



# HOOVER DIGEST

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RESEARCH + OPINION  
ON PUBLIC POLICY

SUMMER 2019 NO.3

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The *Hoover Digest* (ISSN 1088-5161) is published quarterly by the Hoover Institution on War, Revolution and Peace, Stanford University, Stanford CA 94305-6003. Periodicals Postage Paid at Palo Alto CA and additional mailing offices.

**POSTMASTER:** Send address changes to the *Hoover Digest*, Hoover Press, Stanford University, Stanford CA 94305-6003.

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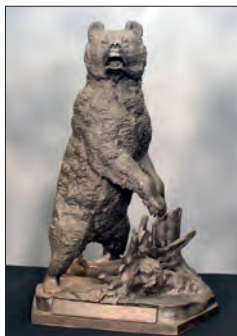
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## ON THE COVER

This fierce bear, which guards the reading room of the Hoover Archives, reminds visitors of a link between California and Russia, where the sculpture was made. Artist Nikolai Ivanovich Lieberich (1828–83) was accompanying Czar Alexander II on a royal hunt when the monarch shot the bear, providing a model for this celebrated and widely reproduced work of art. The metal sculpture is a personal keepsake of Herbert Hoover, who treasured his time among the copper and iron mines of Russia in the early twentieth century. See story, page 190. [Photo by Rachel Moltz]



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Before he went on to run another great think tank, the Heritage Foundation, **Edwin J. Feulner** served as a fellow at the Hoover Institution—and has followed Hoover ever since. In this appreciation of Hoover's first century, he explains how the institution has kept vigil, preventing the world, in Herbert Hoover's own words, from slumping "back toward darkness."

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# *The Case for Trump*

**Donald Trump has written a new narrative about the presidency—casting himself as hero, writes Hoover historian Victor Davis Hanson. Now the question is how this story ends.**

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**By Michael Doran**

**V**ictor Davis Hanson's newest book is also one of his most personal. Hanson is a celebrated historian of war, a retired professor of classics, a senior fellow at the Hoover Institution, and a *National Review* columnist. But he is also a farmer in California's Central Valley. He routinely peppers his articles and even his academic work with telling details about farming life and social realities in Selma, a town outside Fresno where he lives in the same house in which he was born and raised. In this book, as in his others, the glimpses of Selma come only in support of Hanson's wider thesis, never as part of an effort to tell his personal story. Nevertheless, beneath the surface of dispassionate analysis, the book burns with emotion.

Its source is easy to identify. In 1980, Hanson writes, Selma "was a prosperous multiethnic and multiracial community of working- and middle-class families." From his graduating class of two hundred and fifty, only about

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*Victor Davis Hanson is the Martin and Illie Anderson Senior Fellow at the Hoover Institution and the chair of Hoover's Working Group on the Role of Military History in Contemporary Conflict. His latest book is **The Case for Trump** (Basic Books, 2019). **Michael Doran** is a senior fellow at the Hudson Institute.*

ten went off to college; the rest stayed behind, thanks to an abundance of high-paying jobs on farms and in canneries. Within a few short years, those jobs were gone. Canneries and food processors had moved abroad, and farms had been sold off or rented to large corporations. Despite the shrinking job market, Mexican immigrants—legal and illegal—flooded in. “By 2010, high unemployment was chronic, drug addiction was endemic, crime commonplace,” Hanson writes. “In 1970, we did not have keys for our outside doors; in 2018, I have six guard dogs.”

Hanson left to pursue a bright future, but many people close to him went on to lead lives of quiet desperation. Selma’s inhabitants, he continues, “are not culpable for the vast transformations in the city’s economic, social, and

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***“They were and are certainly not lazy or stupid people, and they had sought all sorts of remedies to redress their plights and save their town.”***

cultural landscape. Those changes were mostly a result of the laxity of immigration enforcement and importation of inexpensive labor, globalized trade policy, and the

vertical integration of agriculture.” Big government allied with big business to destroy much of what was best about Selma. A large swathe of small-town America suffered a similar fate.

## **LEFTIST MARCHING ORDERS**

Both political parties played a role in this tragedy. In recent years, however, the Democrats have grown especially contemptuous of those whose lives were mauled by globalism. The Democrats of yesteryear saw themselves as representatives of the laboring classes, but their descendants are dedicated to achieving “social justice,” a phrase with a highly specific meaning.

According to contemporary progressivism, power and privilege in society flow from fundamental identities. Social-justice warriors deem people “marginalized” or “privileged” according to their skin color, religion, or sexual orientation. The uneducated immigrants who flooded Selma are marginalized and therefore deserving of empathy and a helping hand. The longtime residents who lost their livelihood and decry immigration are privileged and therefore targets of contempt. They are the “bitter” ones who “cling” to guns or religion, as Barack Obama said of the people of central Pennsylvania in 2008; a “basket of deplorables,” as Hillary Clinton famously called Trump supporters; or toothless “garbage people,” as *Politico* reporter Marc Caputo described attendees at a Trump rally last year.

## “AN ABJECT OUTSIDER”

*The Case for Trump* explains why Donald J. Trump won the 2016 election—and why I and 62,984,827 other Americans (46 percent of the popular vote) supported him on Election Day. I also hope readers of the book will learn why Trump’s critics increasingly despise rather than just oppose him. Often their venom reveals as much about themselves and their visions for the country as it does about their opposition to the actual record of governance of the mercurial Trump.

Donald Trump ran as an abject outsider. He is now our first American president without either prior political or military experience. Frustrated voters in 2016 saw that unique absence of a political résumé as a plus, not a drawback, and so elected a candidate deemed to have no chance of becoming president.

The near-septuagenarian billionaire candidate, unlike his rivals in the primaries, did not need any money, and had little requirement in the primaries to raise any from others. Name recognition was no problem. He already was famous—or rather notorious. He took risks, given that he did not care whether the coastal elite hated his guts. These realities unexpectedly proved advantages, given that much of the country instead wanted someone—perhaps almost anyone—to ride in and fix things that compromised political professionals would not dare do. With Trump, anything was now felt by his backers to be doable. His sometimes scary message was that what could not be fixed could be dismantled.

Trump challenged more than the agendas and assumptions of the political establishment. His method of campaigning and governing, indeed his very manner of speech and appearance, was an affront to the Washington political classes and media—and to the norms of political discourse and behavior. His supporters saw the hysterical outrage that Trump instilled instead as a catharsis. . . .

Trump became the old silent majority’s pushback to the new, loud progressive minority’s orthodoxy. His voters quite liked the idea that others loathed him. The hysterics of Trump’s opponents at last disclosed to the public the real toxic venom that they had always harbored for the deplorables and irredeemables. . . .

Predictably as president, Trump said and did things that were also long overdue in the twilight of the seventy-three-year-old postwar order. Or as former secretary of state Henry Kissinger remarked in July 2018 of the fiery pot that Trump had stirred overseas, “I think Trump may be one of those figures in history who appear from time to time to mark the end of an era and to force it to give up its old pretense.” . . .

About Trump, no one is neutral, no one calm. All agree that Trump meant to do something big, either undoing the past half century of American progressivism, or sparking a cultural and political renaissance like no other president since Franklin Delano Roosevelt, or crashing the traditional American political establishment and its norms of behavior altogether. All knew that he was no Bush, no Clinton or Obama. Americans accepted that reality from the first day they met Trump in his new role as a politician and had their impressions confirmed each day of his presidency.

*Excerpted with permission from The Case for Trump (Basic Books, 2019). © 2019 Victor Davis Hanson.*

Three-quarters of Hanson's book focuses not on Trump himself or on his policies but on the awesome gap that has grown between "the two Americas"—the people in Selma and similar towns and cities ravaged by globalism, and the bicoastal elite. "Their once-prosperous and stable community did not really deserve to erode," Hanson writes of his fellow townsmen. "They were and are certainly not lazy or stupid people, and they had sought all sorts of remedies to redress their plights and save their town." These people are not in a position to write book-length analyses about why they came to embrace an uncouth Manhattan billionaire as their defender. But Hanson is. The unstated goal of *The Case for Trump* is to give a voice to these voiceless people.

Hanson has been living on the fault line between cosmopolitan and small-town America for all his adult life. Is there a better analyst of it? Is there, for example, another conservative pundit who is as well-versed in the intellectual origins of the social-justice movement? Thanks to the losing academic battles that Hanson waged in the 1990s and early 2000s against multiculturalism and intersectionality, the academic fads that spawned contemporary progressivism, his familiarity with these doctrines is thorough. This intimacy adds nuance to his analyses that is lacking in many other conservative writers.

On an intellectual level, those movements are shoddy and threadbare, but as tools for imposing discipline on organizations—academic, bureaucratic, or corporate—they are highly effective. They foster an institutional culture that silences dissent. Merely to question the progressives' "diversity" initiatives is to declare oneself a bigot, a person of "privilege" seeking to keep minorities down.

## PROGRESSIVELY OSTRACIZED

At first glance, progressivism might seem ill-suited to national electoral politics. After all, affluent whites are an indispensable component of any

Democratic coalition.

Yet progressivism singles them out for opprobrium. Won't it lose their vote? Hanson explains that the

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***Merely to question the progressives' "diversity" initiatives is to declare oneself a bigot, a person of "privilege."***

ideology exempts its adherents (and especially its richest adherents) from its strictures. Progressivism, he writes, is "increasingly pyramidal, perhaps best called 'oligarchical socialism,' with the extremely wealthy advocating



***CULTURE CRITIC: Hoover senior fellow Victor Davis Hanson's new book focuses in large part not on Donald Trump himself or on his policies but on the awesome gap that has grown between "the two Americas"—the people in Selma and similar towns ravaged by globalism, and the bicoastal elite.*** [Hoover Institution—Uncommon Knowledge]

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for redistribution for the poor.” Those at the top of the pyramid are sheltered from the effects of the destructive policies they visit on others. They share with the “subsidized poor” at the bottom a “disdain for the struggle of most of those in between.”

As California became a one-party state, the most pernicious aspects of academic identity politics migrated off campus to become a hallowed part of the ruling elite’s ideology. The same process was at work simultaneously in New York and Massachusetts. After Barack Obama took office in 2009, he gradually signaled to his followers that he intended to rule as a progressive. A new possibility arose. Perhaps the Democrats could replicate the California model on the national level.

It was a heady dream, to be sure, but it proved harder to realize than its architects expected. One problem was the alienated in places like Selma. In the 2008 election, “Obama posed as a near-centrist Democrat candidate,”

Hanson writes. “He opposed gay marriage. . . . Raising the issue of transgender restrooms in 2008 would have been absurd.” By the time Obama left office in 2017, the old Reagan Democrats in the Rust Belt understood that he had empowered the hard left. “There was now no such thing as a centrist Democrat, much less a conservative working-class one.” Obama had not only

handed a weakened coalition to Hillary Clinton, who was a much less talented politician; he had also paved the way

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***For many voters, Trump is “chemotherapy, which after all is used to combat something far worse than itself.”***

for Trumpism.

To those ravaged by globalism, Trump was the only candidate in 2016 who spoke clearly and directly about the issues that most concerned them—a return of jobs and an end to unlawful immigration. Moreover, he promised to truly fight against progressivism. Many conservative voters had tired of the establishment Republican candidates, who seemed more content to lose honorably than to fight to win. Voters no longer trusted the Republican Party to stand for the rights of the little guy against the demands of big business or lecturing from the media. They “empathized with the bad-apple Trump,” Hanson explains. They “believed that whatever he dished out to the media . . . was long overdue.”

To a great many of Trump’s detractors, his character disqualifies him from office. But many of these detractors, including some Never Trumpers on the right, are comfortable with progressivism, whereas a good many Trump supporters see it as a cancer. For them, Hanson explains, Trump is “chemotherapy, which after all is used to combat something far worse than itself.” They also get a vicarious thrill from his brawling, seeing it, Hanson writes,

“as a long overdue pushback to the elite disdain and indeed hatred shown them.”

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***The unstated goal of The Case for Trump is to give a voice to voiceless people.***

Hanson credits

Trump with remarkable successes, including, to name just a few: the vibrant economy, record employment, two successful Supreme Court appointments, a slew of federal judicial appointments, the recalibration in trade relations with China, the moving of the US embassy in Israel to Jerusalem, and the restoring of American deterrence against Russia and China. But these successes will never offer Trump a path to national respectability.

## A TRAGIC HERO?

Donald Trump is fated to remain a difficult outsider—a tragic hero. “Trump,” Hanson writes, “likely will end in one of two fashions, both not particularly good: either spectacular but unacknowledged accomplishments followed by ostracism when he is out of office and no longer useful, or, less likely, a single term due to the eventual embarrassment of his beneficiaries, as if his utility is no longer worth the wages of his perceived crudity.” This pessimism is in part based on Hanson’s reading of Trump’s character as more suited to cutting Gordian knots than to organizing coalitions.

But it’s also a read on Trump’s anomalous position in the standoff between the two Americas. Voters in places like Selma still wield sufficient electoral weight to swing key battleground states. Despite the advantage that their influence offers the GOP, elements in the Republican elite remain ambivalent about them, as well as about Trump and his nationalist agenda. In theory, the Democratic Party could capitalize on this ambivalence and entice the victims of globalism to vote for it. Doing so, however, would require displaying a modicum of empathy for them—a demand that, these days, seems too much to ask. The Democratic Party faithful appear more intent than ever on forcing the country on a march to social justice. They have yet to learn that their open contempt for the working class played a role in their stunning loss in 2016.

And they probably never will. That is one very good reason that Hanson identifies the first of his two predictions—a successful two-term Trump presidency—as the more likely one. ■

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# *The Politics of Pessimism*

**The so-called Green New Deal tells a tale of doom and gloom—not of the vibrant, growing America we actually live in.**

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***By David Davenport***

I read House Resolution 109 introducing the “Green New Deal” so you won’t have to. I already knew that it was an effort to reinvent the economy, while also keeping sea levels from rising, eliminating unemployment, and guaranteeing health care for all. This new utopia was supposed to be available to us for a mere \$90 billion.

What I was surprised to learn by reading the fine print, however, is that the Green New Deal is built on the politics of pessimism. Every resolution starts with a “whereas” section, diagnosing the problem, before it gets to the “therefore” about how big government will solve it. This whereas section reads like a good old-fashioned doom-and-gloom sermon. America is now in the midst of “a four-decade trend of wage stagnation,” the resolution tells us, with “a large racial wealth divide” and “systemic injustices,” while sea levels are rising, wildfire and droughts are spreading, and we tremble before Armageddon.

I suppose this gloom and doom is supposed to make us feel as if we are in another Great Depression, like the one in the 1930s that made the case for

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*David Davenport is a research fellow at the Hoover Institution. He is the co-author of the new book **How Public Policy Became War** (Hoover Institution Press, 2019).*

the old New Deal. But, as my Depression-era mother often reminded me, we live in a time nothing like that one. When President Franklin Roosevelt was inaugurated in 1933, approximately one-fourth of the American workforce was seeking jobs. National income had been reduced by half. Thousands of banks had closed, with twenty-five states declaring bank holidays.

Today, by contrast, unemployment is at 4 percent, which the Congressional Budget Office maintains

is about the rate of structural unemployment you will always have since you cannot match skills and jobs perfectly. Our

gross domestic product has been at all-time highs. The last time I checked, banks were still open. America has problems, sure, but this is nothing compared to what brought on the real New Deal and it is silly to claim otherwise.

The gamble Democrats are taking is that somehow people are ready to buy this kind of pessimism about their country. But, as is often the case in politics, it does not seem that they have read the minutes of the last meeting. Does anyone remember President Jimmy Carter and his era of limits? Or his famous “malaise” speech of July 15, 1979? To read House Resolution 109, it sounds much more like Carter than Roosevelt.

What you might recall is that after only one term in office, the doom-and-gloom Carter rhetoric and presidency gave way to the ultimate political optimist, President Ronald Reagan. He gave Americans a positive vision of the country and what was still left to be accomplished. His 1984 re-election ad “Morning in America” is still considered one of the most powerful political messages ever produced.

Reagan saw America as a “city on a hill,” not a country in decline.

Which leader’s vision do you want: a coun-

try reaching its limits, or a city on a hill leading the world? Even President Trump, who managed to tap into a populist concern about the direction of the country, nevertheless packaged it into that more optimistic baseball cap slogan: Make America Great Again.

Before House Resolution 109 finishes up at fourteen pages, it gets to the “therefores,” what big government will do to fix America. Here the verbs become all important: the government will be “directing,” “ensuring,” and

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***The “Green New Deal” has presidential overtones, but they’re overtones of Jimmy Carter, not FDR.***

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***Finally, Democrats get to the language we expect from them: big government guaranteeing the good life.***

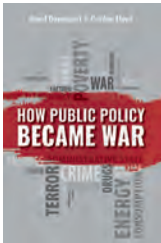
“guaranteeing.” This does begin to sound more like Roosevelt and the progressive preference for government planning. The resolution will, as it

concludes, be “providing all people of the United States with high quality health care; affordable, safe, and adequate housing; economic security;

and clean water, clean air, healthy and affordable food, and access to nature.”

Finally, Democrats get to language we expect from them: big government guaranteeing the good life. But first, they ask America to embrace the doom and gloom of the present moment which, both in Congress and in the coming election, will be a difficult sell. ■

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# On, Wisconsin!

**Democrats hope that picking their presidential nominee in Milwaukee will boost their chances in the Midwest. Convention magic, however, is fickle.**

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**By Bill Whalen**

**T**he Democrats will hold their national convention next summer in Milwaukee, the first time the city has ever hosted such a gathering for either major party. It wasn't a surprise. Milwaukee, home to scads of fictional television characters as well as a strange, decades-long embrace of socialism, nosed out Miami and Houston. If you've been to either of the latter two cities during mid-July (the 2020 Democratic National Convention will run July 13–16), you'll better appreciate the Democratic National Committee's thinking. Milwaukee's July weather usually hovers around a high of 80 degrees.

Well, that and the prospect of the convention as a springboard for returning Wisconsin to the Democratic "blue" column later that fall. Before Donald Trump, the last Republican to carry the state: George H. W. Bush in 1988.

About the conventional wisdom that convention locales and states' voting habits go hand in hand: don't buy it. I say this as a Californian who, every four years, lives through the hype of the Golden State as a big player in the nominating process. But try as California might—moving its primary to Super Tuesday in March of next year, for instance—that probably won't be the case. Not unless Senator Kamala Harris remains relevant after the first

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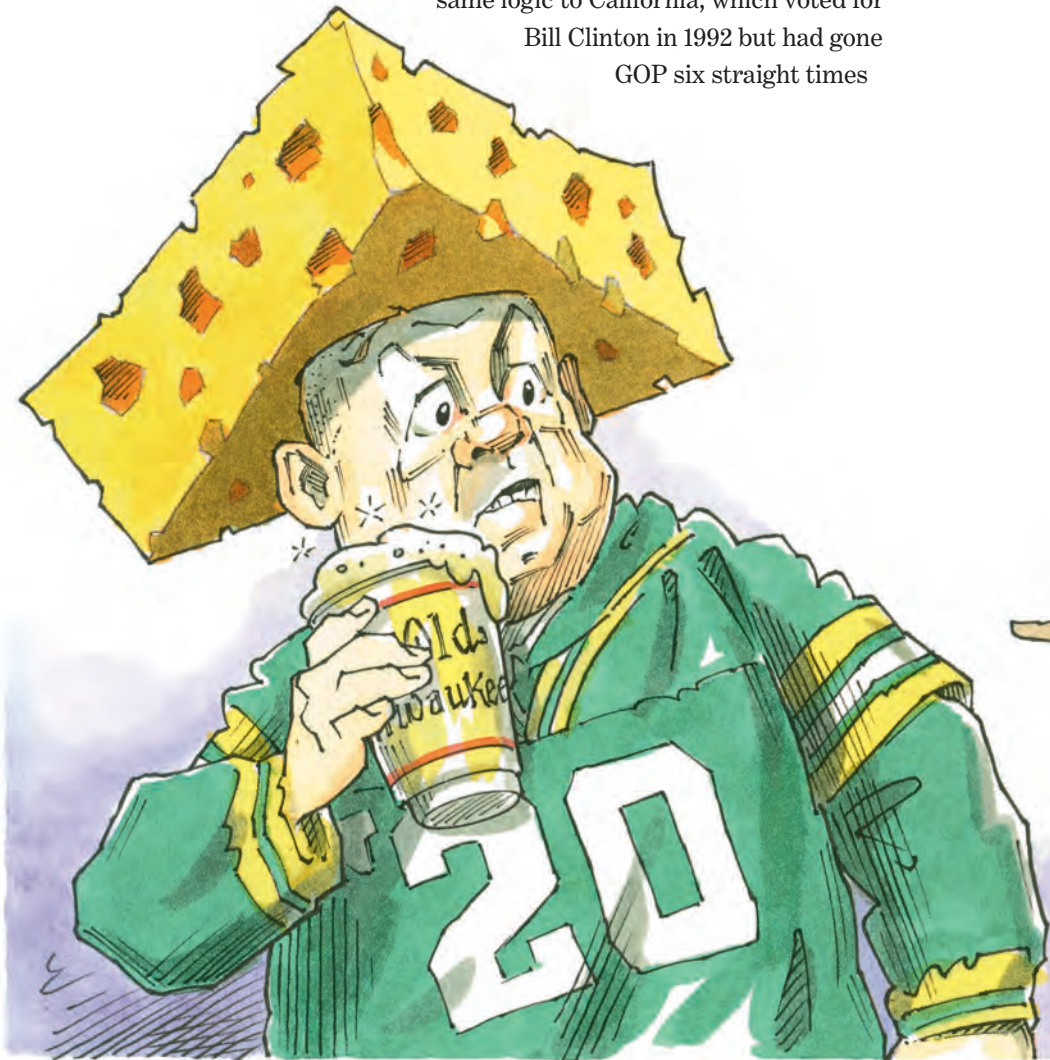
*Bill Whalen is the Virginia Hobbs Carpenter Fellow in Journalism at the Hoover Institution and the host of **Area 45**, a Hoover podcast devoted to the policy avenues available to America's forty-fifth president.*

four primaries, then wins big in her home state and steamrolls her way to the nomination. Otherwise, the California dreaming becomes another case of Charlie Brown whiffing on the football. Unfortunately, national convention-planning falls under the same category.

Let's review a little history.

In 1988, the Democrats held their convention in Atlanta to showcase the party's supposed newfound strength in the New South (the "Boston-to-Austin" ticket of Michael Dukakis and Lloyd Bentsen). Later that fall, the party won one state (West Virginia) below the Mason-Dixon Line.

Eight years later, Republicans applied the same logic to California, which voted for Bill Clinton in 1992 but had gone GOP six straight times



before that in presidential votes. The Dole-Kemp ticket lost the state by nearly 13 points.

Now, let's look at some more recent outcomes.

