I think it's very clear now that he's been completely exonerated. But the fact is, you replaced a man who had lasted twenty-two days. What did you, walking into that job, intend to do?

McMaster: What I wanted to do is stabilize the team and do the best job for the president. And as you know from your service in the White House, it can be a very turbulent period in the transition of administrations. Now you have the added level of complexity of a very fast change of a national security adviser.

So, what I wanted to do was to make sure the president was getting what he needed to determine his foreign policy and national security agenda. There's a lot of work to do there. And as I mentioned in the book, we had to put into place, in many cases, 180-degree changes to what were, I think, destructive foreign policies from the Obama administration.

A lot of work to do, no time for drama. But there had been a lot of drama, so I was trying to stabilize the team, make sure everybody understood the mission of the National Security Council staff. I also wanted to get around and see all the cabinet secretaries, all the principals on the National Security Council committee, and forge a very effective working relationship to get the president the best analysis, best advice, and multiple options.

THE BEST ADVICE

Robinson: So, you're permitted, indeed required, to develop opinions of your own to advise him correctly. Take us through a case study. Donald Trump's instincts were that the war in Afghanistan, which, by the time he got to it, had lasted for a decade and a half and had cost hundreds of billions of dollars, was just going nowhere and he wanted out.

How did you handle that?

McMaster: Well, the first thing you have to do is listen to the elected president. And then what I would tell the president is, I share your frustrations, I agree with your frustrations. I wanted to give him multiple options. But to do that, you have to first lay a solid foundation for decision making by having a common understanding of the nature of the challenge that we're facing, what's at stake. President Trump wanted to know, why do we care about this? Why do the American people care about this?

"President Trump wanted to know, why do we care about this? Why do the American people care about this?"

We put into place what we called a principal small-group framing session for these first-order national security challenges. And we put them in the form of a problem statement; we convened the principles around a five-page paper that framed this for the president. And I would bring that framing to him before I asked him to make a decision. Let's come to a common understanding of what the challenge is.

Robinson: So, you had a particular problem, and you're very respectful of the president, even when you get angry about those circumstances.

McMaster: Absolutely.

Robinson: By the way, the book is fascinating, and it is very clear that you got very angry at a number of points, but it is respectful even of those people who become antagonists. Overall, it's the tone of a man attempting to analyze his experience, to offer it to Americans for the future.

Now, I don't mean to sound as though I'm denigrating Donald Trump. I don't know how to get an office building built in New York. But he didn't know why we were in Afghanistan, so your first job is to provide a kind of rudimentary remedial education.

McMaster: Well, actually, he knew a lot. He's not an incurious person. He's not familiar with history, and he's given to certain impulses, and he's a disruptive personality. I'll tell you, that was very positive in many cases because he was right about a lot of what had become sort of a routine approach to some of the most significant challenges we faced.

He thinks it's a bad idea that we should underwrite our own demise with investments in China, for example, while China is weaponizing its mercantilist economy against us. He was questioning the conventional wisdom that China, having been welcomed into the international order and prospered, would liberalize its economy and liberalize its form of governance. He didn't believe that.

Robinson: So, Donald Trump shows up, willing to break furniture, and part of H. R. is thinking, yeah, there's a lot of furniture that really should be broken.

McMaster: Yes. And to help him understand better how to break the furniture effectively and put something in its place so it's not just about disrupting. It's about putting into place policies and approaches that will advance American interests, that will strengthen our security, foster prosperity, and extend our influence in the world. That's what I was trying to help them do.

"CIRCULAR FIRING SQUAD"

Robinson: The title of the book is *At War with Ourselves.* You refer a number of times to the circular firing squad inside the White House—instead of helping each other out, there's a lot of backbiting and interference, self-promotion, leaking to the press, dealings in bad faith among Trump's own staff and cabinet.

McMaster: Well, what they would do, to use the Shakespearean phrase, is poison his ear. Poison the president's ear with innuendo, with all kinds of false reports of disloyalty and so forth, because what they wanted to do is solidify their influence with Donald Trump. And the best way to do that would be to kind of play to his insecurities, his sense of beleaguerment associated with the Mueller investigation, for example. They wanted to create almost a bunker mentality, and they convinced the president that hey, we're the two reliable people in the bunker with you.

"They wanted to create almost a bunker mentality, and they convinced the president that hey, we're the two reliable people in the bunker with you."

Robinson: We're your only guys.

McMaster: And so, when I was advocating for providing the president with options, not trying to manipulate him into the decisions associated with maybe Steve Bannon's agenda, there was a lot of friction there. And what they decided to do at one point, Bannon in particular, was to try to essentially kneecap me and just get me out of the picture.

Robinson: OK, this is tricky material, because how did they get in the White House? The president of the United States absolutely put them there. Why? I can't read Donald Trump's mind, but it's at least in part because they represented a part of his governing coalition.

McMaster: Sure.

Robinson: You refer to the alt-right, and I think that's the term that's generally popular.

McMaster: I'm not super enthusiastic about any of these labels.

Robinson: Right. But they had a certain kind of legitimacy in that White House. They were there because the chief executive wanted them there. And you say to yourself, I have to deal with these guys up to a point. How do you draw the lines?

McMaster: I can take any kind of disparagement; I can take any kind of leak. I mean, it doesn't matter to me. That's noise to me. When they begin to affect policy, when they begin to affect national security, when they begin to affect, really, the president's job in a way that's negative, that's when I became concerned about it.

And I'll tell you, Peter, this is in the book. There are many instances where I tried to foster a working relationship with them. At one point, I invited Steve Bannon to dinner, and then he texted me, "I'm sorry, I'm really busy." I'm like, OK, well, I'm national security adviser. I guess he was clearly blowing me off. I tried. But what they would rather do, I think, is to continue to play these power games, and I just didn't play those games. When they began to impinge on decisions, when they began to try to manipulate the president to make premature decisions or decisions that might cut against our national interests, that's when I became concerned about their tactics and their approach.

"What they would rather do, I think, is to continue to play these power games, and I just didn't play those games."

I've worked in some complex environments with foreign partners who have different agendas. I've had the privilege of commanding multinational civil-military task forces in places like Afghanistan and Iraq. So, I was used to trying to lead and coordinate efforts and build a team. And despite all this friction, it has a lot to do with your understanding of the role of the national security adviser. What is the natural tension between that role and the role of cabinet officials? Then you have the added dimension of Donald Trump, and the degree to which Donald Trump creates these other motivations. And there are those who come in with their own agenda. So, it's a very complicated situation.

But I think the story is my effort to try to transcend that, and to do the best job I could for the president. And I think that we succeeded in effecting some fundamental and long-overdue shifts in policy. My attitude was, hey, bring it on. I've been in real combat, Peter. And Bannon, he used to love to use a battle metaphor for everything, but I was not really concerned by any of it. I thought, OK, is that all you have?

PRESIDENTIAL TRAITS

Robinson: You get strong people who know a lot about their fields, and you go up to Camp David and you fight it out in front of the chief executive.

McMaster: Sure.

Robinson: And he makes the decision at the end, and everybody says, got it. Correct? It worked that way, and it doesn't sound like chaos, does it?

McMaster: No, and my editor wanted "chaos" in the title; I didn't want chaos in the title. That's the conventional wisdom.

And of course, it was chaotic at a certain level. You're mentioning all the frictions and interpersonal difficulties. But I think we succeeded in that first year. I can't really talk too definitively about what happened after that.

Robinson: Now to the man himself, although, of course, a portrait of Donald Trump emerges from everything you write, such as "I saw in Trump traits similar to those in Lyndon Johnson." And later you write of a visit to California during which you found yourself contrasting Trump with Reagan, the differences between the two presidents who came into office with similar agendas, including tax cuts, deregulation, increased military spending. Donald Trump and LBJ, Donald Trump and Ronald Reagan? Explain this.

McMaster: Lyndon Johnson had some profound insecurities, especially in the way he came into office.

Robinson: After an assassination.