In 2016, Hillary Clinton cracked the glass ceiling in Philadelphia. You know how the rest of the story goes (she lost Pennsylvania by 44,000 votes, a difference of less than 1 percent). Republicans partied in Tampa in 2012; Barack Obama carried Florida. Democrats held their bash in Charlotte (the scene of next summer's Republican National Convention); North Carolina went to Mitt Romney. Four years before that, Republicans gathered in St. Paul, Minnesota—a state John McCain failed to carry and a convention most memorable for Sarah Palin's national debut.



[Taylor Jones—for the *Hoover Digest*]

The last time both presidential candidates carried the states that hosted their parties' national convention? Try 1992 (George H. W. Bush in Houston; Bill Clinton in New York City). Otherwise, the pattern holds of at least one candidate failing to win the convention's state in the general election.

My intent in rehashing this history isn't to belittle the Democrats' choice. Actually, it makes sense. Trump carried Wisconsin by just 22,748 votes. If that arena-sized number of Wisconsinites likes what it sees in Milwaukee and votes Democratic that fall, it will have been worth the venture.

Besides, Wisconsin Democrats have a cheesehead-sized chip on their shoulder after the 2016 election and the perception of Hillary Clinton giving

their battleground state short shrift (she didn't campaign there once during the fall election). The four days of

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***The last time both presidential candidates carried the states that hosted their parties' national convention was in 1992.***

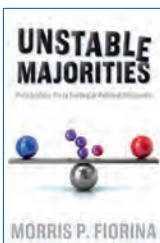
speeches and sermonizing and relentless Trump-bashing will help as a morale booster. And so the Milwaukee convention will fit into a narrative of Democrats looking to win back the Upper Midwest.

But will the media spend any time delving into the city's socialist past?

Milwaukee had three socialist mayors during a span from the midpoint of Woodrow Wilson's presidency to the end of the Eisenhower era. The town was known as the "Machine Shop of the World"; the focus on sprucing up neighborhoods with new water and sanitation systems earned the nickname "Sewer Socialists."

What a perfect backdrop for a self-proclaimed "Democratic Socialist" to claim a national party's presidential nomination for the first time (yes, that would be Vermont senator Bernie Sanders, as Massachusetts senator Elizabeth Warren insists she's not one and the same). ■

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# Three Pillars of Wisdom

To restrain both rulers and reckless populists, Hoover economist **Raghuram Rajan** argues in his new book, we must restore strong local communities.

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**By Edward Glaeser**

**R**ecently 35 percent of Americans told Gallup pollsters that they trust the federal government's handling of domestic problems, while 72 percent said they trust their local government. Given this mismatch in public confidence, should Washington do less and local governments do more?

In his insightful and impressive book *The Third Pillar: How Markets and the State Leave the Community Behind*, Hoover senior fellow and University of Chicago economist Raghuram Rajan calls for “bringing back the largely self-governing community as the locus of self-determination, identity and cohesiveness.” Rajan, a former governor of the Reserve Bank of India, is a high priest of financial economics and central banking. His decision to champion county craft fairs and garbage collection is all the more compelling because it is unexpected.

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*Raghuram Rajan is a senior fellow at the Hoover Institution and the Katherine Dusak Miller Distinguished Service Professor of Finance at the University of Chicago's Booth School. Edward Glaeser is a professor of economics at Harvard University and a senior fellow at the Manhattan Institute.*

## WHERE THE PROBLEMS AROSE

Rajan sees three pillars of society: the nation-state, the market, and the community. He begins by noting that local communities today are quite weak by historical standards. In the medieval past, he observes, market transactions were restricted by religion, poverty, and high transportation costs: “With little to buy, market transactions and the use of money diminish-



[Taylor Jones—for the *Hoover Digest*]

ished, and feudal relationships proliferated.” Local magnates were the most relevant political powers, who were “self-sufficient” as long as they had “fortified walls and a retinue of armed men.”

Military and transportation technology destroyed that world. Cannons could “demolish even the strongest fortification” but were as expensive as they were effective. Consequently, Rajan explains, “any political entity required a larger catchment area” to cover costs: a larger, stronger state brought with it better roads, bigger cities, more trade, and “an expansion in the size of its domestic market.”

Both nation-states and markets enable long-distance collaboration. Markets facilitate beneficial exchange. Nation-states like Otto von Bismarck’s Germany emerged out of conquest but found new roles beyond the occasional invasion of France, such as caring for the elderly. A century ago, progressive reformers viewed state power as a cure for monopolies and other perceived market failures. But as nations and markets grew strong, Rajan writes, communities became weak. The English welfare state supplanted an older parish-based system. In the United States, New Deal largesse dwarfed local forms of economic relief, and “government bureaucracy followed through the door opened by assistance to the community.”

The triumph of state and market over local communities initially seemed benign. Federal power crushed the loathsome local autonomy of the Jim Crow South. And as “the United States set in motion the forces that would encourage the formation of liberal market democracies around the world,” Rajan writes, an economic miracle occurred and “the developed world reached levels of prosperity that could not have been imagined in the dark days of the Great Depression.” But then, Rajan contends, stagnating incomes and widening inequality “strained community cohesion.” In the years before 2006, policy makers around the world “took a huge gamble—betting that borrowing liberalized in financial markets could be the engine of broad-based sustainable growth,” creating the debt-driven calamities of the 2007-9 recession.

As Rust Belt communities failed under the pressure of deindustrialization and globalization, the author writes, “despair and social disintegration have moved in.” Left- and right-wing populists rose amid the financial carnage. Rajan believes the populists “are right in their diagnosis,” but that they cannot produce wise policies “because every policy answer has to resonate with their followers.” National politics limits local creativity and becomes hogtied by culture wars.

## “INCLUSIVE LOCALISM”

What might a country that wants to accommodate both populist nationalists and immigration look like?

First, in such a diverse nation, ethnicity and cultural continuity should be expressed at the community level. If more powers are delegated from the state to the local community, it can shape its own future better and will have more control. Some communities will have a specific ethnic concentration, and community culture will gravitate toward that ethnic group's culture. A strong local community could satisfy people's need to live in a cohesive social structure and preserve, celebrate, and pass on their heritage. . . .

Localism, that is, decentralizing powers to communities, may thus reduce apathy and force their members to assume responsibility for their destinies rather than blaming a distant elitist administration. It also allows each community to respond to its specific challenges.

Decentralization doesn't mean communities are on their own. The state would monitor community governance lightly, investigating and prosecuting grand corruption, and ensuring civil rights are protected. Conversely, communities, aided by new communications technologies, will come together through the democratic process to influence the state and its policies. Finally, the state will provide some central support to communities, not just during periods of widespread economic distress when community resources are overwhelmed, but also to prevent any community from falling too far behind.

This does raise the specter of a country dotted with segregated communities, each with its own race, national origin, and cultural traditions, and totally barred to outsiders. We must prevent this, not by forcing people to mix, but by emphasizing—if necessary, through laws—that in a nation, all communities are open to flows of people, goods, services, capital, and ideas. While nations have the right to control the inward flow of people, communities should not have that right, else that risks perpetuating inequality and segregation within the country.

Some communities will be thoroughly mixed, especially in cosmopolitan cities, because of the myriad advantages of mixing. At the same time, many neighborhoods, even within cities, will be more representative of a certain religion or national origin, simply based on the choices of who moves in and out, without any overt discrimination. The economic costs of being too narrow and parochial, especially given the possibility of benefiting from the flows of trade and people across its borders, will limit how unproductive or oppressive the community will get.

Unlike ethnically homogenous countries such as Japan that still have a choice of whether to become more diverse or not, civilized democratic countries with sizable immigrant and minority populations really do not. For nations where the majority, because of differential birthrates, is slated to become a minority, populist nationalism is a tempting but mistaken diversion. The real goal should be to decentralize powers to the community, even while encouraging flows of trade and people between communities so that through contact, they eventually appreciate and welcome their differences. Inclusive localism should be the new creed.

*Excerpted with permission from The Third Pillar: How Markets and the State Leave the Community Behind (Penguin Press, 2019). © 2019 Raghuram Rajan.*



***BACK TO BASICS: Hoover senior fellow Raghuram Rajan (left), shown meeting with Indian prime minister Narendra Modi, is a former governor of the Reserve Bank of India. His new book calls for “bringing back the largely self-governing community as the locus of self-determination, identity and cohesiveness.”*** [Press Information Bureau]

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## **POPULISM IN HARNESS**

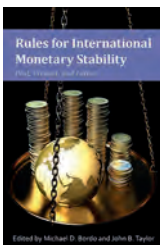
Rajan seeks that elusive policy unicorn: a moderate policy program that can stir hearts. His alternative to the new populisms is an “inclusive localism.” In putting forth his proposals, Rajan is more concrete than many writers, from Charles Murray to Yuval Levin, who also extol strong communities, because he focuses on empowering local governments. He leans against top-down attempts to control schools with tools like the Common Core curriculum, favoring only “broad minimum objectives of education,” while “leaving the specifics of how those objectives will be achieved to the schools themselves.”

Rajan favors a basic nationwide safety net, because “no rich country should create uncertainty among its people about whether they will have enough to live,” but he believes more aid “could be delivered through the community to those who have resided in the community for a while.” He argues that “most communities know what is needed, and apart from ensuring funds are spent transparently and effectively, the federal government should give them the freedom to choose.”

Rajan believes populist nationalism is on the rise around the world “because alternative sources of social solidarity, such as the neighborhood or community, seem to be tenuous.” He thinks confident, cohesive communities will be more open to embracing diversity and “a program of allowing immigrants in steadily and selectively.” While I see the benefits of immigration, I’m not so sure. History doesn’t suggest that decentralization dilutes anti-immigrant fervor: in the 1920s, America’s restrictionist policies were fervently supported by many well-functioning Midwestern communities.

Critics may argue that if local governments are entrusted with social welfare, many will cut services to induce the poor to exit, while others will try soaking the rich with taxes and end up with only isolated poor. Many localities seem to specialize mainly in overregulating the housing market, driving prices up and the poor out. Local governments function well partially because they concentrate on clear deliverables, like safety and clean streets. Expanding their range of responsibilities endangers that clarity of mission. But since local governments are functioning much better than Washington, Rajan may be right that Washington should shrink back and let them do more. Certainly, we should try the experiment. And as local governments get to work, they could certainly use the help of more thinkers of Rajan’s caliber. ■

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# *A Heavy, Quite Visible Hand*

**Manipulated wages, housing shortages, rents set by government diktat—distortions abound. The market is a much better mechanism than government for matching supply and demand.**

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**By Richard A. Epstein**

A few simple premises of economic theory have the power to generate a wealth of powerful and instructive insights. Nowhere is that truer than with the law of supply and demand, which starts with two basic assumptions: as the price of a good increases, so does the supply—and as the price increases, the demand starts to fall. In an unregulated market, when the downward-sloping demand curve crosses the upward-sloping supply curve, the market is in equilibrium—the point where supply meets demand at a given price. The only task for a government under this austere model is to make sure that various contracts, whether for labor, housing, or any other good or service, are fully enforced, while leaving the terms of those agreements to the parties themselves. Happily, this system of freedom of contract is self-regulating, so that the price or wage of particular goods and services can quickly adjust to changes in supply

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*Richard A. Epstein is the Peter and Kirsten Bedford Senior Fellow at the Hoover Institution and a member of the steering committee for Hoover's Working Group on Intellectual Property, Innovation, and Prosperity. He is also the Laurence A. Tisch Professor of Law at New York University Law School and a senior lecturer at the University of Chicago.*

or demand, or both. A dynamic market thus always moves to re-establish an equilibrium in the face of unanticipated external changes.

Unfortunately, these readjustments do not happen when artificial limits are set on prices or wages. In the housing market, for example, maximum limits on rents make demand outstrip supply, leading to housing shortages. In the labor market, a minimum wage leads to an excess of demand for jobs

and a shortage of openings. The greater the deviation between the mandated maximum or minimum price and the market equilibrium price,

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***The very rules intended to protect workers impose implicit barriers to their entry into labor markets.***

the greater the potential shortages. Wasteful queues form for high-wage jobs and low-rent housing. Private machinations and political intrigue quickly follow, as desperate tenants and workers switch into high gear to evade the price and wage restrictions ostensibly enacted for their benefit.

The above account is too often dismissed by those who claim that unregulated markets lead to market failures. How can people make intelligent choices if they lack full information about all the available options? How can small players function in markets dominated by large firms that have an unfair bargaining advantage? And what is to be done about the entrenched prejudices on grounds of race and sex against women and minorities? These perennial concerns demonstrate that markets are not perfect. But that doesn't mean markets should be regulated by the government. The cure for the first problem is to seek out private sources of information, often through third parties, like brokers and websites. For the second and third, the solution is to preserve free entry so that new entrants can reduce the market power of established players.

## **HOUSING HELD BACK**

Compare the recent performance in labor markets, which have become less regulated, and housing markets, which have not. On the labor side, the common progressive complaint is that market imperfections caused the slow wage growth patterns of the Obama years—and the solution to this problem was thought to require ever more regulations governing minimum wage, maximum hours, and unionization. The result, though, was stagnation, as the very rules that were intended to protect workers imposed implicit barriers to their entry into labor markets.

Along came the Trump administration and matters quickly reversed. Donald Trump's election did not precipitate major changes in the statutory

law. To be sure, some regulations were removed, but the major changes took place below the radar, for the key difference in the Trump era has been the lax enforcement of existing regulations. Government actors got out of the way.

Fewer investigations and lawsuits had two huge payoffs. The first was a reduction in compliance costs that all too often block entry into labor markets. The second was an implicit repeal of many of the legal restrictions on contractual freedom that were hampering new activities in labor markets. Now, free from the implicit regulatory tax—which places the heaviest burden on those at the lowest end of the income spectrum—the markets have returned to life, upending all the erroneous interventionist presumptions of the Obama era.

So we now face the enviable task of understanding the “hottest job market in half a century,” as the headlines say. One major class of beneficiaries is unskilled workers who are now receiving substantial wage increases to become apprentices in areas of high demand, such as shipyard welding. The benefits of this job market extend to ex-cons, disabled workers, and high school dropouts once thought to be relegated to the sidelines. Women as well have returned in large numbers to the labor force, with a rise in employment in health care and

educational markets.

And manufacturing, once thought to be in decline, has also seen steady increases. An open market is far better

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***Supply and demand still rules housing markets, despite the manipulations of rent control and growth suppression.***

at generating jobs than its two main rivals: Trump’s protectionist agenda and the legislation championed by progressive Democrats, who insist that only government intervention can heal wounded labor markets.

Housing markets are often a different matter. These are heavily regulated at the local level, where a combination of zoning and anti-growth taxes and regulation block free entry. As people start to move into hot economic markets, housing shortages develop. Smart cities like Houston do not cripple housing markets. But elsewhere, the NIMBY (not in my back yard) forces are strong enough to block housing construction, such as efforts in Berkeley to prevent the construction of multifamily units in residential neighborhoods. In progressive jurisdictions, furthermore, activists often demand that new developments fold in some affordable housing, under which the landlord must rent some units at below-market rates in order to be able to rent others

at market rates. Both of these measures retard growth in the housing market, which in turn leads to steep rent increases that provoke sharp reactions, such as the ill-fated Seattle proposal to tax large firms like Amazon in order to give aid to the homeless.

The latest sign of this pathology is the first statewide rent-control law, recently passed in Oregon. As these statutes go, Oregon's law looks to be a model of restraint. The legislation caps rent increases at 7 percent per year, plus inflation. In addition, new construction is exempted from the rent-control ordinance for the first fifteen years in order to increase the supply of

housing. The best that can be said for these proposals is that in their current form they pose relatively little risk of market dislocation because the

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***Smart cities like Houston do not cripple housing markets. Elsewhere, the NIMBYs may call the shots.***

market rates are likely to stay below the caps for much of the time. The same may not be true with respect to other provisions of the legislation, including those that limit the ability of landlords to evict tenants, even at the expiration of the lease. On this point, the Oregon legislation introduces elaborate “for cause” conditions that purport to spell out the acceptable reasons for eviction, including the desire for higher occupancy or a need to renovate the premises. One high cost of these limited provisions is that landlords in multi-unit dwellings are not in a position to evict problem tenants at the end of their leases, which could easily lead more desirable tenants to pick up stakes and move elsewhere.

## **TAKING AWAY THE GAINS**

The long-term implications of any rent-control law are, however, always problematic. If the statute does little or nothing to alter market forces, why pass it at all? One immediate risk is that landlords might respond strategically to the law by raising rents above market levels prematurely if they think future demand will push market-rate rents up against the statutory ceiling.

As the *Wall Street Journal* notes, housing construction in Oregon has not kept pace with the population influx. Moreover, Oregon imposes “urban growth boundaries” that reduce the available sites for new construction. Combined with existing zoning laws, shortages in the state housing market are likely to persist or even intensify. If so, the supporters of the rent-control statute could push for further reducing the allowable annual rent increases, shortening the exemption period for new housing, or narrowing the grounds

for eviction on lease termination. These risks are especially worrisome because under modern American law, landlords have virtually no constitutional protection under the takings law against aggressive rent-control laws.

It is always difficult to evaluate the impact of legislation, but there has to be some concern that the shifting landscape in Oregon will chill new construction, which will only worsen the housing shortage. If the Oregon movement spreads, higher regulation in the housing markets could undo much of the good done by the boom in the labor markets. The basic principles of supply and demand speak as strongly for deregulation in the one market as in the other. ■

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# Debt and Taxes

**Despite rising budget deficits, few in Washington propose fiscal prudence. Instead, there are unconscionable proposals for vast new spending programs.**

**By David R. Henderson**

In a provocative article in *Foreign Affairs* titled “Who’s Afraid of Budget Deficits?” Jason Furman and Lawrence H. Summers argue that we should not worry much about the federal government’s large and growing budget deficits. While they admit that politicians and policy makers “shouldn’t ignore fiscal constraints entirely,” they say that they “should focus on urgent social problems, not deficits.” And throughout the piece, they assume, for every single problem they address, that the solution is more spending. It’s not surprising that they don’t worry much about deficits.

Furman and Summers aren’t just rank-and-file economists. Furman, an economics professor at Harvard University’s Kennedy School, was the chairman of former president Barack Obama’s Council of Economic Advisers. Summers, president emeritus of Harvard, was the treasury secretary under former president Bill Clinton and head of the National

## Key points

- » Every tax causes what economists call “deadweight loss,” a loss to some that is not a gain to anyone. The higher the current tax rate, the higher the deadweight loss from a given increase.
- » Budget savings do not add up. They compound up.
- » Cutting spending is preferable to increasing taxes.

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*David R. Henderson is a research fellow at the Hoover Institution and an emeritus professor of economics at the Naval Postgraduate School in Monterey, California.*

Economic Council under former president Obama. I know Summers from when we were both economists with President Reagan's Council of Economic Advisers and I know Furman from his work. It's important to look at their argument.

I've studied it, and I find it unpersuasive in two respects: their main case, which is that we shouldn't worry much about deficits, and their subsidiary point, which is that we need at least the amount of government spending we have now and should be ready and willing to increase government spending.

Why do Furman and Summers think we shouldn't worry about the federal government deficit? Their main reason is that the interest rate the federal government pays on the debt is so low. They point out that the current real interest rate on ten-year government bonds is 0.8 percent. (The real interest rate is the stated interest rate earned on bonds minus the inflation rate.) As a result, even though the federal debt is a much larger percent of GDP than it was in recent decades, the federal government "pays around the same proportion of GDP in interest on its debt, adjusted for inflation, as it has on average since World War II."

That's true. But what about the future? The good news on federal interest payments as a percent of GDP not rising depends on real interest rates not rising much. Real interest rates are unusually low right now, as they point out. They argue, and I agree, that these low rates are not a result of Federal Reserve policy. The Fed can affect mainly short-term interest rates. Instead, they write, lower interest rates are "rooted in a set of deeper forces, including lower investment demand, higher savings rates, and widening inequality."

Furman and Summers don't explain why widening inequality would make interest rates low, but it's clear why lower investment demand and higher savings rates would do so. Because capital markets are now global, interest rates are determined in a global market. So the investment and savings rates that matter for real interest rates are for the world, not the United States. On these two factors, they are right, as Jeffrey Hummel and I pointed out in 2008.

But the fact that interest rates have been low for a long time is not strong enough evidence to conclude that they will remain low.

## **DISMAL NUMBERS**

For two economists who have spent their careers looking at numbers, Furman and Summers are maddeningly vague about the numbers. So let's fill in the blanks, using numbers from the Congressional Budget Office (CBO).

In its January 2019 report on the budget and the economy for 2019 to 2029, the CBO projects small increases in the real interest rate on ten-year Treasury bills. The CBO also projects that the federal budget deficit will exceed \$1 trillion every year from 2022 to 2029. Moreover, the CBO reaches that conclusion by assuming that the individual income tax cuts will expire in 2025, as is required in the 2017 tax law. If the tax cuts are extended, the deficits will be even higher.

With those projected deficits and interest rates, the CBO concludes, by 2029, net interest on the debt as a percentage of GDP will almost double to 3 percent, up from 1.6 percent in 2018. And remember that the CBO is assuming only modest increases in interest rates. What if the world's savings rate falls or investment demand rises? Then real interest rates will rise and net interest on the debt will exceed 3 percent of GDP.

There is one other way that we can be bailed out of these dismal budget numbers: if GDP grows faster than the CBO predicts. The CBO's estimates

assume that real GDP will grow by an annual average of only 1.7 percent between 2020 and 2029. If GDP grows at an average of 3.2 percent annually,

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***Interest rates have been low for a long time, but there's no strong evidence they will stay low.***

as it did in the 1970s, 1980s, and 1990s, then the numbers look much better. Furman and Summers don't mention that, presumably because they are pessimistic about growth.

But let's say that you think that government spending on interest payments will increase substantially. What follows is that we should do something now to reduce future deficits. We could do so either by raising taxes or by reducing the growth of government spending.

Consider tax increases. If you, like me, believe in limiting the size of government, then the option of higher taxes is a non-starter. But even if you don't share my philosophy, there's a strong case against tax increases. As I noted in another article, "The Case Against Higher Taxes" (*Hoover Digest*, spring 2019), every tax causes what economists call "deadweight loss," a loss to some that is not a gain to anyone, even the government. The relationship between tax rates and deadweight loss is not linear. The higher the current tax rate, the higher the deadweight loss from a given increase in the tax rate. That means that for a government spending project to be efficient, the benefits of the project must exceed not just the amount spent but the amount spent plus the deadweight loss. If the deadweight loss is 30 percent of the

# FEDERAL DEFICIT



FURMAN

COME ON IN, THE  
INTEREST RATES ARE FINE...



SUMMERS

[Taylor Jones—for the Hoover Digest]

T. Jones

amount raised in taxes, then efficiency requires that a dollar spent on a government project produce benefits, not of \$1 but of \$1.30.

## **CUT WHILE YOU CAN**

That brings us to the second way of cutting the deficit: cutting government spending. Furman and Summers list a number of programs that they think are valuable and should be expanded. They list not a single program that should be cut. That's somewhat shocking, given that their somewhat-left counterparts of the previous generation of economists, such as the late James Tobin of Yale University, could always be counted on to criticize farm subsidies.