McMaster: After the Kennedy assassination in November 1963. I wrote a book about this.

I'll tell you, by the way, so much of whatever ability I had to do this job came from history. My ability to be kind of stoic in the job and understand that the frictions I was encountering were not unprecedented. I was grateful for the gift that the United States Army gave me, which was to study history.

Robinson: George Marshall, Dwight Eisenhower, these men put up with a lot.

McMaster: Absolutely. But Johnson was insecure for a number of reasons, including that he was preoccupied with trying to get elected in his own right in 1964. And he also had a sense of being beleaguered by the press, much like President Trump.

President Trump, I think, has his own insecurities. I'm not a psychologist, but he felt beleaguered by the false Russiagate collusion claims and the Mar-a-Lago investigation. And so, these insecurities and this sense of beleaguerment allowed people to kind of manipulate both presidents, right? Johnson was very distrustful of those around him; so was Trump.

So, if somebody wants to kneecap me or somebody else, label them a globalist, or say that they're not supporting the president's agenda or they're disloyal, or they called him a name or—ridiculous claims, right? All of those in connection with me. He actually had a bit of a vulnerability there because of that sense of beleaguerment.

And then with Reagan, I really talk about them both being extraordinary communicators in the relatively new medium of television for Reagan, and

social media for Trump. And while Trump, I would say, was maybe not as elegant in his form of communication as Reagan was . . .

Robinson: He got the points across.

McMaster: He got the points across, but also, if you look at his speeches, I think they're pretty darn good. They're underappreciated.

ONE AND DONE

Robinson: All right, last question. You knew he'd never invite you back, but I know you well enough to know that when you said, "if I had the opportunity, I'd do it again," you meant it. Endless hours, countless frustrations, a staff job, which is torture in itself to a man who's used to command. Constant backbiting, politics of every description, and at the center of it all, a very, very difficult chief executive. And yet you found it all worthwhile, why?

McMaster: I hope that one of the themes in the book is gratitude: gratitude for the opportunity to serve. And national security adviser is a fantastic job, it really is. You can have a positive influence on the course of the nation and the nation's security and prosperity, and that is a tremendous privilege. I worked with some fantastic people, Peter, really dedicated, talented people.

Some of them are colleagues now at Hoover—Matt Pottinger, for example. The National Security Council staff was running extremely well after my first few months, I think, and doing a good job for the president. Maybe the president didn't always appreciate that, because we were always getting disparaged by those who wanted to drive a wedge between him and me and the NSC staff broadly.

But it was a privilege to work there and a privilege to help the president. I wouldn't go back now, because I do think I'm used up with Donald Trump. I'm at peace with that. I had conversations with him, which I recount in the book, months before I departed. I said, "Mr. President, listen, I want nothing out of this job except to do it well until my last day. And when we're no longer effective working together, I want to leave." So, I left with a good relationship, which is unusual for most people who leave the Trump White House. ◼

"Poverty Is the Elemental Foe"

Economist Noah Smith describes the long struggle of humanity against its oldest enemy. What finally led to victory? As he sees it, "industrial modernity."

By Russ Roberts

***Russ Roberts,* EconTalk:** Our topic for today is poverty, what Noah Smith calls in an essay the "elemental foe." Why do you call it the "elemental foe"? It's kind of grand, and I happen to think it deserves that grandeur, but why did you use that wording?

Noah Smith: The phrase comes from *Frankenstein.* The narrator is on an expedition to the Arctic, and he writes about data that he's going to get that will help humanity against the "elemental foes of our race." He means the elements themselves. And the idea is that humans are born into a universe where the elements themselves are against us. Poverty is the elemental foe, not just because it's the fundamental

"The universe itself is always trying to kill us with rocks from space and diseases and even just hunger."

Noah Smith *is a journalist and commentator who writes about economics on his Substack,* ***Noahpinion.*** ***Russ Roberts*** *is the John and Jean De Nault Research Fellow at the Hoover Institution, host of the podcast* ***EconTalk,*** *and the president of Shalem College in Jerusalem.*

HUNGER FOR CHANGE: Hirsi Farah Ali, village chairman in Waridaad, Somalia, describes the devastation of a severe drought in this 2012 photo. Noah Smith marvels at how people in industrialized nations romanticize the poverty and uncertainty of subsistence economies—whose inhabitants are often eager to move to crowded cities. "They trade that eagerly. And very few of them go back." [Oxfam East Africa—Creative Commons]

or basic foe, but because the universe itself is always trying to kill us with rocks from space and diseases and even just hunger.

Roberts: Early in the essay, you say the following: "To ask why some societies in the world are still poor is the wrong question. Poverty is the default condition, not just of humanity but of the entire universe. If humanity simply doesn't build anything—farms, granaries, houses, water treatment systems, electric power stations—we will exist at the level of wild animals. This is simply physics."

I think that's undeniable. But you, with that stark language, make it very clear what our challenge is as human beings living on a rock.

Smith: If you look at the planets out there in the solar system, they're sterile. Life is rare. Even on Earth, when life exists, most of it exists at a level of absolute poverty. Animals are always on the verge of starvation or predation. And when you look at human history, for most of human history, everybody was living in grinding poverty. Even kings: they had enough to eat and they had servants to do stuff for them, but because of a lack of modern technology, they were still carried away by disease all the time. And they were still

probably malnourished—subject to a heavy disease burden as kids that stunted their intelligence and physical health.

The default state for much of the world is poverty. There's only a tiny bit of non-poverty in the universe. Everywhere else is constantly on the verge of death.

Roberts: I never thought about it. The lion is king of the jungle, but the lion's standard of living is subsistence. If you find a nice herd, you might have a good day. You might even have a good couple of days. But you can't rise above the minimum with any success because you have no technology. I once heard George Will say something like, "Most of human history is a man, if lucky, a man standing behind a horse, walking behind a horse, looking at the horse's rear while it pulls a plow." That's good times.

"There's only a tiny bit of non-poverty in the universe."

Smith: The reason you had *Game of Thrones*–type situations with people trying to kill the king all the time is because you're competing for the one non-poverty position in society.

Roberts: Yes, which is why "uneasy lies the head that wears the crown."

But let's talk about the role of technology. You use an interesting phrase to describe how we keep away poverty in the modern world: your answer is *industrial modernity.* It captures in a pithy phrase what it is that sustains our standard of living. What do you mean by it?

Smith: Industrial modernity is a system of technological edifices. Technology itself is the knowledge of how to do a thing. You can have embodied technology, which is like a thing itself, but industrial society is a bunch of technological systems.

For example, roads: the roads system. We know how to make roads. We have a bunch of roads. The roads go to a lot of places. You can drive on one road, and you can get off onto another road to get where you're going.

Agricultural distribution centers: these big buildings full of food. From those buildings, mostly trucks take the food to stores where you can buy the food, or to places where we give away food to poor people. That network includes a lot of logistics and spreadsheets, but it also includes the roads, the trucks, the farms themselves.

That's just part of industrial modernity. You have railroads, water treatment plants, tap water, hospitals, and medical clinics. You have the Internet and the telephone network. You have the electrical grid, gas pipelines, mines, and warehouses for all kinds of manufactured goods, huge factories full of machine tools. All of these technological edifices together are what keep us in that little non-poverty bubble of the universe.

"All of these technological edifices together are what keep us in that little non-poverty bubble of the universe."

Roberts: I want to add two things. One, of course, is Adam Smith's division-of-labor observation: that we *specialize* in the modern world. We don't do everything for ourselves. We rely on others through this web of transactions that you've sketched out.

The other thing that's remarkable is that the processes you're describing are a remarkable transformation over time of relentlessly reducing the amount of human labor necessary to produce those things. You might think, "Well, that can't be good." I mean, you're getting rid of all these jobs. In 1900, 40 percent of Americans worked on the farm, and they got replaced by bigger and bigger farms as the world grew. The farms got bigger, the machinery that you could use effectively on those farms got viable and then bigger, and fewer people were needed to work on farms to make an immensely larger amount of food.