Moreover, they give as an example of something that should not be cut a program that is worth much less to its stated beneficiaries than the amount that the federal and state governments spend on the program. That program is Medicaid, the socialized health insurance benefit for low-income American residents.

Economic theory tells us that when the government gives someone a dollar, he values it at a dollar. But when the government gives someone a benefit

other than cash, he typically values that benefit at an amount less than the cost of the benefit. Sure enough, in a June 2015 study published by the National Bureau of Eco-

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***Medicare for all, free college, a federal jobs guarantee, and a massive green infrastructure program: such programs threaten even worse deficits.***

nomic Research titled "The Value of Medicaid: Interpreting Results from the Oregon Health Insurance Experiment," health economists Amy Finkelstein of MIT, Nathaniel Hendren of Harvard, and Erzo F. P. Luttmer of Dartmouth found that beneficiaries of Medicaid value a dollar of spending at only 20 to 40 cents.

The study's authors did find that the providers benefit by about 60 cents on the dollar, so the program is not quite as inefficient as you might think. But presumably Furman, Summers, and other supporters of Medicaid would not want to justify Medicaid spending on the grounds that most of the benefits go to doctors and hospitals. So Medicaid is a program for which the government could cut spending by 60 percent and just give cash to the current beneficiaries, leaving them at least as well off as they were under Medicaid.

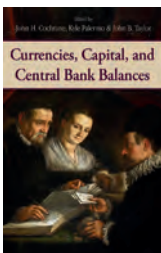
The federal budget for 2019 is about \$4.4 trillion. It would not be hard to find \$2 trillion of spending programs in the current budget that are

scheduled to grow at an annual rate of 4 percent or more over the next ten years but instead could be scheduled to grow at 2 percent annually. Budget savings do not add up; they compound up. With this hypothetical \$2 trillion in programs, cutting the growth rate from 4 percent to 2 percent would result, ten years from now, in spending on these programs of \$2.44 trillion, down from the \$2.96 trillion that would result from the 4 percent annual growth. That's a reduction of over \$500 billion. Moreover, the debt in 2029 would be lower by a few trillion dollars because of all the savings between 2019 and 2028.

We should worry about the deficit. But not all means of reducing the deficit are equal. Specifically, cutting spending is preferable to increasing taxes. Interestingly, while Furman and Summers, both longtime Democrats, seem to want to build a firewall around current government programs and the projected growth in those programs, even they worry about some of the leading Democratic proposals for spending. They write, "Progressives have proposed Medicare for all, free college, a federal jobs guarantee, and a massive green infrastructure program." The closest they get to criticizing such ideas is their very next sentence: "The merits of each of these proposals are up for debate."

Yet with progressives advocating such huge spending programs and Furman and Summers hesitating to criticize them head on, there's an even stronger case for not raising taxes: the added tax revenue would be scooped up quickly if the progressives get their way on even a few of these programs and we would be back to the same, and possibly even higher, deficits than the CBO projects. So we would have higher taxes, higher government spending, and high or even higher deficits. That would be a shame. ■

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# Checked and Unbalanced

**The Constitution blends political ideas into a harmonious whole. Modern partisan warfare, on the other hand, sharpens differences and dulls the harmony, and democracy suffers.**

**By Peter Berkowitz**

**L**ike an individual mixed up about his convictions, a nation perplexed about its principles is prone to self-inflicted wounds. Both are likely to wander aimlessly and choose friends poorly while falling for the blandishments of adversaries. They are prone to misjudge their interests and misconstrue justice. A nation perplexed about its principles exacerbates citizens' muddle about their convictions. This is the unenviable condition that afflicts significant segments of our country.

Two partisan conflations of ideas weaken liberal democracy in America today. One springs from redoubts on the left; the other from the

## Key points

» Partisans depict fellow citizens on the other side as lethal menaces to the public interest. This weakens democracy.

» Many of America's founders upheld the idea of a country united by a common language, culture, and sense of political destiny.

» Government should promote formal equality while steering clear of enforcing equality of outcome.

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right. Both depict fellow citizens on the other side of the issue as lethal menaces to the public interest. Both are nourished by intellectuals. And both resolutely obscure the social realities and advantageous blend of principles—religious, political, and economic—that formed and preserve American constitutional government.

Many on the left conflate conservatism, in its several varieties, with fascism. Targets of this accusation have included Richard Nixon, Ronald Reagan, and George W. Bush.

Powerful intellectual currents within our universities promote such slander. For more than two generations, professors of philosophy, political theory, and law have spun sometimes ingenious justifications for equating left-liberal interpretations of social and political justice and progressive public-policy preferences with fairness itself. They have encouraged their students—who decades ago began flowing into positions of influence in law, business, the media, entertainment, and the federal bureaucracy, as well as the academy—to believe that deviation from the progressive consensus about abortion, affirmative action, same-sex marriage, climate change, immigration, international law, and US military operations could only stem from cluelessness, perversity, or malice. Because our educational system generally fails to teach political, intellectual, and military history, it has been easy to induce students to conclude that the only conceivable alternative to progressivism is fascism.

Meanwhile, a portion of the right conflates classical liberalism—the modern tradition of freedom that is a sustaining source of American constitutional government—

with leftist overreach in policy and politics. This way of thinking traces the excesses of multiculturalism, the authoritarianism of

political correctness, and the enthusiasm for open borders and transnational governance—along with cultural decadence, the breakdown of family, and the fraying of community—to the commitment to individual liberty, universal rights, and enlightened self-interest at the heart of classical liberalism.

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***The modern tradition of freedom is perfectly compatible with national sovereignty, though not with every form of nationalism.***

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***From the beginning, a blend of principles—religious, political, and economic—has formed and preserved American constitutional government.***

Some condemn classical liberalism as the implacable enemy of the nation-state. Others go further, contending that liberal democracy in the West has sunk into irreversible decline because of far-reaching errors about humanity, society, and the cosmos built into the modern tradition of freedom's founding assumptions. The contemporary counter-Enlightenment intellectuals who advance these radical criticisms believe that



[Taylor Jones—for the Hoover Digest]

political life should instead revolve exclusively around nationality or a common good grounded in religious belief. They write as if the people could not reasonably choose to limit government's power by denying it the authority to enforce the national spirit and prescribe the true faith. Yet awareness of the tendency to abuse

power supplies good grounds for limiting government. So do respect for individual conscience, and appreciation of the inevitable differences of opinion that arise in interpreting the national spirit and in defining the true faith.

The left's conflation of conservatism with fascism and the right's conflation of classical liberalism with progressive extremism combine to conceal the concrete political realities that inspired the rise of liberal democracy in the West. These conflations also suppress the multiple traditions that merged in forming the American constitutional order. And they obscure the compelling reasons for conserving this precious inheritance.

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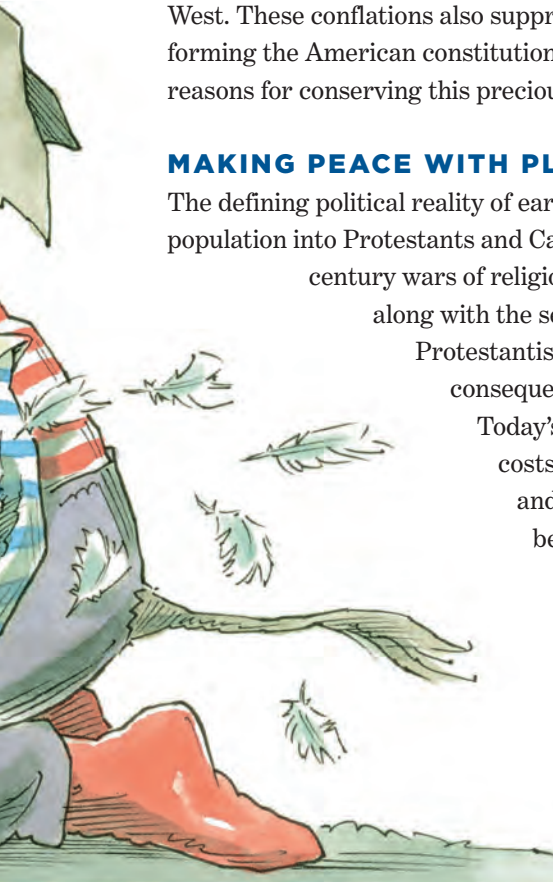
***It's all too easy to convince students that the only conceivable alternative to progressivism is fascism.***

## **MAKING PEACE WITH PLURALISM**

The defining political reality of early modern Europe was the division of the population into Protestants and Catholics. The sixteenth- and seventeenth-century wars of religion pitting Christian against Christian—along with the sectarian splits within Catholicism and Protestantism—threw into sharp relief the ruinous consequences of imposing religion through politics.

Today's vastly greater pluralism magnifies the costs inherent in state enforcement of faith and governmental regulation of basic moral beliefs.

The costs are especially great for people who have begun to grow accustomed to the idea of human equality and have acquired a taste for individual freedom—as had early modern Europeans over the course of many hundreds of years. By the seventeenth and eighteenth centuries, a variety of factors operated to foster a distinctive form of politics, one



that accommodated the realities of religious pluralism in light of the moral imperatives of individual freedom and human equality:

» First, for nearly two millennia Christianity had taught that **all human beings were equally God's children** and therefore even those beyond one's family, tribe, village, or nation were deserving of respect and consideration.

» Second, the idea of **reining in government** to protect freedom had taken root, and nowhere more so than in England. At least since the 1215 agreement between the king and the barons solemnized in the Magna Carta, the English had been steadily restraining and refining political institutions to honor what came to be known as individual rights.

» Third, thanks in part to rapid breakthroughs in the natural sciences and consequent advances in technology, an ever-more-complex **division of labor** emerged in England and beyond. This amplified production, rewarded initiative, and encouraged commercial relations, while constantly gaining momentum from “a certain propensity in human nature,” as Adam Smith put it, “to truck, barter, and exchange.” Smith did not invent the free market, but he did incisively describe its leading elements and clarify the immense benefits of what he dubbed “the natural system of liberty.”

» Fourth, seminal thinkers such as John Locke in seventeenth-century England and, in the eighteenth century, Baron de Montesquieu in France and James Madison in the United States, articulated the lineaments of **limited constitutional government**. Their accounts of individual rights, consent, and the separation of powers crystalized the intellectual foundations of a political regime dedicated to an individual freedom that it was assumed was shared equally by all. Over the course of subsequent centuries liberal democracies increasingly made good on the promise.

## THE RIGHT FORM OF NATIONALISM

The modern tradition of freedom is perfectly compatible with national sovereignty, though not with every form of nationalism. Indeed, many of the tradition's founding fathers—including Locke, Montesquieu, and Madison—took it for granted that the primary vehicle for defending individual rights and instituting limited government was a country united by a common language, culture, and sense of political destiny. Of course, the compatibility of nationalism with a regime devoted to freedom and equality varies from nation to nation; it depends on the people's habits and virtues, norms and traditions, and beliefs and practices.

The modern tradition of freedom also accommodates the progressive impulse manifest in social safety nets that protect society's most vulnerable.

Such provision, however, must be harmonized with freedom and equality. Government relief programs must neither undercut (through, for example, intrusive government regulation and confiscatory taxes) property rights and the motive to produce, nor induce dependency in those who receive government services. Such programs also should reflect government's interest in promoting formal equality—equality before the law and equality of opportunity—while steering clear of enforcing equality of outcome, which can only be accomplished by drastically curtailing freedom.

Appreciation of the fertile mix of principles that animates the Constitution does not itself generate sound policy or determine wise strategy. But policies and strategies informed by such appreciation stand a better chance of fortifying liberal democracy in America. ■

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# Tides of Humanity

**Millions of people seek better lives by crossing borders, but many of those new lands are ill-prepared to receive them—or hostile toward them. But there are ways to deal with the demographic flood intelligently and humanely.**

**By Larry Diamond**

**T**welve years into a persistent and deepening global democratic recession, it is increasingly clear that the challenges confronting governance in the world are not a passing storm. As revealed in an eye-opening recent project on “Governance in an Emerging New World,” based at the Hoover Institution and led by former secretary of state George P. Shultz, profound long-term changes are testing all forms of government.

Most of these transformations have been prominently analyzed. Globalization, with its dizzying accelerations in the movement of people, goods, capital, and ideas, has challenged

## Key points

- » Global population growth is slowing and unevenly distributed. Many major countries have fallen well below replacement levels.
- » Industrialized nations also face rapidly aging populations.
- » Europe faces the stiffest demographic challenge.
- » Immigration offers economic dynamism, cultural vitality, and greater fiscal sustainability.

*Larry Diamond is a senior fellow at the Hoover Institution and at the Freeman Spogli Institute for International Studies. He is also a professor by courtesy of political science and sociology at Stanford University. His latest book is **Ill Winds: Saving Democracy from Russian Rage, Chinese Ambition, and American Complacency** (Penguin Press, 2019).*

traditional notions of sovereignty and put a premium on what Shultz has long stressed as a key imperative for national success in our time: the ability to “govern over diversity.” Technological change, involving rapid advances in automation, social media, and now artificial intelligence, is profoundly disrupting everything from politics to dating to manufacturing and the workplace. And climate change is straining the comfort, health, stability, and even viability of many human settlements, to a degree that will increase greatly in the decades ahead. These, the *New York Times* columnist Thomas Friedman has been arguing, are the “three giant transformations” that pause for no one and put a premium on what Friedman called, in his 2018 Compton Lecture at MIT, “learning faster, and governing and operating smarter.”

But as the Shultz project on governance is showing, there is a fourth transformation interacting with these three, one that is no less daunting and, in the short run, little more amenable to alteration: demographic change.

To maintain the overall population at its existing size, a society needs an average fertility rate of 2.1 children per woman—what is called “replacement fertility.” The story of the second half of the twentieth century was astonishingly rapid growth in population throughout the developing world because of improvements in health care but a lag in declining fertility. As a result, according to UN estimates, world population increased from 2.5 billion people in 1950 to 6.1

billion in the year 2000

and about 7.5 billion

today. Global population growth continues, but it is slowing and unevenly

distributed. Many major countries are now well below the 2.1 level of replacement fertility. These include not only most of the advanced industrial democracies—in Asia as well as in Europe—but also, stunningly, Russia (1.8) and China (1.6). The economic and geopolitical ambitions of those two countries will, in the decades to come, run up against hard demographic realities of aging societies and dwindling workforces.

Many industrialized countries now face a similar scenario, never before encountered by human society in an era of peace and abundance: markedly shrinking—and therefore aging—populations. Italy, Japan, Germany, Spain, South Korea, Taiwan, and Singapore are among the more than twenty countries with fertility rates below 1.5 per woman.

Shrinking populations—especially among the richest countries that use the most resources and therefore emit the most pollution—may sound like a

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***There's no social model for societies as old as these industrialized countries will soon be.***

blessing for Mother Nature. And maybe in one sense they will be a blessing for social stability, in that labor forces will be shrinking at just the time that automation will be displacing more and more traditional forms of work. But these demographic transformations will sorely challenge governance in other ways, as there will be fewer and fewer workers to support the rapidly aging populations—while life expectancy continues to lengthen, in some societies (with the revolutions in medicine and biotechnology) quite dramatically.

## IMMIGRANTS ARE COMING

As Hoover Institution economist and demographer Adele Hayutin (an Annenberg Distinguished Visiting Fellow) has shown in recent research, Japan and Germany already have shrinking workforces, and many other countries are set to follow, including all of the ones with fertility well below replacement. Over the next twenty years, Hayutin estimates, the workforces in Japan and South Korea will shrink by some 15 percent, Germany by 13 percent, and the EU overall by 10 percent (producing thirty million fewer workers in Europe). Part of the shortfall can be made up by increasing employment for women and for those over sixty-five. But these societies are all likely to face significant labor shortages.

And it is not just labor as such that is needed. Youth brings innovation and dynamism to a country. There is no social model for societies that will be as old as these industrialized countries will be unless one of two things happens: they dramatically increase fertility, or they import people. Even with economic and social incentives to encourage more births, these societies

cannot escape the imperative to welcome precisely the phenomenon against which many advanced democracies now seem to be rebelling: immigration.

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***Nothing brings down the fertility rate like rising levels of education and employment for women.***

One of the fascinating aspects of the global demographic trends is that the United States and Britain face a much more manageable demographic future than most of their industrialized peers. Unlike Germany, Italy, Japan, and others, the US workforce, Hayutin finds, will continue to grow in steady fashion for decades to come. In Europe, three countries—Britain, France, and Sweden—defy the larger EU trend. One reason is that they (like the United States) have fertility rates much closer to replacement. Yet their rates are still below it. So how are they making up the difference, and then some? With immigration.



***SAFE HARBOR: African migrants disembark from the Spanish vessel that rescued them in the Mediterranean Sea. Africa's population explosion will be one of the most important social and political trends of the coming decades. At the same time, development could lift Africans' skill levels so they can contribute to growth both in their own countries and in the aging societies to which they migrate.*** [Guillaume Pinon—ZUMA Press]

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It is immigration that will give these four societies (and Canada and Australia) economic dynamism, cultural vitality, and greater fiscal sustainability—if they can “govern over diversity.” The key lies in the traditional American formula, *E pluribus unum*—out of many, one. The imperfect, at times shamefully disappointing, but still remarkable success of the United States in assimilating immigrants while forging the most diverse nation in world history has been an indispensable key to America's economic and political vibrancy. Will we now squander it in an atavistic and misplaced fear of the “other,” stimulated by demagogues seeking to manufacture fear to ride to power? That is one of the key questions confronting the future of the United States and its global leadership.

Yet this is not the whole story. The United States is well positioned to absorb and manage immigration. For one thing, we are a nation of immigrants with a history of assimilating successive waves of immigrants. For another, the principal source of immigration across our land border, from

Latin America, is expected to decline sharply in the decades ahead. Fertility in Mexico and in El Salvador has already fallen to replacement levels, and the undocumented Mexican population in the United States has been trending downward since 2008. With planning and rational policy (such as keeping highly educated workers in the United States once they finish their science and engineering degrees), the United States could continue to dominate all its competitors in the new global economy of high technology. Industrialized Asia—Japan, Korea, Taiwan, and Singapore—needs this immigration even more, but save for Singapore, these countries lack a strategy for recruiting and absorbing it.

Europe, however, faces the stiffest challenge. Barring some miraculous reversal in fertility trends, the EU will need to import significantly more young workers if it is going to be able to support its burgeoning population of elderly people. Where will these young workers come from? In theory, the source could be any number of emerging-market countries where the working age population (15–64) is slated to grow in the next twenty years, including India (whose labor force stands to grow by a quarter in the next two decades). Egypt, Pakistan, and the Philippines will also see continued rapid growth in their working-age populations. But far and away the largest share of population growth will occur in sub-Saharan Africa, where the labor force will nearly double in the next twenty years, adding over four hundred million people.

The juxtaposition of Europe's population implosion and Africa's population explosion will make for one of the most important social and political trends of the coming decades. The problem goes beyond the simple arithmetic of

migration. As James Kirchick writes in an essay for the 2019 Great Decisions program of the Foreign Policy Association, current levels of immigration

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***America's remarkable success in assimilating immigrants, while forging the most diverse nation in world history, has been crucial to our vibrancy.***

to Europe, especially from Africa and the Middle East, have fed the rapid growth of right-wing, nativist populism even in healthy economic performers like Germany, Poland, and Sweden. In the past five years, Sweden (a country of ten million) has welcomed over half a million (mostly less-well-educated) migrants, who, Kirchick reports, have been disproportionately involved in a rising tide of violent crimes. As a result, political support for the Sweden Democrats, a right-wing, anti-EU party with neo-Nazi origins, has more

than doubled since it first entered parliament in 2010, making it the country's third-largest party (as is the far-right Alternative for Germany in that country).

Even liberal and tolerant societies have a limited capacity to absorb new people from diverse places and cultures. As has historically been the case in the United States, the warning signs of political reaction start flashing red when the percentage of foreign-born reaches well above 10 percent.

So the EU—and Japan, and other industrialized countries—is going to need a much more strategic and intentional strategy for encouraging, screening, training, placing, and absorbing more highly educated immigrants at a manageable pace over

an extended period of time. But tell that to poor young men with limited education from Africa and the Middle East who feel trapped

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***Africa is set to add more than a billion people between 2015 and 2050, with its total population increasing to over two billion.***

by poverty, joblessness, and violent conflict, and who—like many Mexicans, historically—are determined to head north for a better life. The numbers are staggering. Africa is set to add over a billion people between 2015 and 2050, with its total population increasing to over two billion. Many African countries, sociologist Jack Goldstone has shown for the Shultz project, will reach staggering numbers by 2050: over four hundred million Nigerians, nearly two hundred million Ethiopians, over one hundred million Ugandans. And these increases will come at the same time that climate change itself increasingly disrupts agriculture, water supplies, disease vectors, wildlife habitats, and thus the increasingly lucrative tourism industry.

## **LIFTING ALL BOATS**

There is a way out of impending disaster: vigorous and broadly distributed economic development, which lifts the skill levels of African populations and enables them to contribute to economic growth both in their own countries and in the aging societies to which they emigrate. This could generate something of a virtuous cycle, because nothing brings down the fertility rate like rising levels of education and employment for women.

“If by 2050,” Goldstone concludes, “Africa can turn the corner on fertility and reduce its population growth,” while investing in human capital and physical infrastructure, “then in the second half of this century, Africa could be the main motor of global economic growth, much as China has been for

the last thirty years and India could be for the next thirty.” But that won’t be possible without dramatic improvements in the quality of African governance to stem corruption, strengthen the rule of law, and create an enabling environment for investment and innovation.

Today, there is no regional or global strategy to support and induce these improvements in governance. Rather, there is a new great-power scramble for Africa’s resources and markets, with China—which couldn’t care less about the rule of law in Africa—the most audacious player. This picture must change, dramatically and soon, or the world will lose a historic opportunity to bring demography into balance with a minimum of conflict. ■

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# Is Reform Even Possible?

It's easy to get discouraged about the many stubborn obstacles to better schools. Thoughts on giving the system the jolt it needs.

**By Chester E. Finn Jr. and David Steiner**

Since publication of *A Nation at Risk* in 1983, the United States has never ceased trying to raise K-12 academic outcomes and close the tragic achievement gaps between different sectors of its young population. There has been no dearth of reform efforts, and some have shown results: stronger curriculum plus strong professional development; more robust state standards; a focus on college readiness and (a very few) high-quality assessments made available to disadvantaged students; higher standards for entry into teaching; high-caliber urban charter schools; and broad accountability for results.

## Key points

» A culture of pragmatism and local control contributes to underachieving schools.