And that, to a farmer of 1900, would be a frightening thought: "Oh my gosh, all those jobs are going to be lost."

The joke, of course, is that in a modern factory, there are two employees: the dog and the worker. The worker's job is to feed the dog. And the dog's job is to make sure the worker doesn't interfere with the technology that's producing whatever it is—eggs, pencils, shirts, shoes. Industrial modernity is relentlessly focused on reducing the amount of labor that's involved in producing more and more goods. Getting more from less is the mantra. And it's magical.

"Why the Industrial Revolution didn't start for so long is a question that should haunt us."

Smith: An interesting thing about that. There's a theory that driving up the cost of labor accelerates this process. And, when you suddenly have a flood of cheap labor, it might actually slow the process of technology.

The first steam engine was a toy on the desk of a Greek guy living in the Roman Empire. He had a little steam engine on the desk. He called it the aeolipile. And it could spin around—woo!—with steam. You could have used that to create the Industrial Revolution in Rome. So, there's an argument that cheap labor in Rome, because of the persistence of slavery, prevented people from economizing on labor by automating, by looking for machines. The economist Robert Allen argues this. He says the reason the Industrial Revolution took off in Britain was very expensive labor—because so many workers had left for the Americas, or there were laws driving up wages, according to Allen. He says it forced people to go looking for alternatives, like James Watt's steam engine. And, once you've figured out the steam engine, "Oh wow—we can use the steam engines to clear these mines or to move stuff on a railroad." Innovation bred innovation.

The question of why the Industrial Revolution *didn't* start for so long is a question that should haunt us because there were reasonably free markets in many states. A lot of the basic technologies probably could have been invented in Rome, in Song Dynasty or Ming Dynasty China, and a lot of these old places. But they weren't. We didn't get a takeoff.

And that question should haunt every person who thinks about economics because it lasted so many thousands of years. That's kind of scary.

FABLES OF THE PAST

Roberts: You mention—one of my favorite themes— "fantasies of an imagined past." This is what I think of as the romanticization of poverty: that human beings in ancient times avoided the alienation of industrial modernity by living simpler lives, making more things for themselves, being closer to nature, and so on. But you call that a fantasy. Why?

Smith: I actually don't understand the psychology behind this nostalgia. I think it's not nostalgia for a place you were. There's this nostalgia of, "I want the world to be like it was when I was a kid, because being a kid is great, so, I remember the world being great." Everyone was kind of poorer in the 1990s than now, or at least the 1980s. But I was just raring to go, just eating crappy food, but I loved it. Just playing outside with a little red wagon. It was great! I understand that kind of nostalgia.

But there's a kind of nostalgia where people will look at an advertisement from the 1950s and think, "OK, that's how it really was. Everyone was flying first class and people would just bring you drinks, and everyone had this giant yard where you were always having barbecues, and everyone was very pretty

and immaculate. And you could do all that on just one income from one husband working at a factory job. You could support all of that, and all the kids could go to college, and everybody had cars and big lawns, and that was so great. And nobody played loud music and nobody cheated on their spouse."

And it's a fantasy. Those images from the 1950s that we have are not real. They are not what the 1950s really were like. They are marketing images: advertising created by talented fantasists of the day to get people in the middle class to buy more stuff. And they did their job.

I'm not criticizing the advertisers and the marketers here. I'm criticizing people who mistake that for reality. Because reality was that rivers in major cities caught fire because of the pollution. Reality was that houses for middle-class families were half the size they are today. Reality is that if people even had a TV, it would be one small black-and-white TV in one room that was kind of crappy and had a bunch of programs on it that you wouldn't even watch today.

And people lived in cities where coal smoke hung like a pall. The level of poverty was much larger than what we're used to now. If you go to a working-class neighborhood in Los Angeles today, and you see first-generation immigrants from Honduras who are living in some far-flung suburb and working at a CVS or something, they live a bit better than your middle-class family in the 1950s that was the target of those advertisements.

Thinking the 1950s were economic paradise isn't even the craziest thing. People think the Middle Ages were economic paradise! There are people who say, "Oh, peasants actually didn't spend their time working. They were indolent peasants." I can show you "indolent peasants" in an agricultural village in Nigeria or some parts of India. We can go. They're sitting there starving. They're sitting there with nothing to do. Yes, there's tons of work to do. You could tidy up the house; you could build a better house. You could do all kinds of things. You could be gainfully employed. But you don't have the energy to get up and work because you don't have enough calories. All you can do is sit there. In the agricultural age, we created negative stereotypes of people who are layabouts and don't work. The reality is that a lot of the people were disabled, sick, hungry, old, and weak, and others were trying to extract labor from them by saying, "Get up and work."

"The images of the 1950s that we have are not real. They are marketing images: advertising created by talented fantasists of the day to get people in the middle class to buy more stuff."

This is why when you start the process of industrialization, everybody moves from the farms to the cities. People trade their so-called indolent, medieval-type lifestyle as a peasant for fourteen-hour days of backbreaking work in some smoky sweatshop. They trade that eagerly. And very few of them go back. And, yes, it sucks to work in a sweatshop. But it *really* sucks to be an agricultural peasant. People kill themselves constantly in rural areas. Peasants are just offing themselves in droves. Because poverty sucks.

PEASANTS DID NOT HAVE IT GOOD

Roberts: Well, you've gone from the 1950s to the Middle Ages. But of course, many people want to go back further—to the hunter-gatherers—to romanticize. You know, you spend a few hours a day, you might catch yourself a deer, and then, the rest of the time you're reciting Homer, which you've memorized because you don't have any books but which the oral tradition has passed along. Or you're playing a flute you've carved from a nearby tree. Ancient, primitive people spent most of their day looking for protein and struggling to find it because life is hard without modernity.

Smith: Exactly. It is a constant, desperate struggle for survival—also extremely violent. It's more violent to be a hunter-gatherer than to be a peasant. And being a peasant is pretty violent.

Of course, all the pastoralists who believe that the hunter-gatherers had it great say, "Oh, the hunter-gatherers that you see today in Papua New Guinea or the Amazon, those people aren't like the hunter-gatherers of yore, because they've been pressured by capitalism and modernity and their resources have shrunk." Bullshit. We have archaeology. We know that the hunter-gatherers of the past lived pretty much like the hunter-gatherers today. It's just that more of humanity was subject to that crap.

I have many weaknesses and flaws as a person, but I think one of my strengths has always been that I'm pretty damn good at recognizing fantasy when I see it.

Roberts: Let's shift to a topic you write about in passing, but I want to spend a little more time on here, which is the degrowth movement. It's another form of romance. What's the idea of that? What are people selling and what do you think of it?

Smith: Degrowth is primarily a European movement, and I would say more British and North European than elsewhere. There are various manifestations of it, but basically they say: "GDP is a bad indicator of human

flourishing. We need to be happy instead of making GDP go up." And also, "We're destroying the environment with industrial society and technology, so we need to degrow. The ideology of rampant growth keeps us destroying the environment. If we stopped growth, then the environment would be saved." It's all complete hogwash.

Roberts: I assume you don't disagree with the claim that GDP is a flawed measure of human flourishing. I think it is flawed, but I would agree with that starting point.

Smith: I would say that the poorer a country is, the more GDP *is* everything. That when you look at poor countries, GDP is just incredibly tightly correlated with life expectancy, nutrition levels, and education levels.

Roberts: Let's go back to the romance we were making fun of a minute ago and try to take it a little more seriously. While I understand the case for industrial modernity, I think it's true that things are lost in the pursuit of—not escaping poverty, perhaps, and not escaping subsistence standards of living, but somewhere between there and what a good chunk of a modern industrialized country has as a lifestyle.

I think about older conversations on this program about economic development and the joke that's not a joke: that the biggest way to fight poverty is luggage. That uncontrolled emergent order—you *want* to be a part of it because then you're not going to starve to death. And if you're not a part of it, you're going to have a tough time.

But certainly, as you move away from, say, where you were born or where your parents or your siblings are—and Americans will forgo living near home or near siblings for economic opportunity or career advancement or flourishing in a different way—something is lost, I think. Do you accept that, or do you think that's just another kind of romance?

Smith: I don't know about that. Honestly, I think Americans are pretty family-oriented. I think Americans are more family-oriented than Japanese people; that's the other country where I've lived. That goes against some old stereotypes, and I'm sure that in the long past, Japan was very family-oriented, but it changed. Corporations pulled apart the Japanese family to a large degree.

I think people in villages in less-developed countries are probably more family-oriented than Americans, but a lot of that is family as a work unit. Yes, your family is your work team, and yeah, that affords you a social circle that's the case your entire life—but it's also a trap. I think that to some degree, the

constant living your entire life with this small group of people that you didn't get to choose was stifling and entrapping for a lot of people. It doesn't mean you don't love your family, but it means that if your family are the only people you spend your entire life with, that can be a bit confining.

Roberts: Fair enough.

BEDFORD FALLS ISN'T FOR EVERYONE

Roberts: I think the claim I'm making is that when you have a desperately poor society, it's good for everyone to be part of a move toward industrial modernity—which I take is your main point. But when you live in an industrial, modern society already, one has to face the trade-offs of lifestyle and—whatever you want to call it—work/life balance.

You have to decide what you care about, and that's a personal choice. I don't think the government should make it for you, or we should push people in certain directions. All I'm suggesting is that what underlies some of the romantic fantasies that you and I have been critiquing about primitive life—whether it's hunter-gatherers, the medieval peasant, the 1950s—is a thirst for something that is harder to find in modern life than it might otherwise be, which are these fundamental connections between kin and friends.

Now, I take your point. I like the example of George Bailey in *It's a Wonderful Life.* The movie romanticizes Bedford Falls—a certain version of it—but a lot of people who grow up in the Bedford Falls of the world want to live in the big city. They don't want to live in the little, tiny place where they see the same people every day. But my point is a simple one: that this move to industrial modernity, which is a fabulous one overall because it removes the threat of poverty and hunger, which hangs over all human beings—and which you write so eloquently about—comes at some kind of cost that a thoughtful person should be aware of in making choices about how to live within that modern world.

"I don't want to be a Panglossian about technology and say that every single technology that ever exists makes us better."

Smith: Yes. I think what happened with modernity in terms of social changes is that we largely traded neighbors for co-workers and co-enthusiasts. I think we're trading what I call a horizontal community for a vertical community. Vertically being, for example, according to what company you work for, what you're interested in, things like that. In the case of

co-workers, you'd still be physically proximate to them, right? In the case of co-enthusiasts, you'd still meet them on the basketball court. But now your co-enthusiasts are just people who write similar memes, and you have some notional connection with them online. I do wonder if something important is lost.

Roberts: I'm not sure how that's going to play out culturally over time. I don't know if we're going to keep this going. I mean, I like you, Noah. I think I've seen you physically once. I think we've been in the same room once. Twice?

Smith: Not very often.

Roberts: Most of the time we've talked on Zoom via *EconTalk.* And I think if we spent an evening getting drinks and dinner and going to listen to music, our relationship would be very different than a fifth *EconTalk.* It would just be richer. I'm still a big fan of in-person interaction.

Smith: I am, too. I don't want to be a Panglossian about technology and say that every single technology that ever exists makes us better. Some technologies, if we had never invented them—stuff would be better. Certain military technologies that just kill a lot of people. Maybe.

Roberts: Or maybe the smartphone. When it first came out, it was the greatest thing since sliced bread. I still love it. I'm addicted to it. And there are addictions that are not deadly. It's just a transformative addiction. I don't know.

I want to close with a quote, which I think will tie some of what we've said together. It's from your essay: "Our intelligence has given us an opportunity not afforded to other animals—the chance to conceive of our species as a *single team,* fighting not individually but as an army united against the implacable, elemental foe of poverty and desolation."

That "single team" thing is a really cool, beautiful image. Most of us don't know we're on that team and we don't get any satisfaction. What I like about that sentence is that it adds some romance to industrial modernity. It says it's *not* this decentralized, alienating, dog-eat-dog world of corporate capitalism we're under the thumb of. We're actually cooperating, often unknowingly, in a rather extraordinary enterprise worth cherishing and honoring. Not just surviving, but thriving materially, which allows us to do all kinds of things, live longer lives, travel and see parts of the world we otherwise wouldn't see. A thousand things that make life lovely. And we choose which ones we want to have, because we can. And we should use our intelligence not just to

expand the scope and effectiveness of industrial modernity; we could use it to appreciate it.

Smith: I would like us to appreciate it more, and I don't know how to get people to do that yet. Children notoriously have difficulty telling fantasy from reality. They live their lives swimming through a little fantasy world that they partially make up themselves. And maybe the goal of human society should be to return us to that existence. Perhaps fantasy is the ultimate form of consumption.

Of course, at the same time, people who understand the danger of the elemental foe of poverty lurking right outside our castle walls, we have to be the adults in the room. We have to remember that stuff like degrowth is stupid. And we have to remember the reality of what's out there.

But maybe not everybody has to. Maybe the ultimate luxury—the ultimate escape from poverty—is to not even remember that poverty is out there.

Still His Finest Hour

A new surge of revisionists attack Winston Churchill for—unbelievably—defying Hitler. Hoover fellow Andrew Roberts, author of a magisterial Churchill biography, finds the attacks ignorant and unpatriotic.

Would Britain have done better to stay out of the Second World War?

Ian Gribbin, the Reform UK candidate in Bexhill and Battle, certainly thought so as recently as July 2022, when he posted on *UnHerd* that "Britain would be in a far better state today had we taken Hitler up on his offer of neutrality." It is a shame, he continued, that "Britain's warped mindset values weird notions of international morality rather than looking after its own people."

Elsewhere, Gribbin stated that "we need to exorcise the cult of Churchill" and to recognize that "in both policy and military strategy, he was abysmal."

Although Gribbin has since apologized for these comments, Reform's official spokesman has not—preferring, instead, to double down on the sentiments when speaking to, of all publications, the *Jewish Chronicle.* According to Reform, Gribbin's remarks were no more than neutral analysis, "written with an eye to

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STRAIGHT SHOOTER: British Prime Minister Winston Churchill tests an American carbine during a visit with the US 2nd Armored Division in March 1944, three months before the D-day invasion of France. Churchill, writes Andrew Roberts, was inspired by his moral loathing of Nazism, and the prime minister's decision to fight on when Hitler offered peace was his greatest single act of statesmanship. [Major W. G. Horton—War Office Photography Department]

inconvenient perspectives and truths. That doesn't make them endorsements, just arguing points in long-distant debates. [Gribbin's] historical perspective of what the UK could have done in the 1930s was shared by the vast majority of the British establishment, including the BBC of its day, and is probably true."

Reform's dismissive views of Churchill, Britain, and our wartime sacrifice are troubling enough. This, after all, is a political party which openly seeks to rival the Conservatives at Westminster. But Reform's stance is positively disturbing in the light of the recent revelation that no fewer than forty-one of its candidates are Facebook friends with a man called Gary Raikes, the leader of a neo-Nazi group called the New British Union which has called for a "Fascist revolution."

That's why it is now imperative that the party come clean. Just where does it stand on Winston Churchill's leadership in the Second World War—and on Britain's determination to oppose the Nazis?

HITLER'S POISONED CHALICE

Reform pretends that Gribbin was taking part in a long-running debate about appeasement in the 1930s, but in fact it appears that Gribbin was talking about agreeing to a *wartime truce* with the Nazis. If Reform UK genuinely thinks that Britain should have remained neutral in the Second World War, the case deserves to be argued on its merits—if only to be dispatched more efficiently.

Hitler's neutrality offer is a well-known trope that has been put forward over the years. It doesn't stand up to the facts.