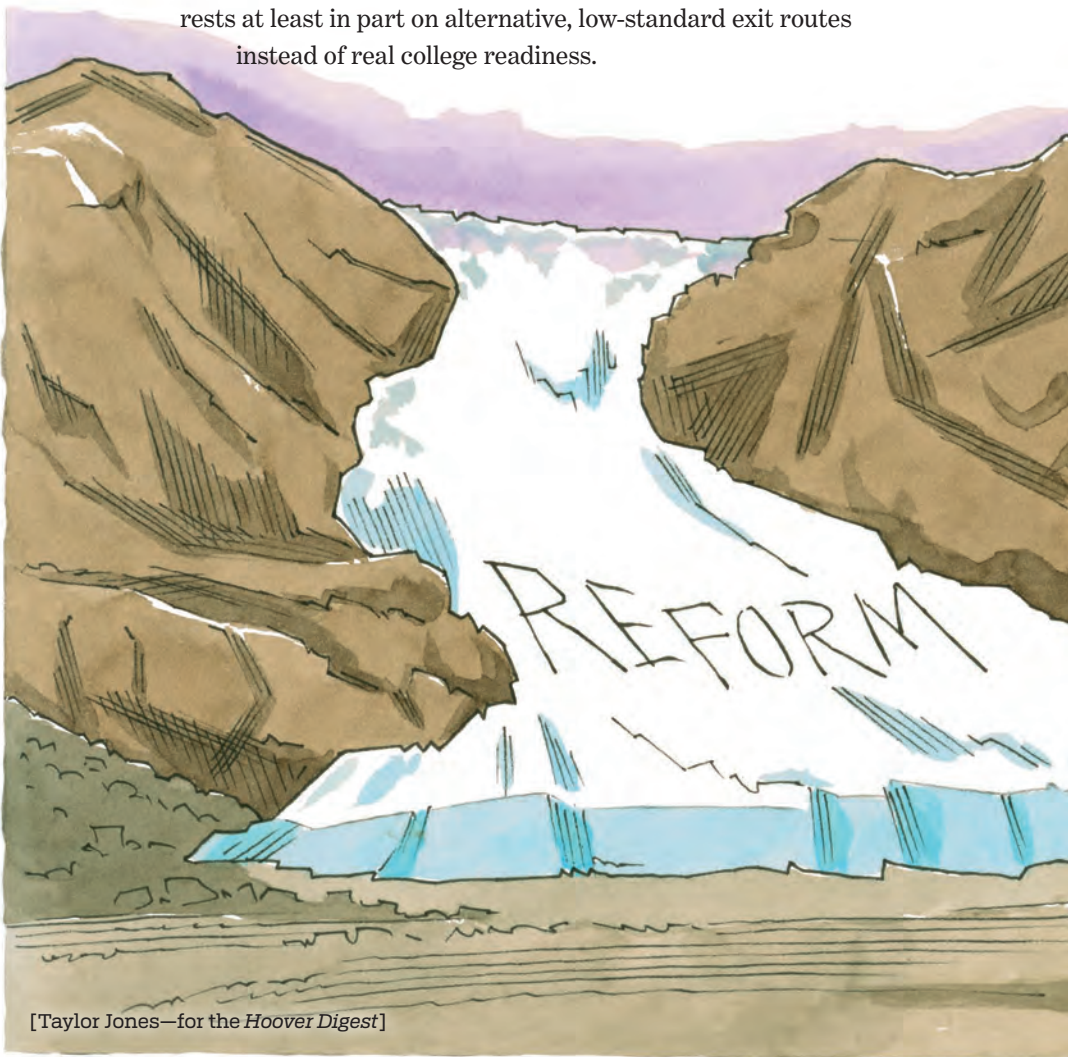
» Parents like the comfort of high grades and familiar teachers, and resist tests that show their children falling short.

» America still lacks a culture that values education, the conviction that families and schools are jointly responsible, and a system that fosters improvement.

*Chester E. Finn Jr. is a senior fellow at the Hoover Institution, former chair of Hoover's Koret Task Force on K-12 Education, and president emeritus of the Thomas B. Fordham Institute. David Steiner is a professor of education at Johns Hopkins University and executive director of the Johns Hopkins Institute for Education Policy.*

This has not been wasted effort, for the country has seen modest gains: all student subgroups are doing better on NAEP (National Assessment of Educational Progress—the country’s gold standard), and there has been a slight closing of the gaps between African-American and Hispanic students and their white peers. That overall NAEP scores have been flat since 1992 masks such progress; this is likely due to changes in the demographic mix of students (for example, more English-language learners) rather than to stagnation within any elements of the pupil population.

Yet our progress to date has been modest indeed, and the gaps remain large. Stagnation in twelfth-grade scores is particularly concerning, especially in light of the real risk that the much-touted rise in graduation numbers rests at least in part on alternative, low-standard exit routes instead of real college readiness.



[Taylor Jones—for the *Hoover Digest*]

Of course, we shouldn't give up on promising interventions. But nothing has made close to the kind of positive difference that other nations—some as poor as Poland and Slovenia—have achieved. Why, after thirty-five years of effort—and a near-doubling of real-dollar spending per pupil—has change been so modest? And are there grounds for expecting better in the future?

## MULTIPLE FAILURES

Even as we persist with worthy reforms, we see profound cultural, attitudinal, and structural obstacles to broad improvement in the performance of American schools and—sadly—little reason to expect them to disappear. These issues were foreshadowed in the themes (and titles) of two aging books on our shelves: Richard Hofstadter's *Anti-Intellectualism in American Life* (1963) and Diane Ravitch's *The Schools We Deserve* (1985). The former

argued that Americans are utilitarians at heart, with little use

for learning per se, much less for academic

excellence; the latter contended



that Americans stick with the schools they have because deep down they don't want any other kind, either for their own or for other people's children.

To fully understand the impact of Hofstadter's evidence of anti-intellectualism—and Ravitch's version of widespread acceptance if not complacency—we need to add American localism in education. Often fleeing the old world to escape authoritarian regimes, Americans never embraced a nationwide approach to education—indeed, the Constitution is silent on the topic.

Local education leaders had differing views regarding what should be taught. Once local variations were combined with a broad shift among educators toward constructivist learning, our curriculum increasingly replaced knowledge with skills, and today's assessments for the most part follow suit. They emphasize, for example, "finding the main idea" in a text while being indifferent to the text itself. In recent times, this indifference is amplified by cultural nervousness about "imposing a canon" and political angst about a "national (or even statewide) curriculum." All this despite ample evidence that the performance gap is in large part a *knowledge gap*: one doesn't become a good reader without ever-increasing knowledge about the world—its geography, history, and science—or without exposure to outstanding writing about the human condition.

Ravitch's claim, too, deserves to be considered in a larger context. Annual evidence from Gallup polling makes clear that most parents are basically satisfied with their own children's schools, no matter the evidence of systemic mediocrity (or worse). When choosing, parents understandably want

schools that are conveniently located, safe, and welcoming—schools that offer reassurance about caring for the whole child.

Amid these understand-

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***Every layer in education's hierarchy can block changes initiated by any other level.***

able preferences, academic performance isn't a high priority for many. This is complicated: would giving parents transparent, user-friendly data about their school's performance make a difference in their satisfaction with it, or would it simply generate even deeper mistrust of testing and test results?

Teachers' current practices contribute to parents' dismissal of state assessments. Grades become inflated, parents develop faith in their child's classroom teacher—even when teachers report on surveys that many of their pupils are ill-prepared for grade-level work. Parents would rather believe the A-minus on a school report card than accept "below proficient" performance on a state test. Nor do lofty report-card grades make much real-world

difference for many children: most US colleges and universities accept all who apply, so long as they meet minimal course credit requirements—no further questions asked, although remediation is often inevitable. Much of US higher education is so hungry for students that it reaches into the high schools through dual-enrollment and early-college offerings, partly in an effort to ensure that students reach college able to do the work.

Recent evidence for what occurs in America's

classrooms comes from "The Opportunity Myth," a report by TNTP: "In the four core subjects—ELA [English language arts], math, science, and social studies—an average student spent almost three-quarters of their time on assignments that were not grade-appropriate"—which means doing work below students' grade level.

There is a certain inevitability, therefore, to underachievement in American schools. It is unwittingly informed by a culture of pragmatism and local control, the economic and political constraints that limit parents' choice of schools, the comfort of high grades (and attacks on testing), pervasive under-teaching, and the general conviction that learning should be a pleasant experience.

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***Those who manage our schools and our education policy have neither the time nor the expertise to judge among the specialists. They go with the political flow.***

## **WHERE TO FIND ANSWERS**

If pressure to improve our education system is so limited, where might we look for the drive for more dynamic reform?

One place might be education research that could point schools and educators to better practices. After all, early-reading results did improve somewhat with better implementation of phonemic awareness that followed research findings in early literacy. In general, however, education researchers themselves generate mixed messages: Would spending more money lead to major education improvement? "Yes," says Kirabo Jackson; "No," says Eric Hanushek. Do charter schools help student achievement? "Not really," says Stanford's CREDO research unit, surveying the whole country; "Yes, really," says the same organization, of some charter management organizations and of charters in urban areas. Should tests be downgraded in importance in favor of other measures such as social and emotional intelligence? "Not really," says Dan Goldhaber; "Yes," say Dan Koretz and Tony Wagner.

The point is not that these seemingly discrepant findings cannot be deciphered by those trained in the relevant methodologies. Rather, it's that those charged with managing our schools and shaping education policy have neither the time nor the expertise to judge among the specialists—and are thus motivated to go with the political flow, the predilections of their own advisers, or their instincts.

A second source of reform might be the education system itself. After all, school principals, superintendents, and state education leaders all seek stronger learning. Once again, we have some important examples—in states

such as Tennessee and Louisiana and districts like Florida's Duval County. Yet failure to change learning outcomes

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***There's a certain inevitability to underachievement.***

is far more the rule than the exception. Each layer in education's hierarchy—the principal, the district office, the teachers' unions, state departments of education, the legislature, the governor's office, the federal government—can block changes initiated by any other level. And each creates opportunities to blame the others when some change cannot be made or properly carried out.

Worse, virtually all of those levels are dominated by adult interests that benefit from the status quo. Major change occurs in exceptional circumstances when political stars align over a long period (Massachusetts, for example), when an unexpected event sweeps away old structures (New Orleans), or when a political earthquake alters the governance system itself (New York City under Michael Bloomberg)—but even these reforms eventually get recaptured by the forces of stasis and adult interests. Faced with this mix of deeply embedded forces that tend toward self-preservation, satisfaction with the underperforming schools attended by one's own children, and a reporting system that gives off false positives about achievement, reformers face a daunting task. After an era that displayed some common purpose and bipartisanship, they have aligned themselves into oppositional groups.

One argues that serious progress depends on addressing underlying economic and social inequalities. They call for more funding for district schools, especially in the inner cities, and a confrontation with the latent racism reflected in disparate test scores.

The second group calls for fundamentally altering the structure of public education by dismantling the district structure and empowering parents to choose educational pathways—whether via vouchers, tax credits, or education savings accounts.

Both views have merit, yet both mistake symptoms for cause. Both blame “the system,” albeit in very different ways. And both disregard the plain fact that many nations with heterogeneous populations do better by their children than we do—and do so neither by spending more money nor by abandoning public education.

What those countries have that America lacks are three key elements that we see scant likelihood of finding on US shores anytime soon: a culture that values education, including learning itself; a conviction that parents, schools, and children themselves are jointly responsible for that education; and governance that points toward unimpeded and continuous improvement in the delivery system and its performance.

Yet it's still possible to at least imagine conditions that might accelerate the glacial pace of education change. The key is the middle class: as the meager achievement of its children proves ever less sufficient to match the parents' way of life, and as those young adults increasingly come back home because they cannot afford to buy homes of their own, the complacency may melt. Political leadership counts, too. Here the answer probably lies less at the federal level—Washington's voice in education is suspect from the start—than in state-level leadership of the kind we once saw in Massachusetts and, more recently, in Louisiana and Tennessee.

Once the economic consequences of a mediocre education face millions of households, an honest, tough conversation with American parents may become not only necessary, but possible at last. ■

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# *What a Reformer Believes*

**Improving education isn't just one long policy battle. Reformers of all stripes can claim common ground and even—sometimes—common sense.**

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***By Michael J. Petrilli***

**T**here have been many conversations of late, at conferences and online, about what it means any more to be an “education reformer.” Let me take a stab at it, and I encourage other advocates to respond.

I'll start by noting that despite the acrimony surrounding education and everything else right now, there are some universal aspirations everyone shares—citizens and politicians across the ideological spectrum; education groups that promote “reform” and those that oppose it; parents, teachers, and everyone with a stake in our future. Here are some of them: Every child deserves a good school, and it's unfair that not everyone gets to attend one. A strong education system is essential if the American dream, and a healthy democracy, is going to be enjoyed by future generations. Educators deserve our appreciation and greater status than many enjoy now. Not everyone needs to go to college, though some sort of postsecondary training—on top of a first-rate K-12 education—is almost always necessary to support a family in today's (and tomorrow's) economy.

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Where reformers part ways with some of the status quo organizations is over the following principles:

» ***All schools should be held to account for their results.*** Once upon a time, a “good school” was defined by the state of its facility, the credentials of its teachers, the resources in its library, or the condition of its playing fields. More recently, there’s been a push to define school quality with indicators that go far beyond academics, to look at school climate, the teaching of social and emotional skills, and more. And yes, as a rich country, we should ensure that nobody attends a school with a shabby building or unqualified teachers or libraries without books. It’s also essential that schools have a well-rounded curriculum and develop the “whole child.” But while all that is necessary, it’s not enough. America has too many schools that are safe and inviting places with caring adults and plenty of resources, but where students don’t learn very much. Those can’t be considered good schools, and their failure to meet their foremost educational mission must be made clear to parents and the community and addressed by public authorities.

» ***Our schools as a whole could be delivering much stronger results for all their students, but especially for disadvantaged children.*** Ultimately, we want our schools to help young people prepare for success in some form of postsecondary education or training, for active participation in our democracy, and for a family-sustaining career. We reformers look at America’s student outcomes and see both the need and the possibility for dramatically better performance. We find it unacceptable that only about one-third of students reach proficient levels in reading and math, graduate from high school ready for college, or attain a four-year degree; only about half of young people will attain any sort of postsecondary credential. And it’s shameful that for African-American and Hispanic students these numbers are dramatically lower. We need to be careful to avoid utopianism—we will never reach universal proficiency or postsecondary completion—but we see from leading states and other developed nations that even given the challenges many kids face at home, we could and should be getting much better results than these.

» ***One size does not fit all, so we should embrace a pluralistic school system.*** While good schools have many things in common, we should allow them to vary from one another, too, and empower parents and educators to gravitate to the institutions that align with their preferences and values. That’s especially important for older students, who need various avenues to college and career success, including traditional college prep and high-quality career and technical education. Just as architecture has many traditions and styles, so too does schooling, and we should embrace all of them, as long as they are educationally sound.

In brief, we envision a pluralistic system of schools that produces much better outcomes for students. Based on research evidence and hard-earned experience, we see the following state policy levers as essential for achieving this vision:

» ***Academic standards that aim for readiness in college, career, and citizenship.*** These standards—in English language arts and math, but also science, history, civics, and other academic subjects—set the foundation for appropriately challenging curriculum and instruction. They also identify the key knowledge and skills that students need to be on track for success after high school—and make it possible to determine if and when students are falling behind.

» ***Regular, high-quality, aligned assessments.*** Such assessments generate essential information for parents and the public about student and school performance and progress. The best assessments encourage the kind of teaching we would want for all students—inspiring, engaging, and cognitively challenging—that is, they are tests worth preparing students to do well on.

» ***School ratings focused primarily—but not exclusively—on academic progress and outcomes.*** Such ratings provide transparency, for the public and parents alike, and helpful pressure on our schools to keep their focus on improvement. The clearer the labels, the better. Broadening these systems to include valid and reliable measures beyond test scores is certainly appropriate, but at their heart these systems should answer the question of whether schools are helping their students make progress toward success in the real world.

» ***Strategies for intervening in, or replacing, chronically low-performing schools.*** This is the “accountability” part of the “accountability movement,” and it’s by far the toughest. While the national results from efforts like the School Improvement Grants program have disappointed, a few states and communities can point to turnaround efforts that have worked. Some reformers would prefer to double down on such strategies, while others are comfortable moving more immediately, and aggressively, to replacing low-performing institutions with new schools, including new charter schools. But we all agree that direct state or local action is necessary when schools fail to improve year after year.

» ***High standards for entry into the teaching profession, combined with flexible pathways by which to enter.*** We need teachers and principals who themselves are well-educated, who understand the research evidence on effective practice, and can demonstrate an ability to help students make progress. We are skeptical about traditional certification requirements, which are only loosely related to real quality and effectiveness, but we also reject the view that anybody can be a great teacher, regardless of their training.

» ***Feedback mechanisms to help teachers improve.*** While there’s debate among education reformers about the wisdom or usefulness of teacher

evaluation systems linked to student test scores, everyone wants teachers to receive regular feedback so they might improve their craft. States continue to have a role to play in disseminating evaluation and feedback tools that are the foundation of such a system. And we believe that if teachers are to receive tenure, states should demand evidence of their effectiveness beforehand.

» ***Compensation systems that recruit and keep strong teachers.*** In many states, teacher salaries and benefits are local issues, but where states play a role, the design of salary schedules, retirement offerings, and other benefits should be geared toward recruiting and retaining the most talented, most effective teachers possible. That generally means “front loading” teacher compensation much more than we do today—investing more resources in higher salaries in the early years of teachers’ careers, rather than delaying most of the payoff until teachers have spent decades in the classroom.

» ***State charter laws that enable high-quality, autonomous charter schools to flourish.*** In line with the National Alliance for Public Charter Schools’s model law, such policies allow for strong, independent authorizers to start and oversee schools; require the most onerous regulations governing public schools to be waived; and set up a system of oversight that provides incentives for authorizers to take action when performance is weak.

» ***Equitable funding.*** Strong oversight is half the equation leading to charter quality; the other half is fair funding. Yet in too many states, charter schools continue to operate with a significant deficit—getting about eighty cents on the dollar compared to similar district schools, on average, with some gaps even larger. States have taken a variety of approaches to leveling the playing field, from overhauling state funding formulas to tackling the challenge of charter facilities financing. But allowing this inequality to continue, especially for charter schools serving poor children and children of color, is untenable.

» ***A high school diploma that means something.*** Standards aren’t important just for schools; they are important for students, too. And we should expect students to demonstrate at least basic levels of academic readiness before allowing them to graduate from high school.

» ***Postsecondary education that starts in high school.*** States should embrace efforts to encourage and enable students to earn college credit before graduation, via Advanced Placement, International Baccalaureate, and high-quality early-college and dual-enrollment programs.

» ***Career and technical education.*** Every state needs high-quality CTE programs that put students on a path toward high-quality credentials, including one-year and two-year technical degrees.

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On top of these policies, reformers see much promise in efforts to improve educational practice. That includes initiatives to identify high-quality and standards-aligned instructional materials, and to support teachers with their implementation in the classroom; changes to encourage schools to “personalize” learning, at the least so that students can move through curricula at their own pace; and improvements to grading practices to provide more honesty and transparency around student performance.

And yes, there are plenty of areas where we reformers disagree. The most prominent have to do with what, beyond academics, schools should teach. Some of us (mostly on the right) are more comfortable talking about character, morality, and patriotism; others (mostly on the left) gravitate toward social and emotional learning, social justice, and creative expression. This plays out most visibly in the difficult debate over school discipline, which pits strongly held conservative and progressive values against one another. It also comes into play in the arena of parental choice: should private and religious schools be part of the publicly funded mix or not?

We also disagree about funding: Are current levels adequate? And should we allow affluent communities to outspend their peers, even if that makes our funding system less equitable?

Yet as the long list of policy reforms above indicates, reformers across the political and ideological spectrum still have a lot in common. In states where this policy set is robust, we must continue to defend it. In states where the policy foundation is shakier, we must work to make it stronger. Because, as everyone agrees, all kids deserve good schools. It’s not fair that so many don’t have access to one, and America will be a better country when they do. ■

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# Law and Border

**Can the president declare a national emergency to build his border wall? Stanford law professor and Hoover fellow Michael W. McConnell guides us across uncharted legal terrain.**

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**By Sharon Driscoll**

**P**resident Trump declared a national emergency February 15, saying that US officials are “going to confront the national security crisis on our southern border.” The order aimed to divert previously allocated money to increase funding for expanding a border wall on the Mexican border. Stanford law professor Michael McConnell, a constitutional law expert and former circuit judge on the United States Court of Appeals for the Tenth Circuit, discusses the separation of powers, this presidential declaration of national emergency, and the law.

**Sharon Driscoll:** First, can you explain the separation of powers and why Congress holds the purse strings—and why it’s important to our democracy?

**Michael W. McConnell:** The power of the purse was the first and most important legislative power—the lever with which the British Parliament converted an absolute monarchy into a constitutional one. The text of the Constitution provides a double-barreled safeguard for the power of the purse: Article I, Section 8, gives Congress, not the president, power to tax and spend. Even more pointedly, Article I, Section 9, states that “No Money

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shall be drawn from the Treasury, but in consequence of Appropriations made by Law.”

Republicans understood the importance of legislative control over expenditures when President Obama unilaterally spent \$7 billion to subsidize health insurance companies that lost money under ObamaCare, despite Congress’s refusal to appropriate the funds. The Republican House of Representatives challenged that expenditure in court (the first such case in American history), and the district court held that Obama’s expenditure was unlawful. The current lineup of opinion suggests that some people on both sides of the aisle think that different rules apply to presidents we like than to presidents we do not.

**Driscoll:** Congress did not agree with the president about the amount of funding required to expand the border wall. Do you know of a case in which a president declared a national emergency to get funding for something that Congress had already voted not to fund? This seems to be a clear-cut effort to not only circumvent Congress, but to overrule its powers of the purse.

**McConnell:** It is not so clear cut. Congress has enacted statutes allowing the president to redirect funds in certain ways when he declares the existence of an emergency. It is a close legal question whether the border-wall action falls within the scope of emergency authority under those laws. 10 USC Section

2802 provides: “In the event of a declaration of war or the declaration by the president of a national emergency in accordance with the National

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**“Presidents have declared emergencies under the statute fifty-nine times since 1979.”**

Emergencies Act that requires use of the armed forces,” the executive may “undertake military construction projects, not otherwise authorized by law that are necessary to support such use of the armed forces.” The National Emergencies Act says simply that “with respect to Acts of Congress authorizing the exercise, during the period of a national emergency, of any special or extraordinary power, the president is authorized to declare such national emergency.” The acts contain no definition of “emergency,” seemingly leaving this to presidential discretion.