This is a well-known trope that has been put forward over the years by respected historians such as John Charmley, the late Alan Clark, and Professor Maurice Cowling of Cambridge University—but also, before that, by Oswald Mosley and his British Union of Fascists.

It simply doesn't stand up to serious investigation.

Adolf Hitler offered Britain neutrality on July 19, 1940, ten months into the war and less than a year before he invaded Russia. He did so in the hope of freeing dozens of German divisions guarding his western flank and transporting them to fight against the Soviet Union in the east. If Britain had declared neutrality—and had not conducted bombing missions on Germany from August 1940 onwards—the Fuhrer would have been able to use the totality of the Luftwaffe in his invasion of Russia rather than 70 percent of it. Even so, Hitler got to within forty miles of Moscow.

A neutral Britain would have been in no position to help Russia with convoys of tanks and planes. Our refusal to fight would have fatally confirmed the United States in its isolationism, and thus our country could not have been used as the unsinkable aircraft carrier from which the British, Americans, and Canadians launched D-Day—the start of the extraordinary campaign that ultimately liberated Western Europe.

For half a millennium, British strategy has been to oppose the hungry ambitions of European tyrants. This explains why we fought the Spanish Armada, the War of Spanish Succession, the Napoleonic Wars, and the Great War.

We took part not because, as Gribbin put it, "Britain's warped mindset values weird notions of international morality," but out of clear-sighted realpolitik. We wanted to ensure British security.

Since Adolf Hitler ripped up every treaty he ever signed, no meaningful neutrality would have been possible. We can be certain that, once he had defeated

Russia, Hitler would have turned on us. And in doing so, he would not have been fighting on two fronts—the weakness that eventually destroyed him.

Reform's spokesman was correct to tell the *Jewish Chronicle* that Britain lost "a massive amount of blood and treasure" because of Churchill's decision to fight on, but it was a fraction of what she would have lost if she'd had to confront the Nazis later—and without Russia and America as allies.

For half a millennium, British strategy has been to oppose the hungry ambitions of European tyrants.

Britain did not go to war to save Jewry, but Churchill was inspired by his moral loathing of Nazism. And Gribbin, who points out that he has a Russian-Jewish maternal grandmother, probably owes his life to this. His grandmother is unlikely to have survived had Hitler controlled the entire European continent from Brest to the Urals throughout the 1940s.

The cost for Britain was heavy: the loss of empire abroad and the rise of socialism at home. But these things were the necessary price to pay for the untarnishable glory of contributing to the crushing of Nazism. The empire was on the way out by the mid-1930s, anyhow.

Equally, if the Soviets had defeated the Nazis, a neutral Britain would also have been in a desperate situation, with Stalin—every bit as expansionist as Hitler—as the master of Europe. Without a British and American army in France, there would have been nothing to prevent the Red Army reaching Paris. We would have been faced with a communist Europe, one that posed just as much of a long-term threat to British security as the Nazis.

Britain's decision to fight was clear-sighted realpolitik. Churchill wanted to ensure British security.

Winston Churchill's decision to fight on when Hitler offered peace was his greatest single act of statesmanship. And it is disgraceful that the Reform Party's official spokesman should denounce it.

CHURCHILL AND VICTORY

As it happens, Reform's leader, Nigel Farage, is a military history geek and, like me, an admirer of Churchill. He, for one, knows that Churchill's military strategy, so far from being "abysmal," was inspired.

It was Churchill who devised military strategies for North Africa and the Mediterranean and then sold them to the Americans, ensuring the Germany First policy—committing the United States to war in Europe—was adopted by President Franklin Roosevelt.

The cost for Britain was heavy: the loss of empire abroad and the rise of socialism at home. But these things were the necessary price to pay for the untarnishable glory of contributing to the crushing of Nazism.

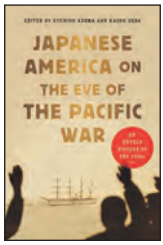
It was Churchill who ensured that D-Day did not take place until total air dominance had been achieved and the Battle of the Atlantic won, and he who kept the Big Three—himself, Stalin, and Roosevelt—together, bravely traveling a total of 120,000 miles outside the United Kingdom to do so.

At the very least, Gribbin is historically ignorant—certainly too ignorant to be a parliamentary candidate—and the Reform Party should sack him on that ground alone.

But it also needs to root out other members who are more interested in public relations and posturing than honoring the memory of Winston Churchill.

How, otherwise, can Reform criticize Rishi Sunak over missing one part of the D-Day commemorations—when its own spokesmen are suggesting that D-Day should never have happened in the first place?

Is this the sort of "patriotism" British voters really want to choose? ◼



The Decade that Roared

The 1920s brought transformation—including a dramatic improvement in the economic condition of most Americans. How much of it was government's doing? Almost none.

By John H. Cochrane

The 1920s were the single most consequential decade for the lives of everyday Americans. This is when the contours of modern life emerged.

Technological innovations diffuse by an "S" shape. Something is invented; it trundles along for a couple of decades; then it becomes a toy of the rich, perhaps; then it spreads quickly through the population; finally, we spend another couple of decades making it better. The S-curve applies to airplanes, cars, or practically any other technology you can think of. The middle of the S-curves of many important technologies coincided in the 1920s. Growth wasn't about the accumulation of stuff; it was about changing the way everyday people lived their lives.

At the beginning of the 1920s, about 30 percent of American homes had electricity. By the end of the decade, nearly 70 percent had been electrified.

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Famously, the Vermont home of Calvin Coolidge's father had no electricity in 1923 when word arrived that President Warren Harding had died. That's why Coolidge took the oath of office by kerosene light.

[Taylor Jones—for the *Hoover Digest*]

Electricity improved during that time, too, as alternating current, or AC, became standardized. With that came electric lights instead of kerosene lamps, and electric appliances such as the iron, the toaster, the washing machine, and the vacuum cleaner. Electricity revolutionized home life, removing much of the drudgery.

MOTOR MAN: In 1924, Henry Ford ponders his first car—the 1896 Quadricycle—and, on the left, the ten millionth Ford automobile. In 1920, 20 percent of people had automobiles; by 1929, 60 percent of families did. This transportation revolution can't be credited to federal tax breaks and subsidies. [Everett Collection—Newscom]

Electricity changed the economy as well. In 1914, only 30 percent of manufacturing was electrified; by 1929, that number had reached 70 percent.

How did electricity get to homes and factories? Was there a big federal program to build the massive infrastructure of power stations and wires needed? No, private utilities built it.

In 1920, 20 percent of people had automobiles; by 1929, 60 percent of families owned cars. There were nine vehicles for every ten households. The automobile revolution happened in one decade.

Cars weren't just a convenience; they brought a massive change in how people lived their lives. Previously, people needed to live right near a soot-emitting factory where they worked. Now they could move somewhere where they could have a more pleasant life. The car helped to make that possible.

The automobile also eased rural isolation. By 1929, most farmers had cars to get them to town. The car connected them.

The transportation revolution didn't occur because the federal government offered tax breaks and subsidies. There was no federal spending

CALL ME: A doctor relays medical advice via radio from the Seamen's Church Institute's headquarters in New York in early 1920. The church's radio service gave assistance to merchant ships at sea in an early experiment in telemedicine. During this decade, radio would become a pervasive feature of American life. [Public domain]

bill to build the network of gas stations motorists needed. No, the filling stations came in on their own when people figured out that they could make money operating them.

The 1920s saw a revolution in communications as well. The telephone, the phonograph, radio, and movies became ubiquitous parts of daily life. Radio went from essentially zero at the beginning of the decade to a pervasive feature of American life. Broadcast networks were born in the 1920s, creating mass media.

How did these changes happen? As usual, pretty much everything occurred despite the government.

Indoor plumbing, water, sewer, and gas all were practically absent in 1920 and close to universal in 1930. That meant the end of the outhouse, of fetching water from a pump, of cooking over a coal stove.

Infant mortality plunged. Doctors started to know what they were doing.

The 1920s also brought innovations in finance. Consumer credit was invented. In 1926, 75 percent of new vehicle purchases were financed. Financing spread to household appliances, helping people afford these wonderful new things.

Shopping used to mean going to the general store and negotiating the price of your bread. Chain stores and fixed prices emerged in the 1920s. Sears moved from catalogues to stores, and of course you could go to the store in your car now. National chains had 7,500 outlets in 1920 and 30,000 in 1930—15,000 of those by A&P alone.

DEFICITS VANISHED

Average earnings rose 30 percent in a decade. Gross domestic product (GDP) rose by a third, but that figure understates the scope of the transformation. It's not that people now had three kerosene lamps instead of two, or his and hers outhouses instead of a single outhouse. GDP vastly understates gains in human welfare.

This great economic and lifestyle revolution for Americans of modest means happened with basically no guidance from the federal government. The government largely stayed out of the way. And the government did not try to regulate improvement in the name of "equity." Is it terrible that rich people got to buy a Model T Ford in 1924 and poorer people waited until 1927 to buy one at half the price? Would we look back and wish the government had slowed it all down in the name of equity?

Calvin Coolidge took the oath of office by kerosene light.

All the growth and improvements occurred against a backdrop of a pandemic, inflation, a large federal debt, revolution in Russia, and culture wars at home, with a serious question whether our country would go the same way.

In this context, President Coolidge and Treasury Secretary Andrew Mellon engineered the first great supply-side tax cut, dropping the top rate from 77 percent in 1918 to 25 percent. Yet tax revenue rose, including from the rich people whose rates dropped most dramatically. A lot of that revenue came from compliance—getting rid of tax loopholes. When you cut the tax rate and eliminate loopholes, you often get more tax revenue.

Before cars were common, people needed to live right near a soot-emitting factory where they worked. Now they could move somewhere more pleasant.

Deficits disappeared. Thrifty Calvin Coolidge made sure of that. Congress had plenty of ideas for spending, but each year in the 1920s, the federal government generated a surplus. Coolidge and Mellon and Congress reduced the federal debt, and the economy boomed.

So much for stimulus.

RIGOR AND RESTRAINT

What did Coolidge do? He constrained mischief on spending, fought for tax cuts, and made sure government stayed out of the way. He appointed commissioners to the Federal Trade Commission and the Interstate Commerce Commission who did little to restrict the activities of businesses under their jurisdiction. The regulatory state under Coolidge was thin to the point of invisibility. He vetoed farm subsidies—twice. Lots of bad ideas came up, and Coolidge's job was to say no.

Is it terrible that rich people could buy a Model T Ford in 1924 and poorer people waited until 1927 to buy one at half the price?

As others have demonstrated, Coolidge had some progressive policy preferences. But his view was that those were state and local matters with which the federal government was not allowed to interfere. He did what he did largely out of respect for institutions.

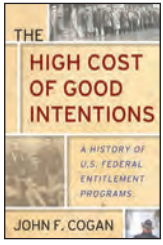
And that is a wonderful thing. If we would only respect the institutions, we wouldn't need to try to appoint somebody who shares all our ideas. Let's fix the institutions.

The humorist Will Rogers said of Coolidge, "He didn't do nothing, but that's what we wanted done." It's a great line, but it's utterly wrong. Coolidge did hard work to beat back bureaucratic expansion, to cut tax rates, to restrain spending, to say no to endless bad ideas, and to do the institutional reform of putting in a budget process. He did a lot!

We often hear about "transformative leaders." But too often that means leaders who expand the size and scope of the federal government. What about leaders who stay out of the way, do their bit to improve the machinery of government, work valiantly to fight the weeds, and preserve and strengthen the institutions of American government? We should celebrate them as our greatest leaders—the fixers, the quiet reformers, the minders of the store, the preservers of our institutions.

Coolidge constrained mischief on spending, fought for tax cuts, and made sure government stayed out of the way.

Stop looking for transformative leaders. We don't need another great government crusade. Once again, we need a return to normalcy. ◼



Available from Stanford University Press is ***The High Cost of Good Intentions: A History of US Federal Entitlement Programs,*** *by John F. Cogan. To order, visit www.sup.org.*

"Hatelessly Yours, Joseph"

The work of Russian exile poet Joseph Brodsky was "brought into English" through the patience and skill of his longtime translator, George L. Kline. The latest addition to Hoover's remarkable Brodsky archives showcases their artistic partnership—sometimes exasperating, always in pursuit of the perfect word.

By Cynthia L. Haven

The devil is in the details, but sometimes the angels are, too. Nowhere is that more evident than the world of writers and writing, where the proof is on the page. In particular, translators niggle over the tiniest details involved when moving one linguistic world into another. They wrangle over the multiple meanings of a word, the rarified nuances in a phrase. Meanwhile, layout designers and copy editors fret over the aesthetics of poem typography. All are forever seeking an impossible perfection, and sometimes they veer close to it.

Cynthia L. Haven *is the author of* ***The Man Who Brought Brodsky into English: Conversations with George L. Kline*** *(Academic Studies Press, 2021). She was named a National Endowment for the Humanities Public Scholar in 2021. She was a Voegelin Fellow at the Hoover Institution and writes a literary blog,* ***The Book Haven*** *(bookhaven.stanford.edu).*

WORDSMITHS: A new Hoover collection gives insight into the working relationship between poet Joseph Brodsky, left, and translator George L. Kline. The partnership survived arguments, estrangements, and the struggle of creation. [Andre Berkin—Bryn Mawr Special Collections]

Then the proof sheets roar back from publishers, with a new set of questions, corrections, and last-minute repentances about the phrasing of a translated stanza or the discovery of an overlooked error.

That is the story told in fourteen archival boxes recently arrived at the Hoover Library & Archives. The "Cynthia L. Haven Papers" describe Russian Nobel poet Joseph Brodsky's long and often vexed relationship with his earliest translator to bring the émigré into English. It also includes correspondence with American poet Anthony Hecht, Lithuanian poet Tomas Venclova, and British poet and translator Daniel Weissbort. In addition there are Brodsky scholar Zakhar Ishov;

The collection describes poet Joseph Brodsky's long and often vexed relationship with his earliest translator to bring his works into English.

FLEETING: A previously unknown letter by Joseph Brodsky, part of the latest addition to the Hoover collection, discusses one of the most celebrated poems in the Brodsky canon, "The Butterfly," published in the* New Yorker *on March 15, 1976. The lightness of the poem's title is at odds with Brodsky's own comments, in which he explains that the poem sounds a note of despair and death. [Brigitte Friedrich, Sueddeutsche Zeitung—Alamy]

an RFE/RL regional director; and Betty Kray, the first executive director of the Academy of American Poets and co-founder of Poets House in New York City; as well as many others.

The new Hoover collection focuses on the American years of Brodsky, largely through the lens of George L. Kline, the Nobel poet's first translator of note, and the subject of my book *The Man Who Brought Brodsky into English: Conversations with George L. Kline* (Academic Studies Press, 2021). Kline in fact brought more of Brodsky's poetry into English than anyone else, excepting the poet himself. He was a Bryn Mawr Slavist and

philosophy professor, widely considered to be the leading Hegel scholar in the United States.

The collection will benefit literary scholars and Russianists trying to determine the fine-grained details of how a line of a poem changed through translations, and how his early books found their way to publication. Historians will get a different slant on Cold War tribulations, through the success story of a man who left the Soviet orbit.

CREATIVE CLASHES

One of the Soviet Union's foremost émigrés arrived in the United States with nothing but his genius. He would leap to the top of the New York literary scene within a year or two, and then the world. He received a Nobel Prize in Literature in 1987 and was appointed US poet laureate in 1991—"a reminder that so much of American creativity is from people not born in America," wrote the *New York Times* on the occasion of his appointment. How did it happen?

The papers tell the story of a collaboration and friendship, and the struggle of an exiled poet to get recognition and acquire a new language and a new cultural context. The tangle and cross fire of two strong-willed people, poet and translator, that survived arguments, estrangements, and creating is documented in the papers.