**Driscoll:** Why did Congress pass legislation in the 1970s to give the president this power? What was the intent?



**LEGAL BARRIERS:** *Crosses fastened to the US-Mexico border wall at Tijuana represent migrants who died while trying to enter the United States. The president's declared "national security crisis on our southern border" is a test of the US separation-of-powers doctrine, according to Hoover senior fellow Michael W. McConnell.* [Tomas Castelazo—Creative Commons]

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**McConnell:** Congress has passed some 123 statutes empowering the president to take actions on his own unilateral authority, upon declaration of an emergency, which otherwise would require legislative approval. The evident purpose is to allow these actions to take place immediately, when there is no time to go through the ordinary legislative process. Presumably Congress did not intend to give the president power to achieve longer-term goals that Congress opposes. But the actual language of the National Emergencies Act is open-ended. According to the Brennan Center for Justice, presidents have declared emergencies under the statute fifty-nine times since 1979. Few of these had to do with war; many of them have lasted for decades, and it is doubtful that all of them would be regarded as "emergencies" in the ordinary sense of the word.

In my personal opinion, hardening the porous border with Mexico does not appear to be an "emergency," because the conditions there have existed with little change for decades—but one might have said the same thing about

Ronald Reagan's emergency order cutting off trade with South Africa's apartheid regime, which had existed for half a century, or Bill Clinton's emergency order about narcotics trafficking.

**Driscoll:** Are you aware of a case in which the courts overturned the president's use of emergency powers?

**McConnell:** No court has overturned a president's declaration of an emergency under the National Emergencies Act or any other statute empowering the president to declare a state of emergency. The Supreme Court overturned President Truman's seizure of the steel mills during the Korean War,

but in that case the president relied solely on his constitutional authorities and not, as here, a statutory grant of emergency powers.

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***“Even if the declaration is judicially reviewable, the president should receive a high level of deference.”***

**Driscoll:** California attorney general Xavier Becerra has challenged the president's powers to fund the border wall with a national-emergency declaration. How do you think the courts will view this challenge of presidential powers?

**McConnell:** Becerra will have to get in line. Unlike in some recent legal controversies, there is no shortage of parties with legal standing to sue, including property owners affected by the wall and entities who would have received the grants that are now to be shifted to this project. The cases will present two legal issues: Was the declaration of an emergency itself lawful under the National Emergencies Act? And is the border wall a “military” construction project within the meaning of Section 2802 or a similar statute? (Remember, the relevant statutes only permit “military construction” projects “in support of” the armed forces.)

As to the first issue, it is an open question whether the declaration of an emergency is judicially reviewable. The statute calls for congressional review of the presidential order, which may be an indication that Congress envisioned only a political remedy for potential abuse. And even if the declaration is judicially reviewable, the president should receive a high level of deference, as he received from the Supreme Court in the “travel ban” case. His own carelessness with language may be his biggest legal risk. For example, he stated that “I could do the wall over a longer period of time, I didn’t need to do this, but I’d rather do it much faster.” That statement could be construed

by an unfriendly court as an admission that there was no need to act quickly, only a preference.

I think it more likely that courts will focus on the second issue: whether the wall is a “military” construction project in support of the armed forces. The wall is not being built to fend off the Mexican army, but to bolster immigration enforcement. Congress has entrusted immigration enforcement to a civilian agency. True, President Trump has sent troops to the border to assist the immigration authorities, but as I understand it, they are only allowed to perform support roles; the Posse Comitatus Act prohibits the use of regular troops for mere law enforcement within the territory of the United States. If that is true, a court could hold that the wall is not in service of military needs as such.

**Driscoll:** What legislative remedy might Congress try if lawmakers oppose this declaration by President Trump?

**McConnell:** All they have to do is pass a two-house resolution of disapproval. Because the president has power to veto such a resolution, however, it would have to carry two-thirds of both houses, which would not be easy. [Note: both the House of Representatives and the Senate passed versions of a disapproval resolution in March. President Trump rejected it, issuing the first veto of his presidency.] In return

for not causing another government shutdown, the Senate majority leader has promised to support the emergency

order (no doubt gritting his teeth), making it unlikely there will be a veto-proof majority to enact a legally binding resolution of disapproval. Politically, this is the mirror image of the ineffectual efforts of Congress to undo President Obama’s nuclear deal with Iran, which also appeared to lack majority support in Congress.

**Driscoll:** How do you see this developing—and why is it an important constitutional question?

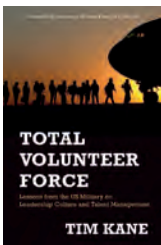
**McConnell:** I suspect more than a few Republicans have concluded that even if the president’s emergency order is technically lawful, in spirit it is an end run around the cherished congressional power of the purse and should be opposed for that reason, even if the wall itself is a good idea. Many plaintiffs will file suit all over the country. Very likely, district courts will go both

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***“Unlike in some recent legal controversies, there is no shortage of parties with legal standing to sue.”***

ways—some upholding the emergency order and some doing the opposite. Almost surely, one or more district courts will find the president's actions to be unlawful under the emergency statutes and will issue preliminary injunctions. In the ordinary course, these would be subject to review in the courts of appeals, followed by certiorari in the Supreme Court—a process that could take two years or more. (Two years to decide whether we are in an emergency!) Very likely, the solicitor general will ask the Supreme Court either to lift the preliminary injunctions pending review or to accelerate review, maybe by bypassing the courts of appeals, as happened in the case about adding a citizenship question to the next census. It is difficult to predict whether the Supreme Court will do that. ■

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# Future Shocked

**Silly nature myths and anti-capitalist posturing are neither new nor green nor a deal.**

**By Bruce S. Thornton**

Representative Alexandria Ocasio-Cortez (D-Sesame Street) has delivered yet another statement that bespeaks the progressives' chronic myopia. This time she's pondering the dilemma about whether or not it's "still OK to have children," given the apocalyptic future being created by climate change. The point has nothing to do with demography, as birthrates in the United States are already starting to decline. The real point, of course, is to rouse the old progressive battle cry of a "crisis" that "urgently" needs resolving, mainly by increasing the power and rapacity of bloated federal agencies and their growth-killing regulations.

The purported solution comprises various schemes to drastically reduce or eliminate energy derived from carbon. But everyone admits that the reductions, even if achieved, would not be enough to stop the alleged catastrophic warming. They would, however, certainly devastate the economy.

## Key points

» The best things for the environment are political freedom, economic development, and increased affluence in the Third World.

» The "Green New Deal," if acted on, will stifle the "animal spirits" that create wealth and improve lives.

» Cultural Marxism has made common cause with romantic environmentalism.

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[Taylor Jones—for the *Hoover Digest*]

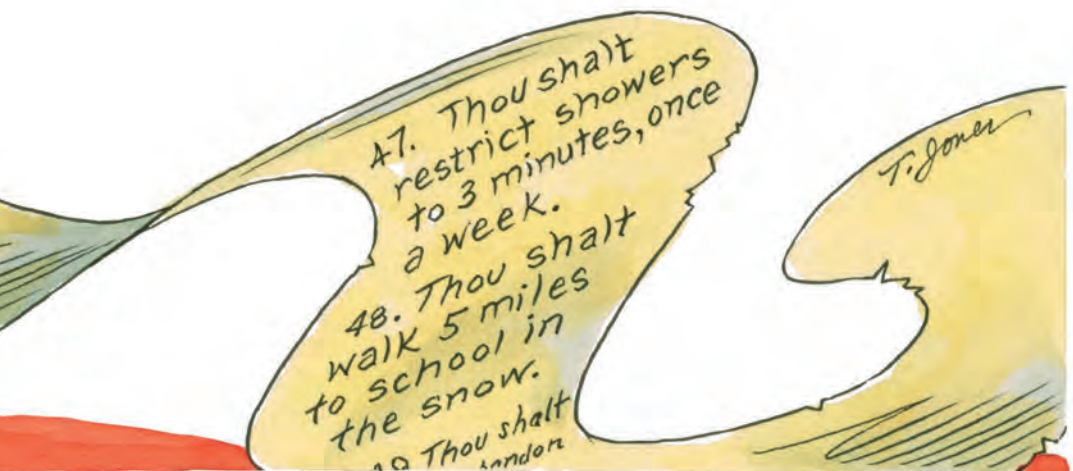
As environmentalist Bjorn Lomborg, who believes in human-induced global warming, writes,

The IPCC says carbon emissions need to peak right now and fall rapidly to avert catastrophe. Models actually reveal that to achieve the 2.7-degree goal the world must stop all fossil fuel use in less than four years. Yet the International Energy Agency estimates that in 2040 fossil fuels will still meet three-quarters of world energy needs, even if the Paris agreement is fully implemented. The UN body responsible for the accord estimates that if every country fulfills every pledge by 2030, CO<sub>2</sub> emissions will be cut by sixty billion tons by 2030. That's less than 1 percent of what is needed to keep temperature rises below 2.7 degrees. And achieving even that fraction would be vastly expensive—reducing worldwide growth \$1 trillion to \$2 trillion each year by 2030.

So even if we ignore the warmists' rigged data, the huge gaps in empirical evidence, the fabricated computer simulations, and the simple fact that we don't know enough about how global climate works over vast stretches of time, the progressives' policies fail simply because they won't achieve the reduction in temperatures they claim is urgently needed to ward off apocalypse. And those reductions will cost trillions of dollars and keep the developing world imprisoned in its poverty.

## FOOD FIRST

And that's where the "Green New Deal" and other draconian solutions to climate change are morally repugnant. As Jack Hollander demonstrated in his 2003 book *The Real Environmental Crisis: Why Poverty, Not Affluence, Is*



*the Environment's Number One Enemy*, the best things for the environment are political freedom, economic development, and increased affluence in the Third World, not noble-savage idealizations of less-developed societies presumably more in tune with a nature that callously watches them starve, sicken, and die.

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***Nature myths ignore the needs of those whom technology is liberating from hunger and disease.***

whatever the impact on the environment. Once material comfort is assured, people then have the capital, both economic and psychological, to spend on improving their environment. With increased affluence and open societies that reward intellectual innovation and political freedom, developing nations will follow the pattern of the industrialized nations and begin to find ways to sustain economic growth and living standards while minimizing the human impact on the environment.

As usual, the people proclaiming the loudest about their love for the suffering masses propose policies that will further immiserate them. And the villains these same affluent scolds demonize—the entrepreneurs and businesses that grow the economy and increase the distribution of wealth—are the best hope that the world has to improve people's lot, giving them the means to then minimize damage to the environment.

This economic improvement is already taking place as political reforms that promote global trade and economic growth have expanded worldwide.

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***Even a total halt in all use of fossil fuels wouldn't come close to averting predicted rises in temperature.***

trillion to \$80.1 trillion, the value of world trade grew even faster, more than a billion people escaped poverty, and infant-mortality rates decreased by more than 50 percent. The number of people with telephone service grew roughly tenfold."

The best thing, then, for the planet and its peoples is not the wealth-killing proposals of the progressives' Green New Deal, but rather maintaining and expanding the policies that create global wealth. Free people from the tyranny

Moreover, those who don't have enough to eat and suffer chronic disease put top priority on survival and health, and their efforts to secure both,

As Walter Russell Mead recently pointed out in the *Wall Street Journal*, "Between 1990 and 2017, worldwide gross domestic product rose from \$23.4

of poverty, and then they can afford to pay to mitigate our impact on the environment. That's what the United States did. During a time of economic growth, the United States passed the 1963 Clean Air Act, which reduced emissions of six major pollutants by a third in thirty years. More recently the United States—vilified both at home and abroad for opting out of the 1992 Kyoto Protocol and the 2015 Paris Agreement—reduced CO<sub>2</sub> emissions by 758 million metric tons between 2005 and 2017. According to *Forbes*, “That is by far the largest decline of any country in the world over that time span and is nearly as large as the . . . decline for the entire European Union.”

And what is the main reason for that success? The development of hydraulic fracturing to retrieve once-inaccessible oil and natural gas, thus allowing dirtier coal-fired plants to be replaced by cleaner-burning gas. Such a revolutionary transformation was possible because the United States still has an open economy in

which private entrepreneurs with new ideas can bring them to market.

Of course, the progressives have continued to

promote anti-carbon policies that make such innovations more difficult. Now the Democrats' Green New Deal and its proposed regulatory intrusions into the market, if acted on, will stifle even more extensively the “animal spirits” that create wealth and improve lives.

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***The people proclaiming their love for the suffering masses propose policies that will further immiserate them.***

## **PROGRESSIVES AGAINST PROGRESS**

But such myopia on the left is nothing new. Long before fracking came on the scene we saw the left's animus against capitalism and technology forestalling the solutions to global warming by its irrational opposition to nuclear energy. Today, the green energy plan also calls for shutting down all nuclear power plants, the cleanest source of energy we have. Consider what happened when Germany foolishly shut down its nuclear power plants. Hoping to rely on “clean energy” like solar and wind, Germany found its energy costs soared, forcing it to build more coal-fired plants and go into business with the global villain Vladimir Putin to build the Nord Stream 2 pipeline to import Russian natural gas at the expense of Ukraine's economy and security. Here is a textbook case of leftist superstition blocking obvious solutions while encouraging Putin's geopolitical buccaneering. The result of Germany's anti-nuclear energy policy will be more CO<sub>2</sub> from coal, and more power, revenues, and influence for an international bad actor.

So why do leftists and progressives reject policies that would achieve their alleged aims of warding off apocalypse from global warming—one of those crises leftists never let go to waste—and alleviating the misery of the undeveloped world? The obvious answer is power: all their solutions require the expansion of government and its regulatory regime that intrudes on the freedom and autonomy of individuals, states, and businesses alike. And it doesn't hurt that pursuing power is lucrative, whether through the perks and privileges of holding office or gold-plated jobs with the feds; the billions in grant money flowing to researchers; or the crony-socialist deals and gov-

ernment subsidies that have made the global-warming prophet Al Gore a multimillionaire.

Deeper and more pernicious, however, are the old

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***First free people from the tyranny of poverty, then they can afford to pay to lessen environmental impacts.***

romantic myths about nature and our relationship to it that lie beneath environmental discourse's patina of science. Idealizations of nature as our true home, a superior realm of peace, harmony, freedom, and simplicity destroyed by civilization and technology, are as old as the Greeks and their myth of the Golden Age. Yet such myths are a luxury for those whom technology has liberated from the drudgery of wresting sustenance from an indifferent natural world, and who are freed from disease, drought, famine, predators, malnutrition, and the other natural evils afflicting the Third World.

This myth of a benign nature permeates much environmental writing. Worse yet, cultural Marxism has made an alliance with romantic environmentalism, producing the "watermelons"—green on the outside, red on the inside—that dominate European politics. After all, both share a hatred of industrial capitalism—environmentalists because of the impact on the environment of its dehumanizing "satanic mills," neo-Marxism because its traditional ideological rival, as Raymond Aron pointed out long ago,

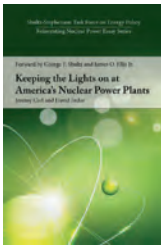
has succeeded by means which were not laid down in the revolutionary code. Prosperity, power, the tendency towards uniformity of economic conditions—these results have been achieved by private initiative, by competition, rather than State intervention, in other words by capitalism.

That's why at most protests of meetings of the International Monetary Fund, Davos, the G-20, or the World Bank, the banners of the various European communist parties can be seen waving alongside those of Greenpeace.

Finally, this unholy alliance of nature myths and leftist anticapitalism permeates school curricula, the media, and popular culture. It explains the current socialism fad among millennials, who have been marinated their whole lives in this toxic brew. It also explains the dirigiste and ruinous proposals of the Green New Deal.

Whatever the progressives' motives, one thing is certain: even if they gain the power to put their policies into law, their "urgent crises" will not be resolved. Their gains will be the bloating of the federal Leviathan at the expense of our freedom, and the damage to economic growth that will both harm our own citizens and keep the developing world trapped in poverty—a bad deal for people and the environment alike. ■

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# *The GOP Needs Asian Voters*

**Conservatives need to show some regard for the desires of Asian-Americans—including their desires for liberty and justice for all.**

***By Avik Roy and John Yoo***

**I**n November 2015, then-radio host Stephen Bannon was interviewing presidential candidate Donald Trump. During the interview, Trump expressed concern that owing to American immigration laws, many foreign students attending elite American universities were being forced to return home after graduation. “We have to be careful of that, Steve,” said Trump. “You know, we have to keep our talented people in this country.”

“Um,” Bannon replied.

“I think you agree with that,” Trump continued. “Do you agree with that?”

Bannon paused, and said, “When two-thirds or three-quarters of the CEOs in Silicon Valley are

## ***Key points***

» Asian-Americans generally favor free enterprise, traditional family values, and a vigorous foreign policy.

» Republicans no longer seriously contest elections in the inner cities, where many Asians live, and do little to attract Asian voters.

» The most important thing for conservatives is to be genuinely welcoming to Asians.

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***Avik Roy is president of the Foundation for Research on Equal Opportunity. John Yoo is a visiting fellow at the Hoover Institution, the Emanuel S. Heller Professor of Law at the University of California, Berkeley, and a visiting scholar at the American Enterprise Institute.***

from South Asia or from Asia, I think . . . a country is more than an economy. We're a civic society."

The Bannon-Trump exchange highlights the most significant division within the conservative movement today.

In one camp are demographic pessimists such as Bannon. They presume that Americans of non-European heritage are hostile to conservatism and think we should oppose the increasing racial diversification of America because it will move the country to the left.

In the other camp are demographic optimists. They believe that conservative values are universal values, shared by people of all races, and that non-European immigrants can add substantial value to America. They argue that the conservative movement must find a way to attract members of minority groups if it is to live up to its universal moral claims and thrive in a more diverse America.

One oft-ignored group will determine who wins this debate: Asian-Americans.

Asian-Americans are a diverse lot, representing many different nationalities, races, cultures, and religions. But in general, they favor free enterprise, traditional family values, and a vigorous foreign policy. And yet Asians are increasingly turning away from the Republican Party and identifying with the left. Why?

The loyalty of blacks—and the growing allegiance of Hispanics—to the Democratic Party is widely discussed in conservative and Republican circles. Some conservatives have concluded that it is futile to court these voters because, it is said, prevailing trends in their communities are culturally and economically incompatible with conservative values. Black and Hispanic voters suffer from higher rates of poverty, goes the theory, and therefore have an economic interest in supporting the expansion of the welfare state.

A related—but somewhat contradictory—argument made by the pessimists is one of civilizational incompatibility: that non-European immigrants are fundamentally ill-equipped to uphold American values. By this logic, it doesn't matter whether families are intact or incomes are low. As Steve Bannon put it in his radio interview, it's not merely the non-European immigrants from broken or low-income homes who undermine "civic society," but also the wealthy, married, capitalist ones.

Laura Ingraham, on her Fox News show, said, "In some parts of the country, it does seem that the America that we know and love doesn't exist anymore. Massive demographic changes have been foisted upon the American people. And they're changes that none of us ever voted for and

most of us don't like. From Virginia to California, we see stark examples of how radically in some ways the country has changed. . . . This is exactly what socialists like [Alexandria] Ocasio-Cortez want: eventually diluting and overwhelming your vote with the votes of others, who aren't—let's face it—too big on Adam Smith and *The Federalist Papers*. . . . This is a national emergency.”

These two ideas are powerful in conservative circles in part because they are self-flattering. Our inability to attract minority groups, we tell ourselves, is due to the moral superiority of our values and their lack of interest in self-reliance, hard work, and family formation.

## AMERICANS IN THE MAKING

Demographic pessimists of the nineteenth and early twentieth centuries made similar arguments about German, Irish, Italian, and Eastern European immigrants. Back then, those countries were not suffused with democracy or individual liberty or economic freedom; that is, after all, why millions left for America in the first place. The same holds true today for so many immigrants to the United States who flee authoritarian countries precisely because they crave political and economic liberty.

But plenty of Asians come to America from democratic countries. South Korea and Japan rank higher than the United States on the *Economist's* Democracy Index, which grades countries on civil liberties and tolerance for political opponents. India has been a parliamentary democracy since 1948—that is to say, for significantly longer than Spain, Portugal, eastern Germany, and Poland. Hong Kong, Singapore, the United Arab Emirates, and Taiwan all rank higher than the United States on the Heritage Foundation's 2019 Index of Economic Freedom.

Is Bannon right that Asians are too different from Europeans to contribute to our society? Or are conservatives in part responsible for the left's growing

appeal among Asians?

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***Demographic optimists believe that conservative values are universal values, shared by people of all races.***

In just two generations, Asian-Americans have become America's most successful ethnic group. As a share of the

US population, Asians have grown from barely 1 percent in the early 1960s to more than 6 percent today. Between the 2000 and 2010 censuses, the Asian-American population grew nearly 50 percent. The Asian vote is now large enough to swing elections in Virginia and Nevada.



***MERIT AND HARD WORK: Army Colonel Samuel Lee, the first division-level military chaplain of Asian descent, speaks during Asian-American and Pacific Islander Heritage Month at a base near Arlington, Virginia. The Republican Party was founded to establish the principle of liberty and justice for all Americans, regardless of race, and analysts say the party could win back Asian-American voters by re-emphasizing just such values.*** [Damien Salas—Joint Base Myer–Henderson Hall]

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If conservative values really are the values of family, personal responsibility, education, and hard work, then Asians are the most conservative demographic group in America. The divorce rate for non-Hispanic whites is 40 percent; for Asians, it is 21 percent. The teen birth rate for whites is 17 percent; for Asian-Americans, it is 8 percent. The illegitimacy rate for whites is 29 percent; for Asian-Americans, it is 16 percent.

Asians also value merit and hard work, just as conservatives do. Take educational attainment: 36 percent of white Americans have a college degree, while 54 percent of Asian-Americans do. Asian families push their children hard to score at the top of standardized tests and achieve sterling

grade-point averages. They rightly prize the great benefits of being educated at our world-beating universities. Opposition to race-based affirmative action at Harvard University, the University of California, and New York City schools has brought out Asians in support of conservative arguments for meritocracy and against race-based quotas.

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***Pessimism about demographic change is powerful in conservative circles in part because it's self-flattering.***

Asian-Americans are among the most successful participants in the American economy; they compose the highest-earning ethnic

group in the United States and one of the highest-educated. In 2015, median household income for whites was \$63,000 a year. For Asians, it was \$77,000.

Asians are more likely than whites to run a small business. When Asian families immigrate to the United States, they may at first lack proficiency in the English language or American social skills. They will not have immediate entrée into our elite cultural institutions or corporate networks. So they will often run motels, dry cleaners, convenience stores, and restaurants to support themselves and their families. If the natural home of hard-working, taxpaying, family-forming Americans is the GOP, Asians should be voting overwhelmingly for Republicans.

And yet Asians have become a loyal component of the Democratic Party. In the 1980s and 1990s, Asian-Americans voted Republican. George H. W. Bush won the Asian vote in 1992 over Bill Clinton, 55–31. Bob Dole also beat Bill Clinton for the Asian vote, 48–43. But during the era of Barack Obama, Asians turned decisively away from the Republican Party. In the 2012 elections, 76 percent of Asian voters turned out for President Obama: a higher proportion than did so among Hispanics, Jews, or single women, and second only to that of African-Americans. In 2016, two-thirds of all Asian voters supported Hillary Clinton, again the second-highest proportion among demographic groups.