The new acquisition will illuminate for literary scholars and Russianists the fine details of how a line of a poem changed through translations.

Few translators could live up to the poet's demands, but Kline, a professor and philosopher, tried hard. He was caught in these linguistic machinations and fascinated by Brodsky's genius. Yet Kline was surprisingly accommodating about accepting Brodsky's corrections, perhaps because he wasn't a poet himself. "I didn't have a poet's ego," he said in *The Man Who Brought Brodsky into English*. "I wasn't attempting to impose my own verse forms on Joseph's

INSPIRATION: A bronze figure of Joseph Brodsky (opposite), looks skyward along Novinsky Boulevard in Moscow. **The Monument to Joseph Brodsky, *created by sculptor Georgy Frangulyan and architect Sergey Skuratov, was meant to highlight his individualism. "Some people go through life like a shadow and some become individuals," Frangulyan said. It was installed in 2011 facing the US Embassy, a deliberate choice of site.*** [Rashpeg—Alamy]

formal cadences, rhymes, and metrical patterns. And I was working from the original Russian, not a trot"—that is, a literal and non-idiomatic translation.

Sharing his translations with the poet, he recalled, "We found relatively few flat-out errors, but several cases where I had missed literary allusions or hidden quotations, and misread his intended tone. In more than one instance, I had failed to detect his gentle irony."

Few poets have been as demanding as Brodsky when it came to rendering his work in another tongue. Here's what he wrote in a *New York Review of Books* discussion of Mandelstam translations: "Translation is a search for an equivalent, not a substitute. . . . Logically, a translator should begin his work with a search for at least a metrical equivalent to the original form. . . . Meters in verse are kinds of spiritual magnitudes for which nothing can be substituted. They cannot even be replaced by each other, and especially not by free verse."

Brodsky received a Nobel Prize in Literature in 1987 and was appointed US poet laureate in 1991.

And again: "A poem is the result of a certain necessity: it is inevitable, and so is its form. . . . Form too is noble, for it is hallowed and illumined by time. It is the vessel in which meaning is cast; they need each other and sanctify each other reciprocally. . . . Break the vessel, and the liquid will leak out."

BRODSKY AT STANFORD

The new Hoover acquisition includes a previously unknown letter about Brodsky's poetics, and also the original of a letter previously known only through a photocopy. The trove joins the extensive Ramūnas Katilius Family papers from Vilnius at Stanford's Green Library, and the Diana Myers Papers at Hoover, which includes a surprising collection of Brodsky's letters, photos, holograph poems, drafts, manuscripts, drawings, doodles, and artwork assembled by a Russian friend living in England, who married Brodsky's translator Alan Myers. A third, lesser-known collection, which documents the life and career of the Russian Jewish poet Regina Derieva, a convert who corresponded with Brodsky and had emigrated to Israel and then Sweden, adds another perspective to the émigré history, in keeping with Hoover's commitment to preserving these stories of war, revolution, and peace. All increase the importance of Brodsky studies at Stanford.

The biggest surprise within the new papers is the previously unknown letter, from November 2, 1974, written from Northampton, Massachusetts. It

is revelatory and alive, bashed off on a Russian manual typewriter half a century ago. And then it seems to have been forgotten altogether. The fragile yellowing page in a neat Cyrillic script has aged half a century now. The impatience of the poet is suggested in the lines that run over the righthand edge on the manual typewriter, as if the words were typed in a rush. It discusses one of the most celebrated poems in the Brodsky canon, "The Butterfly," published in the *New Yorker* on March 15, 1976, only two years after Brodsky had arrived in America. Brodsky considered it one of his two favorite poems in his own corpus, a meditation on brevity and beauty, impermanence and death.

"I didn't have a poet's ego," said translator George Kline.

But where most were transported by the poem's lightness, Brodsky gazed into an abyss. He calls the poem "a half-choked monologue" and tells his translator that the poem "codifies despair." He continued, "That's what the poem is about, rather than wildflowers." Brodsky wrote pages of detailed comments for his translator. Criticism followed. He instructed Kline: "Just think of Mozart and Beckett." He knew Kline would be crestfallen and possibly hurt—hence the signature on the letter, "Hatelessly yours, Joseph."

Yet the translation was Kline's masterpiece. He claimed that it took him several hundred hours to translate the fourteen stanzas—168 lines altogether. Perhaps the greatest praise of all was the unspoken one: the 1976 *New Yorker* version was the same as the one that appeared in the poetry collection *A Part of Speech*—a rarity for Brodsky, who endlessly revised his poems, even after publication.

He was not the first Russian genius to honor Lepidoptera in verse. In 1921, Vladimir Nabokov had written his own poem, "Babochka" (Butterfly). Brodsky's poem a half century later could be seen as one Russian legend calling to another through time. Nabokov's poem was written while he was a student at Cambridge, so Brodsky's 1973 poem is speaking to another era, after another world war, though Kline felt that Nabokov's effort fell far short of what Kline saw as the Brodsky poem's Mozartian delicacy and transparency.

Slavic scholar David Bethea pointed out that Brodsky had easily "topped" Nabokov with "The Butterfly." He noted that Brodsky's poem has far more precision: "Brodsky's description is of a different order than that of Nabokov. It has to do with inherent poetic qualities, with the elaborate stanza form and metrical scheme, themselves as delicate and carefully wrought as the butterfly wing they mimic."

Bethea called it "arguably one of Brodsky's greatest metaphysical creations . . . a verbal butterfly capable of competing with the flight of Mozart's musical notes."

However, Nabokov's strong suit was prose, not poetry. A key difference between the two men's poems, and a rather startling one, is that Brodsky's poem eulogizes a *dead* butterfly, not a living one—a creature who "touched so brief a fragment/of time . . ."

I scarcely comprehend

the words "you've lived"; the date of

your birth and when you faded

in my cupped hand

are one, and not two dates.

Only one day. Gravity mingles with weightlessness. And the slightest death in the world, for the duration of the poem, counteracts the world's weightiness.

That may account for the melancholy key in the poem, as he described in the previously unknown 1974 letter, especially when the poet's doldrums met the poem's ethereality. Perhaps that prompted, or at least accelerated, the despair he felt as he was writing.

IT BEGAN WITH A GIRL

But we don't have to guess about the origins of Brodsky's poem. In *Joseph Brodsky: Conversations,* Brodsky explained that he was trying to combine Beckett and Mozart. Many years before, in Russia, he said he had been "after a girl"—apparently the artist Marina Basmanova, the mother of his son and the dedicatee of many of his poems.

"We left a concert, a Mozart concert, and she told me as we walked down the streets, 'Joseph, everything is lovely about your poetry,' et cetera. 'Well, you know that,' et cetera, 'except you never execute in a poem that has the lightness and yet gravity which Mozart has.' And that kind of got me. I remembered that very well, and I decided to write that butterfly poem."

Kline had his own recollections: "Later in that same letter, he wrote, 'You don't have to include Beckett. The absurd is already there in Mozart.' In other words, he was saying Mozart was rich enough and strong enough . . . so you didn't have to appeal to Beckett. He was thinking about the classical structure. Mozart: that's of course the very shape, the butterfly shape, of the stanzas and sort of the absurdity."

He continued: "I remember somewhere, maybe in an interview, he said, 'Well, you wanted to know about structure. Do you want to know about organizing a poem? Study Mozart.' Yes, he entirely agreed with you. He did love finished structures, I think you could say that, in both music and in architecture."

Brodsky reproached Kline for letting "an overly 'Romantic' line or two" slip into an early draft of his translation of "Babochka." Brodsky said, in effect, 'We don't need that. There's enough romanticism in the form of the poem'—that is, with every short line centered on the page."

Brodsky added—and it was as close as Kline was ever going to get to an apology—"Well, I hope I managed. Actually, George Kline did an excellent job translating the poem." The poet's words were a prized compliment to the translator, and he treasured them.