Democrats have rewarded this overwhelming support with an intransigent defense of policies that explicitly or implicitly discriminate against Asians. Nowhere is this more apparent than in the disheartening use of race by elite universities to suppress Asian achievement.

## **SHUT OUT OF TOP SCHOOLS**

In the early twentieth century, Ivy League schools found that the use of admissions tests was leading to a rise in Jewish matriculants. By 1922, Jewish students constituted nearly 22 percent of Harvard College, up from 7 percent

in 1900. This led to alarm among university administrators. Harvard president Abbott Lawrence Lowell sought to rectify this “problem” by developing a “holistic” admissions process that de-emphasized test scores. “We can reduce the number of Jews by talking about other qualifications than those of admission examinations,” Lowell wrote, expressing the view that the ideal proportion of Jews was about 15 percent.

Harvard and other universities changed their attitude toward Jews after World War II. As Americans learned of the Holocaust, it became untenable for universities to continue to discriminate against Jews in their admissions practices. But elite universities never dropped the “holistic” admissions system. Today, that system is used against Asian-Americans.

Under the pressure of a lawsuit, Harvard disclosed last summer that Asians would make up 43 percent of the student body if academic considerations alone dictated admissions. This seems about right, given external statistics. In 2012, Asians represented 13 percent of California’s population but 59 percent of California’s National Merit semifinalists: those whose scores on the PSAT were in the top 0.5 percent of all test-takers. In Texas, in 2010, Asians were 3.8 percent of the population but more than 25 percent of the National Merit semifinalists.

But even though, on average, Asians rated the highest in Harvard’s admissions system for academics and extracurricular activities, they also had the lowest score for “personality,” which includes traits such as “humor, sensitivity, grit, [and] leadership.” This is “holistic” admissions at work.

By dingling Asian applicants’ personalities, Harvard was able to limit Asians to 26 percent of the class; the college then made “demographic” adjustments, which further limited the Asian proportion to 23 percent.

Moreover, Asians are a rapidly growing share of the US population and of the highest-achieving college applicants. But their share of

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***If conservative values really are about family, personal responsibility, education, and hard work, then Asians are the most conservative group in America.***

the Harvard freshman class has remained magically constant for decades, ranging from 17 to 19 percent. In other words, if Harvard is not discriminating against Asians, Asians’ personalities have deteriorated over time to make up for their rising academic achievement.

The Supreme Court has repeatedly upheld Harvard’s racially discriminatory “holistic” system; every Supreme Court justice appointed by Bill Clinton

or Barack Obama has voted to support race-based admissions programs in the name of “diversity.” These Democratic appointees have been joined by enough Republicans to maintain the anti-Asian status quo.

Democratic legislators have also supported anti-Asian policies, especially in education. Democrats in California, for example, have sought repeatedly to overturn Proposition 209, which is the only law preventing state universities such as Berkeley and UCLA from resuming the use of race to suppress Asian admissions. In New York City, Mayor Bill de Blasio has proposed ending the sole use of standardized testing to determine entrance into magnet schools

such as Stuyvesant and Bronx Science, where Asians now constitute more than two-thirds of the student body. Calling the racial demographics of these schools a “monu-

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***How have Democrats rewarded Asians’ overwhelming support? With an intransigent defense of policies that discriminate against them.***

mental injustice,” the mayor declared: “Can anyone defend this? Can anyone look the parent of a Latino or black child in the eye and tell them their precious daughter or son has an equal chance to get into one of their city’s best high schools?” When Asian groups protested, Richard Carranza, the city’s schools chancellor, responded, “I just don’t buy into the narrative that any one ethnic group owns admissions to these schools.”

## **IT’S TIME TO STEP FORWARD**

While school admissions is a top-tier issue for Asians, disregarding it is not the only way in which Democratic leaders take Asian voters for granted. Although Asians earn high incomes and run the small businesses that suffer the most from growing government, Democrats have aggressively resisted Republican tax cuts and the Trump administration’s deregulation initiative.

But Republicans deserve much of the blame for this state of affairs. Like past immigrants, many Asians first land in our largest cities: the ones that conservative pundits sometimes exclude from “the real America.” The Republican Party no longer seriously contests elections in the inner cities as it did in the late nineteenth and early twentieth centuries, when many Irish, Italians, and Eastern Europeans immigrated to the United States. Asian-Americans who rely on municipal government for safe streets, business licenses, and good schools may never meet a serious Republican politician. At naturalization ceremonies throughout the United States, where new citizens pledge their allegiance to the flag, representatives from the Democratic

Party are usually waiting outside to register them to vote. Republicans rarely are.

But the tension between Asians and conservatives may run deeper. Immigrants from Korea and China are among America's most fervent evangelical Christians, but immigrants from India are more likely to be Hindu or secular. It is quite apparent to these communities that there are conservatives who view them with suspicion because their ancestry is not European or their faith not Christian, or simply because their rapid success has surpassed that of other Americans whose families have been here longer.

For demographic optimists within the conservative movement—those who wish to show that ordered liberty is a universal principle that can make life better for everyone—Asian-Americans represent an ideal opportunity. A conservative and Republican coalition that includes Asians will gradually learn how to talk about its principles in a way that appeals to both nonwhites and non-Christians. Asians, in this way, could help Republicans learn how to appeal to all minorities.

But if conservatives and Republicans are to win back the Asian vote, they must refresh their policy agenda and reform their political culture. First, they should go beyond simple distaste for race-based affirmative action and prioritize the enactment of a workable replacement. It would be far more faithful to the Constitution to give an advantage to university applicants with lower socioeconomic status than to employ race-based quotas. It would also be more fair. While socioeconomic preferences might adversely affect high-income Asians relative

to a purely academic standard, Asians would recognize that such an approach does not discriminate against their children on the basis of skin color. It would also

not insult them, as does race-based affirmative action, by assuming that all Asians are monolithic in their views or experiences. Conservatives should be the ones upholding the principle that hard work and talent are more important than accidents of birth, wealth, or social networks.

Second, conservatives should learn from Canada and Australia and embrace a skills-based approach to immigration. Many Asians oppose illegal immigration for the same reasons that conservatives do: most Asians came here legally and see illegal immigration as unfair—to them. But Bannon-style

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***Asian-Americans who rely on municipal government for safe streets, business licenses, and good schools may never meet a serious Republican politician.***

restrictionists who seek to suppress all immigration—both legal and illegal—drive Asians away.

As Reihan Salam argues in his recently published book, *Melting Pot or Civil War: A Son of Immigrants Makes the Case against Open Borders*, conservatives should urge a shift away from family-based immigration—which currently dominates federal policy—and toward an emphasis on immigrants' ability to support themselves and their families without relying on the safety net. This would help improve the economic welfare of those already here.

Trump was on to something when he told Bannon that the United States ought to change policy to persuade foreigners who receive advanced degrees at American universities to stay. In his book, Salam reviews evidence showing that the most self-sufficient immigrants are those with college and graduate degrees. Conservatives should support offering permanent residence, with a pathway toward citizenship, to every law-abiding foreigner who graduates from a US college or university.

Conservatives could similarly advance preferences for those who serve in the US armed forces, help our troops or diplomats abroad, or offer important economic skills. If our nation suffers from shortages of doctors, nurses, engineers, computer scientists, teachers, and emergency responders, conservatives should deploy the immigration system to help meet those needs. Otherwise, that knowledge and skill will stay abroad, where it may even benefit our foreign rivals.

In purely demographic terms, both the optimists and the pessimists are right. A Republican Party composed solely of white voters will not survive the twenty-first century. Even if the United States were to enact what many pessimists fantasize about—a total moratorium on future immigration—it would make little difference. Since 2013, the majority of American births have been to minority or mixed-race parents. Generation Z and whatever we end up calling the generations that follow will all grow up in an ethnically and racially diverse America, as millennials already have.

If the conservative movement and the Republican Party want to attract Asians, the most important thing is to want to include Asians in their coalition. Playing hard to get doesn't work in politics, yet conservatives often act as if it were up to members of minority groups to realize how wonderful conservatism is on their own. In the real world, it is conservatives' job to make the case to black, Hispanic, and Asian voters that conservative policies will improve their lives.

The Republican Party was founded in 1854 to establish the principle of liberty and justice for all Americans, regardless of race. It was a remarkable

principle, given the practical politics of the time. Republicans, in effect, were promising to diminish the economic and political power of whites—that is to say, voters—in order to liberate nonvoting blacks from slavery.

In recent years, Republicans have lost their connection to that tradition. They can overcome that problem with a well-considered reform agenda and by doing the humble and uncomfortable work of courting people who are different from them. But most of all, change requires the conviction that conservative values can improve the lives of Americans of all races and creeds, and that Americans of non-European ancestry have just as much at stake in the survival of liberty as do the sons and daughters of the American Revolution. ■

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# *Progress and the Moral High Ground*

**The culture war has left America's minority groups where they started: held up as victims, held back from advancement. Conservatives can help them help themselves.**

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***By Shelby Steele***

**A**s many have noted, Donald Trump's presidency is an insurgency. Trump himself is the quintessential insurgent, doing battle with a disingenuous and entrenched establishment. That was his appeal over a field of more conventional Republican candidates in 2016. But last year's midterm elections were disappointing, and Trump has gone wanting for political clout in the immigration fight. His successes—a booming economy, tax reform, low unemployment, increased oil production, the abandonment of terrible treaties, new and better trade deals—have brought him little goodwill even from his own party.

Today's leftist cultural hegemony squeezes President Trump—and conservatives generally—into an impossibility: no matter what they achieve, they

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are always guilty of larger sins. Make the economy grow if you must, but you are still a racist.

So there is a distinct vulnerability that trails Trump and his conservative allies. And even being right—especially being right—is of no help against it. This vulnerability follows from a conviction that first flowered in the 1960s: that America's magnificent founding principles were not enough to ensure a free and morally legitimate society. Once such issues as civil rights, women's rights, and even the Vietnam War become pre-eminently moral issues, it was clear that freedom itself required a moral as well as a constitutional underpinning.

Suddenly our institutions, our politics, and our cultural life all had to be morally accountable. This was the great cultural shift that left modern conservatism vulnerable.

You could see this as far back as Barry Goldwater's infamous acceptance speech at the 1964 Republican Convention. At that historical moment the country was overwhelmed with evidence of America's immorality. Two weeks earlier, Martin Luther King Jr. had won a moral concession from America in the form of the 1964 Civil Rights Act (which Goldwater voted against). There followed riots in the streets, an antiwar movement, and the beginnings of a women's movement, and America's immorality was the subtext of it all.

Yet at the podium, Goldwater was all principles and rectitude. He was a good man, but he was also a man out of time. He seemed to be celebrating a rigorously principled conservatism—a conservatism that was stymied by the Sixties. What Goldwater failed to understand was that in the flux of that decade, adherence to conservative principles was not the point. Evil was the point. And the evil that America owned up to in that era was more than a match for principle. It could destroy whatever principle built. Evil had given us slavery in the middle of a principled democracy. The Sixties gave America the idea of its own evil—and we have not been the same since.

This turn of events opened an extremely prolific vein of power that the left seized upon immediately. Admitting evil obligated America to seek redemption by actually earning an innocence of past sins. Proving your innocence in this way earned you moral authority and, ultimately, political power.

So out of nowhere in the mid-Sixties came the Great Society, the War on Poverty, forced busing, public housing, affirmative action, and so on—a proliferation of redemptive actions meant to reify innocence as a currency of power. Liberalism became essentially a moral movement more informed by ideas of the good than by constitutional principles—more in thrall to innocence than to freedom.



***“AN IMMORALITY”:* Protesters outside the Arkansas State Capitol in Little Rock rally against the integration of Central High School in August 1959. The civil rights era gave America the idea of its own evil, says Hoover fellow Shelby Steele, but even after racism was delegitimized, liberal politicians continue to wield innocence as a currency of power.** [US News and World Report archives—Library of Congress]

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When Speaker Nancy Pelosi called Trump’s border wall “an immorality,” she was smearing him with the evil of racism and thus implying that resisting him was innocence itself. The new liberal motto, “Resist,” is firstly an assertion of innocence.

Conservatism’s vulnerability is simply that it has no way to extract power from the evils America owned up to in the Sixties—no way to use the sins of the past to coerce Americans into doing what it wants. Thus conservatism’s heretofore lackluster showing in our continuing culture war.

But today there is a way for conservatism to overcome its vulnerability. The world has truly reformed since the Sixties. Racism remains a dark impulse in humankind, but America has already delegitimized it. Today minorities suffer from underdevelopment, not racism. And here, at last, is conservatism’s great opportunity.

Conservatism is the perfect antidote to underdevelopment. Its commitment to individual responsibility, education, hard work, personal initiative, traditional family values, and free markets is a universal formula for success in a free society.

Coming at the end of sixty years of liberal failure, conservatism is now “the new thing” in many minority communities. Liberalism’s greatest sin was to incentivize minorities to reject these values and urge them into dependency. But, given this failure, these values now have an air of historical inevitability about them. Not coincidentally, Trump’s approval among blacks has risen; one poll had it at 40 percent.

Justice was always the lens through which the left examined inequality. Justice logically seemed to answer injustice, so it gave the left a framework for understanding the fate of blacks and other minorities—they were victims who had to be socially engineered into equality. But this only put the left on its path to failure.

In reality, justice is both amorphous and impossible. Martin Luther King did not win justice; he won freedom. Justice-focused groups today, like Black Lives Matter, keep casting minorities as victims of America’s old injustices, the better to work white guilt—to extract payoff of some kind. But blacks make little to no progress and, worse, the preoccupation with injustice only leaves them eternally inconsolable and cut off from their own best energies and talents.

Suppose American conservatism begins to argue for *progress* as the best way to overcome inequality—not to the exclusion of justice, but simply as America’s guiding light in social reform. Progress is possible, measurable, and most of all doable. Rather than fight over “microaggressions” and “triggers,” why not, as Booker T. Washington so beautifully put it, “cast down your bucket where you are”?

To put all this on a dangerously romantic level: why not go back to that perpetually workable thing, the American dream? ■

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# *The Once and Future Anti-Semitism*

Hoover fellow **Russell A. Berman** examines the modern motives reviving an ancient hatred.

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**By Clifton B. Parker**

**R**ussell A. Berman, a professor of comparative literature and a senior fellow at the Hoover Institution, is the co-chair of Hoover's Working Group on Islamism and the International Order. He was recently interviewed about the increase in anti-Semitism, particularly in Europe.

**Clifton B. Parker:** What are the historical roots of anti-Semitism?

**Russell A. Berman:** The historical roots are deep, going back to antiquity. The Jewish commonwealth mounted considerable resistance against the Roman empire, and out of that experience a set of anti-Jewish stereotypes developed that were transmitted through Western history. Some claim that anti-Semitism arose even earlier, as an expression of

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resentment against monotheism. It is noteworthy that outside of the monotheistic cultural world, e.g., in China or India, anti-Semitism is negligible, only an import from Europe. But in the long history since antiquity, a distinguishing feature of anti-Semitism has been its ability to take on multiple and contradictory shapes: animus against Jews because they are viewed as capitalists or as communists, as threateningly aggressive or hopelessly weak, as too international or too particularistic.

**Parker:** What is behind the recent rise of anti-Semitism in the United States and Europe?

**Berman:** We have been facing a wave of anti-Semitism for at least a decade. The Pittsburgh synagogue shooting last October stands out for its violence, of course, but it took place in a larger context: the shootings at a Jewish school in France in 2012, attempts to storm a synagogue during anti-Israel riots in Paris, attacks on Jewish individuals in the streets of Berlin, and the centrality of anti-Semitism in the political profile of the leader of the British Labour Party, Jeremy Corbyn. What drives this current resurgence? I see at least three framing factors.

The 2008 financial crisis can be taken as a marker of the crisis of globalization. The utopian aspiration that the world would move smoothly into an integrated international order has come to an end. One element in the discourse of anti-Semitism is the imagery of Jews as always homeless, wandering and therefore international. That stereotype has re-emerged as a way to misrepresent the obsolescence of globalism and produces anti-Semitic discourse, especially on the far right and far left: the international Jew as the enemy in an era in which international structures are growing objectively weaker.

In addition, the status of religion in public life is changing around the world. Despite predictions of global secularization, we see a resurgence of identifications with faith communities—Pentecostals, evangelicals, but also Hindu nationalism, Islamic neo-traditionalism, and of course Jewish orthodoxy as well. These revivals of religion have, however, elicited an anti-religious opposition, a general hostility toward all markers of faith. For example, anti-Mormon rhetoric was mobilized against the Romney presidential campaign. We have also seen anti-Catholicism seep into public life, for example in the recent reporting around the incident in Washington, DC, concerning students from a Catholic high school. Anti-Semitism fits this pattern: animosity to a sign of religious identification.

In this context, one should also mention a generalized suspicion of Islam, i.e., the confusion of Islam as religion with the jihadist extremism of a fringe. But most violence against Muslims is part of the intra-Muslim conflict between Sunni and Shia rather than a secularist rejection of religion (one exception: the emphatic secularism in France as a motivation for the ban on the headscarf).

There is also an anti-Semitic spillover from the Middle East conflict. This highlights the impossibility of separating anti-Zionism from anti-Semitism. Attacking Jews in the United States or in Europe for events in Israel amounts to blaming Jews in general for Israeli politics. That is anti-Semitic, clearly. But there's more to this matter. Jewish communities in the United States tend to be politically liberal and often critical of the Israeli government (although supportive of Israel's right to exist). Stronger political support for Israel comes from the much larger Christian Zionist community, by no means exclusively evangelical. Yet while the anti-Israel left, the supporters of boycotts and the like, have a habit of demonstrating outside of Jewish institutions, including synagogues, I have never heard of an anti-Israel demonstration outside of a pro-Israel church. Evidently, attacking Israel is only worthwhile if it includes an attack on Jewish, not Christian, supporters. That's evidence of the anti-Semitic character of contemporary anti-Israel activism.

**Parker:** Why does anti-Semitism seem prevalent among the extreme left and extreme right of the political spectrum—or is it becoming more mainstream?

**Berman:** In many countries we are seeing a breakdown of traditional political-party structures and the rise of the extremes, but also the adoption of extremist positions by the mainstream. The most notable example is the transformation of the Labour Party in the United Kingdom. Given the political confusion around Brexit, we should not discount the possibility of Corbyn's becoming prime minister—he would be the first Western European head of government tied consistently to anti-Semitism since the end of the Second World War.

Germany represents an interestingly different case. Chancellor Angela Merkel has been outspoken in her criticism of anti-Semitism and in her rhetorical support for Israeli security. However, her government has simultaneously supported maintaining strong ties to Iran, which is the most prominent anti-Semitic power today, with its continuous Holocaust denial and its calls for the elimination of the state of Israel—along with its favorite invocation of “death to America.” The sincerity of Germany's rejection of anti-Semitism



**THE LAST WAVE:** *Jews and France* was an exhibit that ran in Nazi-occupied Paris in 1941–42. The German propaganda effort, which also included a film, coincided with roundups of Jews in France. This image is by artist René Perón (1904–72), who specialized in movie posters. [Musée Carnavalet, Histoire de Paris]

contrasts with its willingness to give Iran a pass, presumably because of the prospects of commercial relations with Tehran.

**Parker:** Is anti-Semitism a problem on college campuses, and if so, what is happening in this regard?

**Berman:** College campuses ought to be spaces for free discourse, and the vast majority of scholars and students go about their business of teaching, learning, and research. But there are fringes that misuse the academy in order to hawk their wares. While both ends of the spectrum are guilty, the main motor of anti-Semitism on campuses today comes from the boycott, divestment, and sanctions (BDS) movement, with its goal of ending the state of Israel, which means rendering about half of world Jewry—Israel's Jews—stateless. It is unlikely that BDS will succeed in that goal, but in the meantime, it has succeeded in producing a hostile environment for Jewish students on some campuses.

**Parker:** Are there public policies that are needed now to address anti-Semitism in the United States?

**Berman:** Attacks on Jews, Judaism, and Jewish institutions ought to be accorded the same attention given to attacks on others: equal protection by the state. However, in this age of increasing divisiveness, some voices advocate prohibitions of anti-Semitic or other racist or hateful speech. I worry about going down that route. The country seems to be obsessed currently with the problem of “fake news.” The only possible outcome of that discussion will be a system of censorship in which some offices, public or private, will decide which news should be permitted and what language should be disallowed. We should not careen into government control of speech, even if that means putting up with speech we abhor. That's the price of liberty. ■

*Special to the Hoover Digest.*



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# “China Will Reclaim Its Greatness”

China expert **Elizabeth C. Economy** analyzes a “third revolution” and a second coming: that of Mao Zedong, in the form of Xi Jinping.

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**By Andy Fitch**

**H**ow has China fared recently on reaching its own official goals (economic growth, governmental accountability, military power)? How to assess China’s claims of having become a responsible international leader? This conversation focuses on Elizabeth Economy’s new book, *The Third Revolution: Xi Jinping and the New Chinese State* (Oxford University Press, 2018).

**Andy Fitch:** I appreciate this book’s attempts to measure what a Xi Jinping-led Chinese Communist Party (CCP) seeks to accomplish against what it does accomplish. Could you outline basic elements of what *The Third Revolution* might consider Xi’s “Chinese dream”: in terms of GDP growth, baseline social welfare, globally projected military capacity, and long-term domestic stability

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for a CCP-led “socialism with Chinese characteristics”? And how might these specific details of Xi’s Chinese dream compare to other potentially viable models for what a Chinese dream could look like?

**Elizabeth C. Economy:** At the heart of Xi’s Chinese dream there is the idea that China will reclaim its greatness, and maybe its centrality on the global stage. How Xi intends to go about this distinguishes his China from “Chinas” that have come before, and from previous leaders’ conceptions of Chinese greatness. Preceding leaders, from Deng Xiaoping on, have talked about revitalizing China and reestablishing its greatness. So, in that way, Xi’s Chinese dream offers nothing new. But Xi has set out different targets and objectives. He has certainly prioritized a robust CCP at the forefront of the political system. And since he first came to power, Xi has emphasized addressing corruption in the party—because the party had become little more than a stepping stone for officials’ personal, political, and economic advancement.

Xi also wants a People’s Liberation Army (PLA) that is capable of fighting and winning wars. Of course, this army has had no actual combat experience

since the failed invasion of Vietnam in 1979—which is still not really acknowledged. Xi has this untested military, and he doesn’t necessarily hope to test it in the near future. But he

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***“We’ve seen a simultaneous shift away from Deng’s much more low-profile foreign policy to something far more ambitious and expansive.”***

does aim to ensure, in terms of the military’s organization and capabilities, and the sophistication of its weaponry, that it is topflight. Xi believes that the PLA needs the capacity to protect not only the Chinese homeland but also China’s assets abroad, whether its people, transmission lines, supply chains, or commercial routes.

On the economic front, Xi wants Chinese incomes to double between 2010 and 2020. He wants China to have fully modernized its economy by 2049. Basically, he wants China to compete not just as a global manufacturing center but as a global innovation center rivaling the United States, Germany, and Japan. Beyond raising Chinese income levels and eradicating the poverty that still remains in his country, Xi seems focused on developing this competitive, advanced economy where China can stand toe-to-toe with anybody in the world.

**Fitch:** My first question focused on one individual within a country of 1.4 billion people, and amid a governing structure that at times has produced

more-diffuse party leadership than any single-minded focus on a given CCP general secretary might suggest. How much does a Xi-led government differ from recent predecessors?

**Economy:** I do consider Xi a transformative leader. I think of what this book terms “the third revolution” really as upending Deng’s second revolution. Let me quickly sketch four important ways in which Xi’s revolution marks a departure from the Deng model of reform and opening up.

First, Xi has consolidated personal political power. He is not one among many within the Politburo Standing Committee. Xi is first. He sits at the top of the most important

committees overseeing broad swaths of Chinese policy. He has essentially abolished the two-term

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***“Xi has set out different targets and objectives.”***

limit for the presidency—a shift that went against the grain of many retired officials and elites within the CCP, who took pride in the Deng-era institutionalization of succession that this two-term limit represented. In terms of the expanding cult of personality around Xi, his willingness to allow the Chinese people to write songs about him, to mount huge posters of him, to revise recent Chinese historical narratives to stress his role (or even to stress his father’s role) while downplaying other Chinese leaders: in all of these ways, you see a big shift from the Deng era’s emphasis on collective leadership.

Second, we’ve seen an increased penetration of the CCP into Chinese life (both political and economic arenas), whereas Deng sought to withdraw the party to some extent, to deconstruct the state-owned-enterprise system, and to enhance the role of the market. Xi’s CCP is playing a much more intrusive role on the Internet, by constructing the social credit system, and by expanding a surveillance state

into something more like a police state.

These shifts represent an increase of CCP presence in commercial

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***“Xi has this untested military, and he doesn’t necessarily hope to test it in the near future.”***

firms and nongovernmental organizations—basically blurring lines between private and public in ways we haven’t seen since the Mao Zedong era.

A third significant shift has been Xi’s increasing control over what comes into China from the outside world. Xi has launched a pretty significant campaign to root out Western values and ideas, whereas Deng always believed

that China had a lot to learn from the outside world, and a lot to gain by attracting foreign capital. Xi perceives foreign ideas and foreign competition as a threat, not as something that could potentially make China stronger. So, we've seen, for example, a very precipitous drop in the number of foreign nongovernmental organizations operating in China, from somewhere over seven thousand to fewer than four hundred in 2017.

Finally, we've seen a simultaneous shift away from Deng's much more low-profile foreign policy to something far more ambitious and expansive.

## RHETORIC AND REALITY

**Fitch:** China, an illiberal state, seeks to project itself as a pillar of the prevailing liberal international order. China presents itself as a champion of global trade while obstructing the free flow of information, capital, and material goods into its own society. Xi's China claims to responsibly pursue a "shared future for mankind" even while undermining existing international regimes on environmental protections, human rights, and bioethics. What would be the most proactive steps that Xi's CCP could take in the near future to convince the United States and its allies that China's pursuit of economic and



political self-interest need not prove irreconcilable with robust pro-liberalization international norms?

**Economy:** I'd say that China poses a significant challenge to the values of the liberal international order in terms of market democracies, human rights, freedom of navigation, and free trade. So, what would it take for Xi to stand up at Davos and proclaim China a champion of globalization and a leader on climate change, and for us to believe that he really means it? Here I'd note that while much of the media and many international figures at first seemed to accept some of Xi's rhetoric blindly, increasingly, as they observe China's global impact, they have changed their tone. They've started questioning this gap between the rhetoric and the reality.

Whether on a topic like Internet sovereignty or the protection of human rights, I think China's approach and actions now trouble many people throughout the world. I sense much more resistance to any default assumption or acceptance of China becoming a global

hegemon, and a model capable of replacing the United



[Taylor Jones—for the Hoover Digest]

States. I think many countries feel that China is actively trying to undermine their own democracies and norms and values, for example in Australia. Countries are taking this as yet another signal that Chinese institutions operate in ways that people (both at home and abroad) cannot and should not trust.

If you did want to point to China stepping up to the plate and becoming a responsible global player, then maybe you could point to policies like the Belt and Road Initiative (BRI), which certainly has self-interested elements, but which also could potentially contribute to constructive developments in some of the least developed countries, and could provide a positive force for global growth overall. Though here again, we see a lot of concern about the way that

China does business, the lack of transparency in Chinese lending practices, China's failure to undertake social- and environmental-impact assessments for some

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***“Xi seems focused on developing this competitive, advanced economy where China can stand toe-to-toe with anybody in the world.”***

of these large infrastructure projects, China often not using local labor (with close to 90 percent of Xi's projects actually completed by Chinese construction firms), and corrosive debt and corrupt dealings at the top governmental levels in any number of countries. So, while the ideas behind the BRI in its broadest conception still could find themselves received positively around the world, as China moves forward with this initiative, we have seen many problems emerge.

One area where China has developed interesting ideas (again, certainly self-serving, but perhaps worth exploring further) might be around the principle of a “community of shared destiny.” When you follow Xi's public statements, or when you travel to China and talk with foreign-policy officials and analysts, this idea comes up repeatedly. It sounds very benign. But at its heart it translates into the end of the US-led alliance system. Basically, China would characterize this US-led alliance system as anachronistic, as a relic of the Cold War, as something we no longer need. Plus, China never got to play a substantial part in those alliances.

So, now we really need a community of shared destiny—which sounds fair and reasonable, right? Would it be worth it for the United States and China (and all other countries in the world, frankly) to sit down and think through what a new security architecture might look like? Maybe. But again, until China demonstrates its willingness to uphold certain fundamental principles and rights (even on agreements it already has joined, such as the United Nations Convention on the Law of the Sea, or in relation to the World Trade Organization), I

think many countries will feel quite reluctant to work with China on redesigning international institutions or drafting new rules of the road, because these countries don't see China upholding the principles that have in fact contributed to peace, stability, and prosperity for the past seventy years.

## BIG BROTHER IS WATCHING

**Fitch:** Shifts in governmental approaches to open public discourse on the Internet illustrate perhaps the most drastic escalation in domestic social control. In terms of the goals set for Xi's own Chinese dream, to what degree do you see the liberalizing digital technologies that emerged in this century's first decade as having helped to fuel China's domestic growth? How might longer-term economic development now be most acutely stifled by restricted information exchange?

**Economy:** Let's start with the political side. Here again, one of the most striking things about the Xi regime has been the extent to which it has married traditional forms of political control and repression with new technologies—how it has dramatically ramped up its Internet activity, for example, both by hiring many more people to do online censorship and monitoring and pro-CCP commentary, and by deploying new technologies (while also bringing the big Internet companies like Baidu, Tencent, and Alibaba into the fold, and making them responsible for censorship, under the threat of punishment if they fail in this task).

This whole technology-based domestic strategy has been dramatically enhanced under Xi. You see a willingness to use technology in both old and new ways. China has revitalized its system of informants, with many new opportunities to monitor classrooms and neighborhoods and workplaces, and to report any incorrect thoughts

or suspicious political

behavior. But China

also has developed new ways to use cameras.

It has installed two

hundred million new surveillance cameras and wants to triple that number by 2020. It has developed not only new facial-recognition capacities but also voice-recognition—and it can even recognize a person by how that person walks. The fusion of new technology and traditional forms of social control has created an extraordinary surveillance state.

How might all this impact the Chinese economy? Xi's government still has to grapple with that fundamental question. When you clamp down on Google

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***“Many countries feel that China is actively trying to undermine their own democracies and norms and values.”***

searches, you get Chinese scientists complaining: “We can’t even access the latest research being done by our compatriots on a global basis. We can’t compete if you keep us out of those discussions.”

When you tell Tencent that you’ve just established a government board on video games, and that they can’t produce new video games for the next six months, you harm Tencent not only in the short term but also in the long term. Potential shareholders now understand that, at any moment, the Chinese government might use its political control to shape the economic future of this company, and that even basic investment decisions might not get made according to sound market principles.

All of this hinders China’s ability to compete on a global basis, but Xi, at least for now, seems willing to make such sacrifices to ensure that no threat to political stability emerges.

**Fitch:** Your book discusses China’s Orwellian-seeming social credit system, and I found particularly fascinating this system’s apparent popularity and elective adoption by so many young people. What might that tell us about the lure of incrementally expanded data analytics to monitor and reshape everyday life—not just in China, but anywhere? What might it confirm for China’s authorities about how rewarding conformist behavior can prove even more conducive to population control than explicitly punishing dissenters, activists, or conscientious abstainers?

**Economy:** This idea of the model citizen is very Maoist. And using technology to accomplish this goal is really what the social credit system is all about. It’s a massive social engineering project designed to shape the behavioral preferences of Chinese citizens. It doesn’t only track whether you yourself participated in a protest; if your friends participate, that too

will lower your social credit score. Or if you haven’t repaid your debts, your face might get featured on a big bill-

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**“This idea of the model citizen is very Maoist.”**

board as a form of public shaming that recalls the Mao era. You can even download an app that tells you whether a person who has failed to repay their debts is standing someplace close by. These technologies have introduced new ways of embarrassing people—as well as, of course, rewarding and punishing people based on similar criteria. There are already upwards of ten million people who can’t board a plane or a train in China because they haven’t repaid their debts, for example.

The social credit system already has over forty pilot projects under way, each evaluating a different set of metrics. By 2020, China has promised one integrated overall national program, but even that will include differences among regions. And I do think that, on one level, a social credit system sounds quite appealing. Basically, it seems to mean that if you adhere to your country's laws, then your country will reward you. You'll go to the front of the airport line; you'll get preferential access at a popular restaurant; you'll sense the real advantages. And you'll recognize why you don't want to end up one of those people who can't board a plane.

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***“The fusion of new technology and traditional forms of social control has created an extraordinary surveillance state.”***

Of course, new problems will arise, because, first of all, ordinary people don't know exactly what metrics will be used. Similarly, these metrics might evolve in ways that most people find incredibly intrusive. Or, again, even if you do nothing wrong, but your friend does, you might get punished and might need to make a formal apology to get yourself off a blacklist, with a judge determining whether you have apologized sincerely. I sense that this combination of wide-ranging metrics and the capriciousness of the system will only become better known and increasingly problematic for many more Chinese people. For now, many Chinese still might say: “We don't have a lot of trust within Chinese society, especially outside the family, and this social credit system can help us to develop that trust.” But the extent to which this thing could become a monster has yet to be fully understood.

## **RETHINK AND RESET?**

**Fitch:** China's authoritarian approach to domestic digital activity also of course points to complex calculations that US and European tech companies face as they seek to pursue the enormous opportunities available if they can break into China's walled-off markets, and as they assess the risks posed by Chinese companies' and regulators' frequent demand for secrecy-breaching technology transfers as compensation for granting access to China. Within this broader international context of unfair market conditions for American firms, of potential threats to corporate and to US domestic security, and of recent presidential administrations' (both Democrat and Republican) conciliatory engagement with a hard-pressing China, what would be baseline policy

objectives you would set for measuring whether the United States succeeds in its relations with China over the next decade?

**Economy:** It's too early to make a fair assessment of the Trump administration's China policy. I will say that I think the administration has undertaken a necessary rethink and reset of US policy toward China. It has recognized that the Xi administration is fundamentally different from what has come before, and it has moved to address some of the fundamental problems in the relationship, such as China's greater assertiveness in the South China Sea, China's establishment of an uneven playing field in trade and investment, and Chinese influence operations within the United States.

The Trump administration also has been more multilateral in practice than in rhetoric. Although President Trump does not appear to place much value on allies and partners, the foreign-policy bureaucracy has actively engaged with actors throughout the region on areas of common interest and purpose, such as developing infrastructure projects that are competitive with the BRI and protesting Chinese human-rights practices.

What's missing from the US approach, however, is any thought given to areas of cooperation between the two countries. US-Chinese cooperation has been instrumental in shaping the development of civil society in China, in establishing laws and regulations in areas like the environment and public health, and in strengthening forces of reform within the country. Over the long term, this type of cooperation is essential for the development of a healthy and stable bilateral relationship. ■

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# *Tempted by Technology*

**Huawei's new wireless networks may drive a wedge between the United States and its close ally Britain. Is shiny new tech worth the risk of opening a door to Chinese spies?**

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**By Michael R. Auslin**

**T**he Trump administration has warned the German government that if it uses 5G wireless technology built by China's Huawei, Washington will curtail intelligence sharing with its NATO ally. American officials are concerned that Berlin's willingness to host Chinese technology threatens NATO's security and will give cover to other countries considering letting Huawei into their telecommunications systems. Yet Washington's blunt statement might also have been a shot across Britain's bow.

Far more than Germany, Britain is a key intelligence partner of the United States, the cornerstone of the so-called "Five Eyes" community. If Whitehall permits Huawei to set up 5G networks in Britain, the White House will face the unpleasant choice of ignoring its deeply held concerns about Huawei's potential security risks or possibly cutting back intelligence cooperation with

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its closest ally. More than any other potential disagreement across the Atlantic, the Huawei case could threaten the “special relationship.”

Britain’s mandarins are steadily moving toward accepting Huawei as one of the builders of the country’s 5G networks. Recently, the National Cyber Security Centre, part of GCHQ, the government’s signals intelligence department, announced that it could manage the threat of Huawei being able to use its network to spy on the United Kingdom. This follows statements by the head of MI6, Alex Younger, who raised concerns about Huawei but also criticized the idea of a blanket ban.

At the center of the Huawei issue is the way that 5G promises to change the way we communicate digitally. First, its potential to massively expand the data capacity of networks means that just about everything comprising the “Internet of things,” from dishwashers to cars, may one day be linked together. This could provide unimaginable amounts of personal data to the companies that run these networks and provide cloud storage.

Second, 5G operates differently from previous cellular technology, and is based on shorter-range base stations that will link directly to wireless modems or phones, bypassing the fiber-optic lines that currently are brought into homes and businesses and which are connected in turn to the large local cell towers that dot the landscape. This is the shift from “radio access networks” to “software-defined networks.” US telecommunications giant AT&T, for example, plans to install software-powered “white box” routers on its sixty thousand cell towers. The software-driven approach to 5G will allow for much greater centralization because the system is now directly programmable by network controllers.

All this means that allowing Huawei into a country’s domestic telecommunications network means giving it unparalleled access to homes, businesses,

schools, and hospitals. It also raises the possibility of massive surveillance through both hardware and software routes.

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### ***The Huawei case could threaten the US-British “special relationship.”***

Since usage and storage demands can be far more quickly reallocated by centralized controllers, the ability to divert or copy information to alternate sites also rises.

Giving Huawei such reach inside Britain is a potential problem made even worse by China’s new national intelligence law, whose Article 7 mandates that Chinese individuals and business cooperate with the central government and “provide assistance and cooperate in national intelligence work.” There



***BLACK BOX: A surveillance camera monitors passers-by outside a Huawei campus in Dongguan, China. New 5G Internet technology promises to massively expand networks' data capacity, and many security analysts worry that Huawei could funnel such information to where it doesn't belong.*** [Tyrone Siu—

Reuters]

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is little reason to believe that Huawei, for all its protestations of independence, could ignore Beijing's demands to turn over data or use its networks, if it's technically possible, for espionage purposes.

Meanwhile, Chinese spying on foreign countries continues to increase. The US Navy, for example, recently concluded that it was “under siege” from a relentless cyber-espionage campaign directed by Beijing (and Moscow) that aimed to steal military secrets. Despite promises made by President Xi Jinping to former US president Barack Obama that his country would curtail espionage against America, the opposite is occurring.

Britain differs from Germany in that London has not allowed Huawei into its government networks, and also has demanded changes in the company's security and engineering systems that could cost up to £2 billion to carry out. Yet if the government does decide to allow Huawei into 5G commercial networks, it may be too difficult to monitor any unauthorized use of data by the company. It is also not inconceivable that if it's determined that Huawei

poses no commercial threat, sometime in the future it may be allowed to participate in government communications systems.

If London allows Huawei into Britain, there can be little confidence that the Chinese-built networks won't be used in some way, at some point, to illicitly gather information. And as the Sino-US global competition grows ever

more intense, that could possibly prompt Washington to reassess the level of intelligence it shares with the United Kingdom.

Any type of degradation in the intelligence-sharing relationship between the United States and Britain

would have political ramifications, quite possibly driving a wedge between the allies. Washington's warning to Berlin about allowing Huawei into its 5G networks should be listened to just as carefully in London. ■

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# *Telecom Buyer, Beware*

**All telecom technology, not just Huawei's, presents security risks. And all of those risks are potentially manageable.**

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***By Herbert Lin***

**T**he United States, Australia, and New Zealand have staked out policy positions that prevent or strongly discourage the acquisition of Huawei 5G technology for use in their national communications infrastructure. Other US allies have announced or are considering policy positions that do not go so far, and would indeed allow such acquisition to some extent. Arguments on both sides obscure some important points and are silent on others.

The pro-Huawei side argues that Huawei equipment has never been shown to be compromised and that inspecting and testing Huawei hardware and software would prevent the implantation of vulnerabilities that would compromise the products. The anti-Huawei side argues that because Huawei is ultimately subject to the control of the Chinese government, the security of a communications infrastructure based on Huawei's 5G technology depends on choices made by that government, thus placing control of a critical national infrastructure in the hands of a foreign

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government that poses—or, at least in their view, could pose—an unacceptable security risk.

It's worth unpacking these arguments and adding some technical realities into the debate.

The pro-Huawei argument is not persuasive. I have heard various rumors of Huawei equipment being released in a compromised state (for example, USB drives that contain malware), but I have seen no evidence or credible report-

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### ***Delays in patching Huawei devices do suggest a failure to confront cybersecurity vulnerabilities.***

ing to substantiate any of them. At the same time, an old saying in the intelligence community holds that “we have never found anything that the adver-

sary has successfully hidden”—or, more colloquially, the absence of evidence is not evidence of absence. If we are unsuccessful in uncovering an implanted compromise, is it because no adversary planted one or because an adversary implanted it so cleverly that our techniques were unable to detect it? Those in the intelligence community are quite aware of this analytical problem, and a risk-management strategy driven primarily by intelligence-community concerns would focus on an adversary's intent and capabilities, essentially dismissing the fact that “nothing bad has been found.”

Perhaps more to the point is that vulnerabilities *have* been found in Huawei equipment and the Huawei response has been deemed wanting. For example, the *Register* ([www.theregister.co.uk](http://www.theregister.co.uk)) noted that in 2013 Huawei was notified of a firmware vulnerability in certain broadband gateways that could be exploited by adversaries to gain remote access. Though Huawei reportedly patched the vulnerabilities in the specific devices mentioned in the notification, other gateways in the same series using the same firmware were not patched. When the vulnerabilities were rediscovered in those other devices some years later, Huawei then patched them.

### **PATCHWORK**

Information technology products and services contain vulnerabilities—with respect to that reality, Huawei is really no different from any other technology vendor. Whether the failure to patch a known vulnerability demonstrates a deliberate attempt by Huawei to render certain devices vulnerable is impossible to know, though I am inclined not to believe that allegation. But the delay in patching the other devices does suggest a Huawei failure to address cybersecurity vulnerabilities aggressively, a point consistent with

the Huawei Cyber Security Evaluation Center Oversight Board's 2019 report discussing "serious and systematic defects in Huawei's software engineering and cyber security competence."

As for inspections and testing of Huawei equipment to be deployed, such activities could raise confidence in the integrity of such equipment. Nonetheless, no reasonable amount of system testing can prove that the system is free of defects (for example, security vulnerabilities or software bugs). Testing offers evidence that a system meets certain requirements—such as producing certain outputs when given certain inputs—but cannot demonstrate that the system will not also do something undesirable.

A more important point is that with software and firmware updates, the functionality of any system running that software or firmware need not be identical to what was in place before any given update. Indeed, if the system's behavior were absolutely identical in all possible circumstances, the update would be superfluous. So an inspection of "the system" at a moment before the update may not be particularly relevant to its behavior after the update.

In a world of unconstrained resources, it would be possible to inspect and test every update Huawei offers. But we don't live in that world; moreover, whether such inspec-

tions would be adequate to provide well-founded assurances that nothing is amiss is a different and unresolved question. Also, even if

such inspections did occur, they would take time, thus delaying the deployment of updates—and in the vast majority of cases, those updates would be benign and indeed necessary to fix bugs and patch security vulnerabilities. Thus, patch inspection and testing would have to be done after deployment. Assuming that a flawed (or vulnerable) patch had been installed, it would then have to be removed.

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***Risk management should focus on an adversary's intent and capabilities. It's irrelevant that "nothing bad has been found."***

## **THE KNOWN UNKNOWN**

The anti-Huawei argument has some substance to it. Even stipulating that Huawei equipment has never been shown to be compromised and that Huawei installations would not be compromised in any way, the undeniable fact remains that Huawei is subject to Chinese law requiring Chinese organizations or citizens to "support, assist, and cooperate with state intelligence work." On February 20, the CEO of Huawei asserted on *CBS This Morning*

that “we absolutely never install back doors. Even if we were required by Chinese law, we would firmly reject that.” Such a claim would be more believable if Chinese law made provisions for the appeal of such requirements to an independent judiciary, but to the best of my knowledge, the Chinese judiciary has never ruled against the Chinese Communist Party. (Of course, the history of US government influence, both attempted and actual, over other global suppliers of technology products could also give pause to those contemplating such acquisitions.)

But the anti-Huawei argument is also misleading because it does not acknowledge possible risk-mitigation measures that could be taken should Huawei technology be adopted. In practice, the cybersecurity risks posed by embedded Huawei technology fall into the traditional categories of confidentiality, integrity, and availability. Concerns about the compromise of data confidentiality and integrity can be addressed using known technical measures, such as virtual private networks (VPNs) and end-to-end encryption. Indeed, such measures are widely used today in securing confidential communications that take place over insecure channels. Concerns about availability are harder to address, because nothing prevents the vendor from installing functionality that will disrupt or degrade the network at a time of its choosing; the only known solution to the loss of availability (that is, turning off the network) is backup equipment from a different vendor that can be used in an emergency.

All of these measures would add initial and ongoing inconvenience, complexity, and expense to a decision to acquire Huawei technology. Ensuring

end nodes are properly configured to use secure encrypted channels even on internal networks is hard under the best of circumstances. (Note that in the “Internet of things” (IOT) world that 5G

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***It's not exactly a question of whether Chinese technology can be “trusted.” It may be a question of whether risk mitigation makes Huawei gear too expensive.***

technology is expected to support, IOT devices serving as end nodes would have to be configured in just such a way—and would thus be more expensive than the same devices without such configuration.) Network segmentation becomes even more important in such an environment, although it is something that should be done in any case.

Maintaining user discipline to take the necessary measures to operate safely is challenging as well. Backup channels entail extra expenditures, but presumably one would need backup channels only for critical functions.