"A SECOND CHRISTMAS BY THE SHORE"

Another original letter in the collection has long been known to scholars. Brodsky's letter to Kline about the poem "A Second Christmas by the Shore," was written in Yalta, 1971. A photocopy has long been held in the Beinecke Rare Book and Manuscript Library at Yale, but the original was assumed to be lost to time. It wasn't.

Kline's translation was the subject of Brodsky's four-page letter in loopy handwriting on May 20, 1976, "This is so lovely a poem in English that it's hard for me to be hard on you. Still, there are some things which are sheer misunderstandings; also there are certain substitutions which hamper the meaning."

"Meters in verse are kinds of spiritual magnitudes for which nothing can be substituted."

"A Second Christmas" was one of the more contentious translations, undergoing several iterations back and forth between poet and translator. "On the whole, it seems that while Kline was striving for a smoother flow in English, Brodsky was focused on re-creating a more literal version," according to Brodsky scholar Zakhar Ishov.

But even in that there was a purpose, as Ishov knew: "Brodsky's comments often help clarify obscure passages in his Russian poems. For his part, Kline, whether due to personal humility or out of strong devotion to Brodsky, was extremely indulgent, continually reworking his drafts as long as Brodsky found something objectionable in them. Owing to Kline's indulgence, these

drafts provide a record of the earliest instances of Brodsky's involvement in self-translation."

The parting of the prolific duo was peaceful and inevitable, and they remained friends. In the 1980s and 1990s, Brodsky became more likely to override the judgment of his translator: "A few of his changes were acceptable, but others struck me as disastrous," Kline said. "I felt that collaboration with Brodsky had become impossible, and I assume that he felt that way, too. At least he didn't urge or invite me to translate anything else after that.

"This is so lovely a poem in English that it's hard for me to be hard on you."

"A related point was, of course, that I didn't feel as close to the poems he was writing in that late period. Some of them I like and some had wonderful lines and stanzas, but in general I didn't feel 'I've got to translate that.' The exception was 'The Butterfly' in 1973. When I saw that poem I thought, 'I've got to translate this.' "

Whatever friction happened during the year, they found a more harmonious collaboration in Christmas letters and cards; several are included in the collection. (The following occasional poems appear in *The Man Who Brought Brodsky into English*.)

Brodsky began spending his Christmases in Venice soon after his arrival in the United States. Hence, in his 1975 Christmas letter, the modest scholar Kline memorialized the events in a lighter vein:

> According to *The New York Times*
>
> Wet Venice has been saved from sinking.
>
> So let your spirits with her climb,
>
> While light heads banish heavy thinking.

The custom continued till the end of their lives.

> "To Joseph on Turning Fifty"
>
> *S liubov'iu*
>
> If we take *years* to be the way
>
> a life is measured, then – ok –
>
> yours now stands firm at *piat'desiat*.

But if it's *months* we're looking at,

seicento is the sum; and cal-

ibrating a life's calendar

in *weeks* yields *due mila e*

seicento. Put such sums away!

Judge lives by daunting tasks achieved,

by honest thoughts and decent deeds,

and then the number has no limit:

the life holds *endlessness* within it.

Brodsky died of a heart attack, after a lifetime of heart troubles and surgeries, in 1996. His translator survived him by eighteen years. Kline died in 2014, six months after his beloved butterfly, Virginia, leaving behind a mountain of letters, drafts, and manuscripts, some of them now at Hoover Library & Archives, augmenting Stanford's formidable Brodsky holdings for future generations. ◼

Special to the* Hoover Digest. *Excerpts used with the generous permission of the Joseph Brodsky Estate. The author thanks Dmitri Manin for his translation of the previously unknown letter and assistance with the Russian language.

On the Cover

Immigrants arrive in New York Harbor in this 1917 poster promoting a World War I bond drive. Bond campaigns sounded many stirring themes—this one connects the "first thrill of liberty" to a duty to support the war effort. What complicates this patriotic image is another event of 1917: the passage of legislation laying out strict rules for who deserved to have the thrill of immigrating to America in the first place. It and another sweeping law, passed in 1924, had profound effects on American demographics in the twentieth century.

The Immigration Act of 1917, passed overwhelmingly over President Wilson's veto, was the first to limit immigration from Europe. Entrants from Italy and Southern and Eastern Europe were newly prominent. The act imposed an entrance tax and a literacy test, and set up a "barred zone" from the Middle East to Southeast Asia from which no one could come. It also spelled out a by-then-familiar list of disqualified entrants: "feebleminded persons," epileptics, alcoholics, polygamists, vagrants and beggars, prostitutes, and many more.

A new element behind the 1917 law, according to Immigration History, was the fear of "the spread of radicalism during World War I and the Russian Revolution." But radicalism was not all that animated this law and its sequel, the Immigration Act of 1924 (the Johnson-Reed Act). The 1924 law established quotas based on national origin, reports the Office of the Historian, and "it completely excluded immigrants from Asia.... In all of its parts, the most basic purpose of the 1924 Immigration Act was to preserve the ideal of US homogeneity."

The law's sponsor, Senator David A. Reed of Pennsylvania, made this goal explicit in a *New York Times* article headlined "AMERICA OF THE MELTING POT COMES TO AN END."

"Until now, we have proceeded upon the theory that America was 'the refuge of the oppressed of all nations,' and we have indulged the belief that upon their arrival here all immigrants were fused by the 'melting pot' into a distinctive American type," Reed wrote. But "new types of people began to come.... Large numbers from Italy, Greece, Poland, Turkey in Europe, the

Balkan States, and from Russia.... The old sources in Northwestern Europe seemed to dry up.... These new peoples spoke strange languages.... It was natural that they should not understand our institutions, since they came from lands in which popular government is a myth."

"Thoughtful men began to apprehend that the United States was going the way that Rome went."

To Reed, America would be "overwhelmed" by immigrants who would drag down wages and standards of living, burden taxpayers, and resist assimilation. But also, "the races of men who have been coming" weren't like native-born Americans, he wrote. "Those groups of aliens ... live a foreign life." Foreign to the thrill of liberty, presumably.

Eugenic beliefs, popular at the time, amplified this thinking. Prominent eugenicist Harry Hamilton Laughlin, who helped Congress draft legislation, thought Italians and Jews especially degraded the genetic stock of the American people.

The notion of an American "racial type," as the *Times* put it, would linger for many more years and through further lawmaking. Even the McCarran-Walter Act of 1952, which eliminated the barred zone and allowed a few visas from Asian countries, sought to "preserve the sociological and cultural balance of the United States." Not until 1965 were racial and national discrimination eliminated, and disputes over just whom to admit continue today.

—Charles Lindsey

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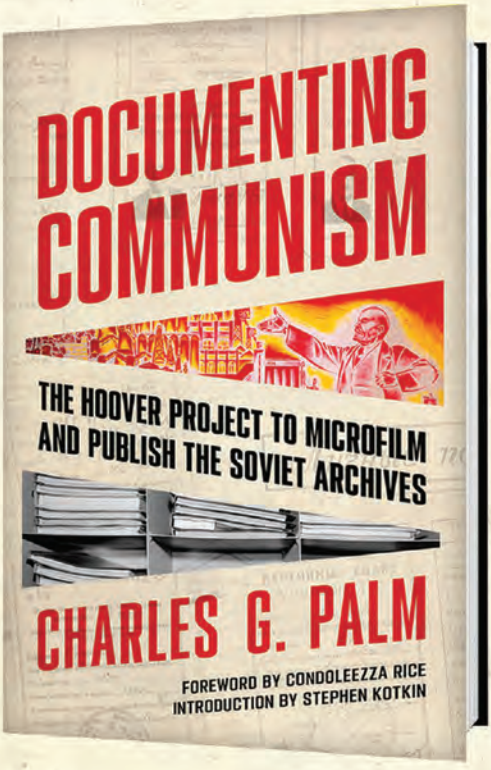

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