Thus, backup channels would be deployed less extensively than the full-blown network. Functionality limitations of backup channels would be relevant only in times of crisis or conflict. Under normal “peacetime” circumstances, the Huawei 5G could be expected to provide all of the necessary functionality.

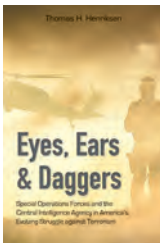
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***In a world of unconstrained resources, it would be possible to inspect and test every update Huawei offers. But we don't live in that world.***

By omitting any mention of risk-mitigation measures and their incremental costs in currency, convenience, and complexity, the canonical anti-Huawei argument is overly simplistic, as it reduces the question simply to whether Chinese technology can be “trusted” given the Chinese government’s power over Chinese companies. In practice, the incremental costs of risk mitigation may be high enough to render Huawei technology uncompetitive, though on economic grounds rather than policy grounds.

Aware of their willingness to accept risk, policy makers should be weighing these costs against other considerations such as price, speed of deployment, and functionality where Huawei technology might have an advantage over other vendors—and that comparison could reasonably go either way. The calculation is more complex but more accurately reflects the dilemma faced by policy makers. Reframing the debate in terms of the costs of risk mitigation would also have the salutary benefit of highlighting possible defects in Huawei’s underlying engineering and quality-control processes for all potential customers and giving those potential customers courses of action to mitigate risk should they decide to acquire Huawei technology. ■

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# *Kim Already Has What He Wants*

**Since peaceful change would threaten his very survival, Kim Jong Un is prepared to hold the world at gunpoint indefinitely.**

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***By Paul R. Gregory***

**A**ny agreement that President Donald Trump offers North Korean leader Kim Jong Un carries uncertain rewards and considerable risk for Kim. Trump's recent overtures were based on the false assumption that Kim wants a prosperous country from which he and the people of North Korea can benefit. A more accurate starting point is that Kim cares only about his survival and that of the Kim family dynasty. Add to this the dysfunctionality of Washington and the prospect of a hard-left Trump successor, and Kim has every incentive not to sign any agreement that offers growth and prosperity in return for denuclearization and joining the world community. The status quo is, unfortunately, Kim's best option.

In February, Trump offered a proposal under which Kim would give up his nuclear arsenal and open his hermit kingdom to the world economy and foreign investment. A peace treaty ending the Korean War was to be signed, and the Korean Peninsula was to divide into two separate countries that would

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supposedly live in peace. According to Trump's "carrot" scenario, foreign direct investment would flow into North Korea and make it prosperous.

The symbolism of the choice of Vietnam as the summit site was clear. Trump signaled to Kim that the Hermit Kingdom could become a modern nation like Vietnam and not give up his dictatorship. The Trump sales pitch was all "win-win": Kim and his inner circle could become rich and not depend on illicit sales of weapons and drugs. Kim's popularity would soar as incomes rise above subsistence. With his popularity rising, Kim could ease off repression.

The Hanoi summit ended without agreement, but Trump plans to continue the dialogue. But is there any realistic basis for such a deal?

The Kim dynasty, now more than seventy years old, is the world's longest enduring communist command system. The Kims nominally pay fealty to communist ideology, but they combine it with a peculiar deity myth in which the Kim family is the collective guardian of the nation and its people.

Other than that, the Kim dynasty is a typical police state, where a ruling elite manages the system and state police keep the people under tight control. The Kims keep the elite and police loyal through payoffs and threats to their lives.

Those below the elite level understand that the Kims and the elites control their life chances. To buck the regime means no education, travel, or decent jobs for them or their children. To challenge the regime means death or the gulag. The Kims' police state controls the people while a strong military, which can wreak havoc on nearby Seoul, or, with a nuclear capability, the globe, keeps the outside world in check.

Although the economy produces little, a disproportionate share goes to the military and other tools of modern warfare, such as cyber weapons. Hybrid warfare does not require a growing economy. Cyber is a great equalizer, and North Korea boasts some of the most potent cyber warriors.

It does not take much to keep the Kim dynasty working. The Kim regime can earn enough to pay its elites and itself through drug and weapons sales and other nefarious activities, with or without sanctions.

In a word, Kim has a stable dictatorship that shows few signs of breaking—one that he can likely pass on to the next in line for dynastic rule. Why should he change it?

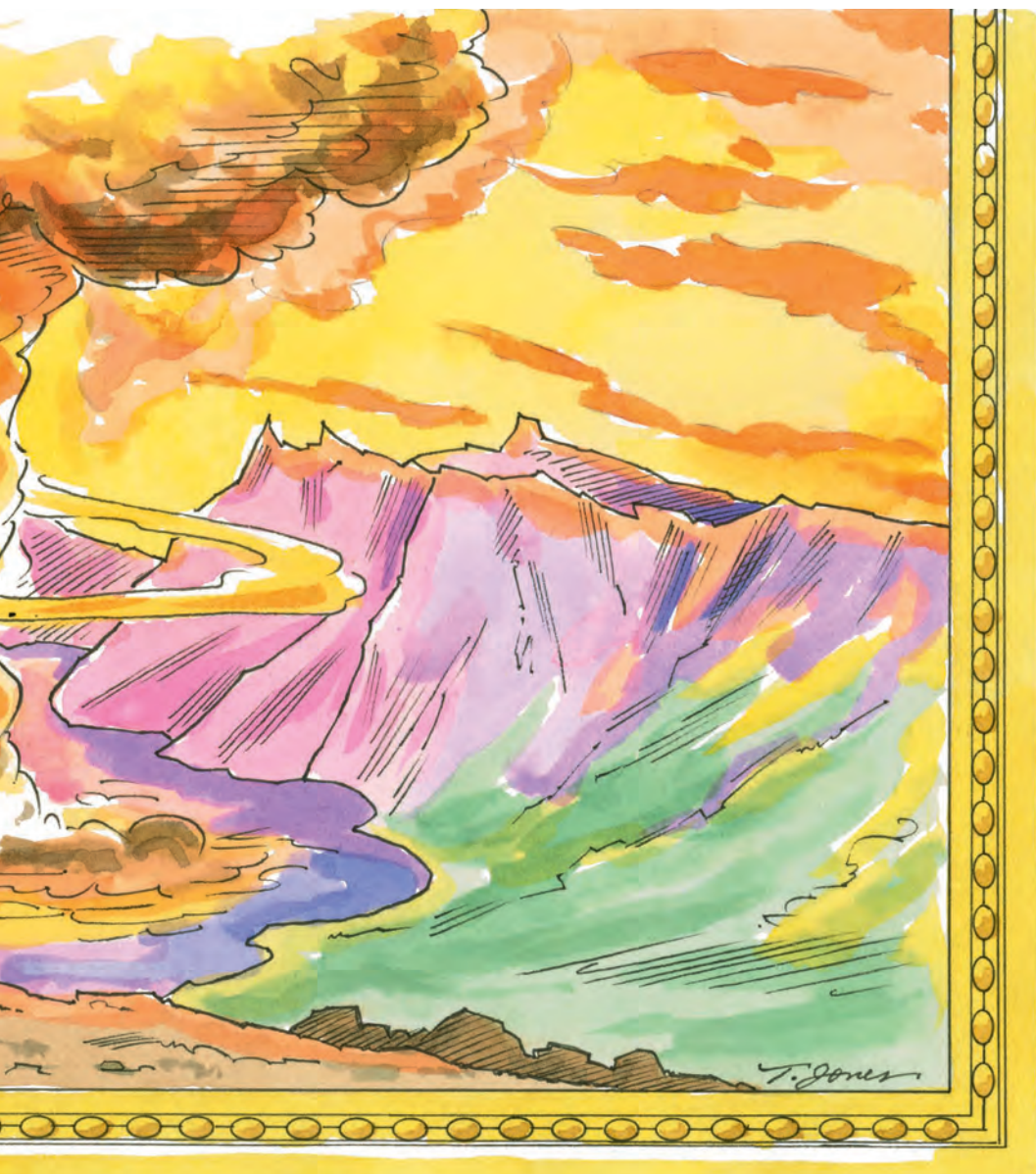
Let's assume Kim were to accept denuclearization, a formal peace treaty, and the opening of North Korea to the West. Would the Hermit Kingdom repeat the Vietnamese experience? If so, would the regime itself survive the influx of foreign investors, engineers, technical experts, and foreign ideas that contradict the deity myth?



[Taylor Jones—for the *Hoover Digest*]

The opening to the outside world would bring in floods of South Koreans with their rapidly expanding popular culture. And what would happen when people from the North first saw the hustle and bustle and skyscrapers of Seoul?

Could the Kim dynasty create a means of contract enforcement and property rights that would be necessary to satisfy outsiders? Would the expected flow of foreign investment turn into a trickle? In any case, Kim would be stepping into the unknown with a high probability of failure, leaving behind the security of a



governance system that has survived almost three quarters of a century. And for Kim to give up nuclear weapons would mean placing himself at the mercy of his enemies—South Korea and the United States—in return for unreliable assurances.

As Kim and Trump sat together behind closed doors, the House of Representatives was interrogating Trump's former lawyer in a process designed to lead to impeachment or to a much-weakened presidency. Should Kim simply



wait it out for a President Bernie Sanders rather than dealing with a Trump hamstring by his foes?

Kim surely knows that Ukraine surrendered its nuclear arsenal (then the world's third-largest) in return for international assurances that were conveniently forgotten. Kim also knows the fate of former Libyan prime minister Muammar Gadhafi, who gave up his nuclear ambitions and was bombed by the forces that welcomed his action before being killed by his own people.

In Kim's case, another factor speaks for the status quo. According to reports, he has executed more than three hundred victims, including two close family members. This would mean hundreds of families bent on revenge in a more liberalized regime that did not monitor every movement. It's highly likely that one of them would exact revenge on Kim in a liberalized North Korea.

Kim may enjoy palling around with the leader of the free world. He may enjoy basking in the limelight of the world press, but he has no reason to accept the proposals being floated in those talks. Diplomacy must rest on the understanding that Kim could not care less about North Korea and its people. He is interested only in his survival and that of the family dynasty. World diplomacy has a problem for which there is no solution. ■

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***SURVIVAL ABOVE ALL: South Korean president Moon Jae In talks with North Korean leader Kim Jong Un (opposite page). Despite recent cordial relations between the two Koreas, any opening to the outside world would be dangerous for Kim, whose regime depends on tight control of his population.*** [Korean Open Government License]



# Capital Punishment's Dead End?

**California's politicians no longer even pretend to support the death penalty. Who does support it? California's voters.**

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**By Bill Whalen**

To understand American politics is to appreciate the concept of changing norms. New generations emerge, electorates evolve, and the once-verboten suddenly becomes palatable. In that regard, California is no exception.

For the past four decades, two policies have been considered career-ending “third rails” for aspiring Golden State politicians: revisiting 1978’s Proposition 13 and its limit on property taxes; and undermining the death penalty, which has a complicated history in America’s nation-state.

Proposition 13 is an inviting target in Sacramento, given the bountiful potential revenue should the state fiddle with how property taxes are assessed. That’s why a so-called “split roll” approach—going after

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*Bill Whalen is the Virginia Hobbs Carpenter Fellow in Journalism at the Hoover Institution and the host of **Area 45**, a Hoover podcast devoted to the policy avenues available to America’s forty-fifth president.*

commercial property but not touching residential property—seems headed for the ballot, even if it might be an uphill climb.

California's death penalty likewise is being revisited. Governor Gavin Newsom has declared a moratorium on executions as long as he's in office.

Capital punishment in America's nation-state was authorized under the Criminal Practices Act of 1851, and California's first state-conducted execution occurred in March 1893 at San Quentin. Although the California Supreme Court ruled

in 1972 that the death penalty is impermissible cruel and unusual punishment, Califor-

nia voters nonetheless approved Proposition 7 in November 1978 reaffirming the punishment (with 71 percent of voters saying yes).

After that, the plot got messy. It wasn't until April 1992 that a California inmate was put to death. But in the years since, the state has had a running legal argument over methods of execution (gas and lethal injection), whether the death penalty is indeed a criminal deterrent, and whether the appeals process should be slowed down or sped up (a long-running joke in California: "The leading cause of death on death row? Old age").

This much is certain: if the purpose of the death penalty is to mete out the ultimate punishment, then it's falling short. Only thirteen California inmates have been executed over the past four decades (twenty-five inmates were executed elsewhere in the United States just last year). California's death-row population of 738 is almost the same size as those of the next three states (Florida, Texas, and Alabama) combined, and more than one-fourth of the national death-row population.

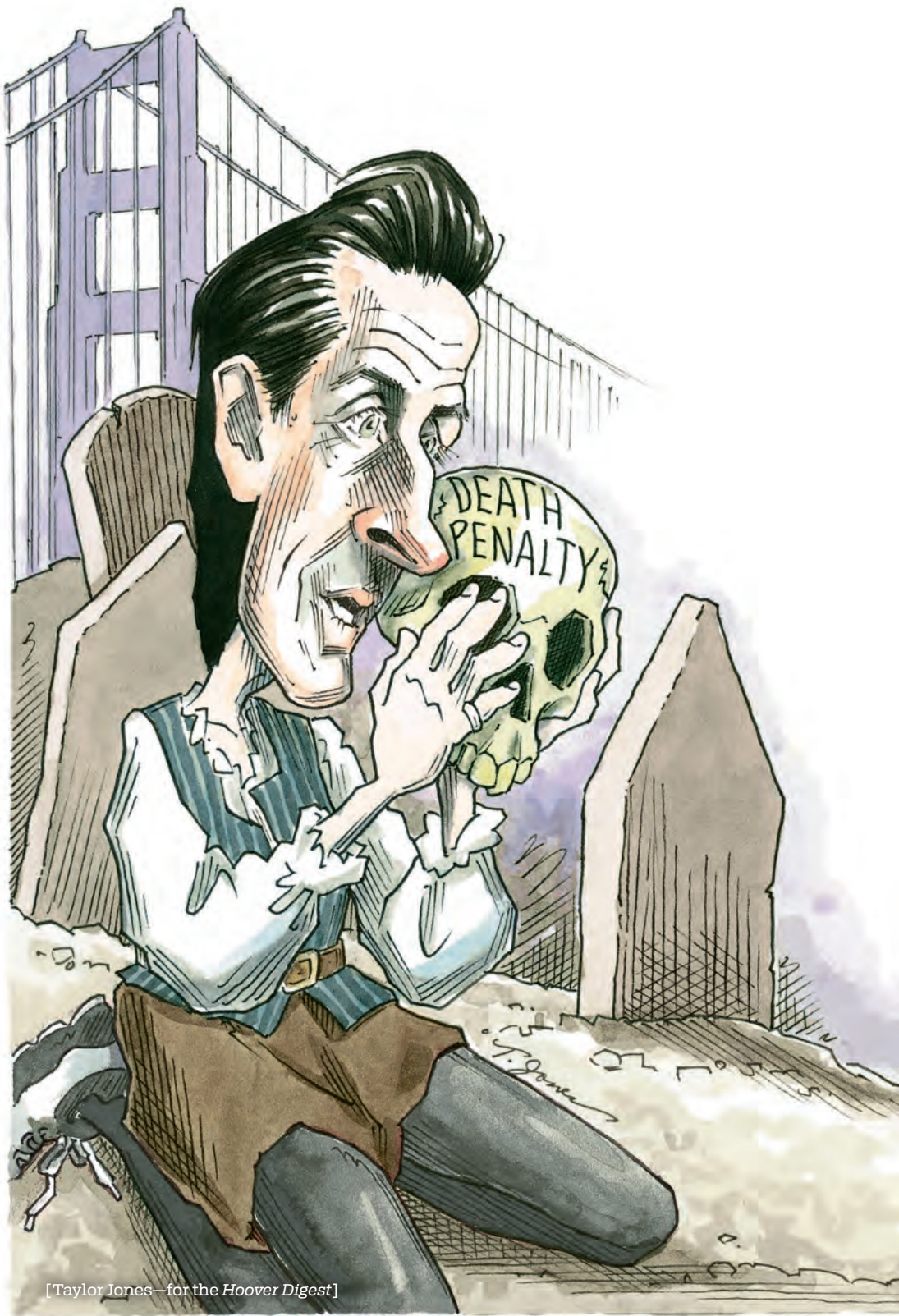
So where does that leave California?

Last December, writing in the *New York Times*, four former Democratic governors urged outgoing governor Jerry Brown to either grant clemency to every man and woman housed on California's death row or declare a moratorium on executions (which twenty-five other nations' ministers of justice had asked Brown to do a month before). Brown left the matter unsettled, but Newsom picked up the ball in March.

He was not so bold as to offer a mass commutation. After the aforementioned 1972 California Supreme Court ruling, 107 death sentences were reduced to life in prison. Those included the sentence of Charles Manson, who died in November 2017 after forty-eight years as a "guest of the state," and Sirhan Sirhan, convicted fifty years ago for the murder of Robert F.

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***Proposition 13 and capital punishment were, for many years, untouchable.***



[Taylor Jones—for the *Hoover Digest*]

Kennedy. Sirhan, who turned seventy-five earlier this year, is scheduled for a sixteenth parole hearing in 2021.

The 2019 equivalent of those “celebrity” California death-row residents: Scott Peterson, the subject of multiple books, documentaries, and made-for-television movies, who was sentenced to death for the 2002 murder of his wife, Laci, and their unborn son in Modesto.

Newsom’s moratorium was not much of a surprise. The new governor’s first action related to a clemency request was to order additional DNA testing in the case of a death-row inmate. In declaring the halt, Newsom called the imposition of capital punishment a public policy “failure,” but he could also rightly conclude that he stood on safe political ground.

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***Good luck finding any prominent Democrat willing to stand by capital punishment.***

In 2012, Newsom supported Proposition 34, which called for an end to California’s death penalty. That measure failed by a six-point margin (53 percent opposed, 47 percent supporting). But there are other pertinent numbers: the gap between the left and center-left support for President Obama and support for ending the death penalty, and the decline in support for capital punishment in the four decades since its 1978 reinstatement. Newsom’s smart enough to understand that math, as well as what he sees when he looks outside his Sacramento office: namely, a lack of criminal-justice protesters populating the grounds of the state capitol.

Two decades ago in California, there were fewer advocacy movements more effective than those of crime victims. Advocates for tougher laws testified at legislative hearings, dropped by state lawmakers’ offices, and placed cardboard coffins on the capitol lawn. But consider the times in which these protests occurred. Two decades ago, California was the scene to both sensational crimes (O. J. Simpson, Richard Allen Davis) and the daily tick-tick of residential burglaries and auto theft.

Twenty years later, the pendulum has swung in the other direction—politically, at least. The crime victims’ rally still happens every April in Sacramento, but there’s a different vibe. In

2015, for example, there was no rally because of worries about anti-police protests. While the state legislature isn’t deaf to the protesters’ concerns, the reality is that criminal-justice reform has moved in the opposite

direction: 2016's Proposition 57 weakened the "three strikes" law that had been in effect since the mid-1990s. The result was early parole for thousands of inmates with life sentences. During his second turn as governor, Brown commuted sentences for record numbers of violent criminals.

Whether those early-parole cases come back to haunt Newsom in the form of higher recidivism and crime rates is yet to be seen. In the meantime, good luck finding a prominent Democrat willing to stand by capital punishment

(you might remember Hillary Clinton doing so—clumsily and only when asked—back in 2016).

The trendy position for a modern Democratic

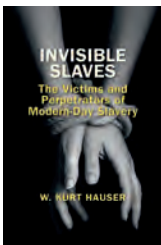
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***California has executed only thirteen inmates since the death penalty was restored in 1978.***

governor: express doubt over the process, embrace technology, and anticipate voters will be more distracted by matters having to do with the economy, education, and Donald Trump. That appears to be Newsom's course.

And even if those cardboard coffins show up near his office this year, it doesn't mean Newsom is whistling past a political graveyard. ■

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# *The Ministry of Labor*

**A proposed law would dramatically interfere with businesses' right to hire and promote as they see fit. California doesn't need this Orwellian regulation.**

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**By Lee E. Ohanian**

**A**ccording to employment law attorneys, California has the strictest regulations regarding women's earnings and employment in the country. Unfortunately, recently enacted and proposed legislation that is intended to advance women's earnings and opportunities has significant, unintended negative effects that will indirectly hurt women, particularly those from minority groups or with fewer skills. Men will also be harmed, as extreme and expensive regulations will drive even more businesses from the state and reduce opportunities for all workers.

The harm from California's new, proposed gender-parity legislation goes beyond employment opportunities and earnings and approaches "Big Brother" levels of government intrusiveness. If this proposed legislation passes, it could open the door to the government substantially affecting the employment terms between a firm and its workers.

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*Lee E. Ohanian is a senior fellow at the Hoover Institution and a professor of economics and director of the Ettinger Family Program in Macroeconomic Research at UCLA.*

Since 1949, California's Equal Pay Act has prohibited gender-based pay discrimination by requiring that workers in the same establishment and performing equal work should be paid the same wage. But that rule changed substantially with the California Fair Pay Act, which took effect in 2016. It is important to understand the change in the language in the titles of the two acts. The 1949 act was titled "equal pay," which was intended to prevent discrimination. The new act, which mandates "fair pay," extends beyond discrimination and is intended to directly engineer higher pay by government fiat.

The Fair Pay Act prohibits an employer from paying any employee a wage less than those paid to employees of the opposite sex for "substantially similar work" when viewed as a composite of "skill, effort, and responsibility." The act eliminates the "same establishment" clause, so that the wages

of employees working at different establishments can be compared. Most important, the Fair Pay Act places the burden of proof on the employer to

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### ***Proposed legislation approaches "Big Brother" levels of government intrusiveness.***

show that a wage differential between employees is economically justified. But the act significantly limits the reasons an employer can use to justify a wage differential and also requires that the employer's explanation for wage differences must account entirely for the wage differential, or else the complaining employee prevails.

The Fair Pay Act is badly designed economic policy. It distorts the normal economic forces of supply and demand that lead to successful economic outcomes for both employers and employees. For example, an employee working in San Francisco will earn a higher wage than an employee in Fresno because of cost-of-living differences, which would be reflected in the market price of workers in these two different locations. But the Fair Pay Act requires that both of these employees receive the same wage, which makes no economic sense. Note also that the most important determinant of worker compensation—worker productivity—is not even listed in the language of the act. Moreover, the language of the Fair Pay Act is vague, as there is no precise definition of the terms "substantially similar work," "skill," "effort," or "responsibility."

State senator Hannah-Beth Jackson, a co-author of the legislation, stated that the Fair Pay Act is needed because "many women still earn less money than men doing the same or similar work. The stratification and the pay disparities . . . are something that really eats away at our whole society."

But Jackson's views about pay discrimination are not supported by recent studies. In fact, several studies show that the gender pay gap has virtually nothing to do with discrimination—rather, individual worker choices account for most and perhaps all of the pay differences between men and women. Specifically, women tend to earn less than men because they choose to work far fewer overtime hours, take more unpaid leave, and choose work schedules with more flexibility than men do.

These findings indicate that family roles involving responsibilities such as child care fundamentally determine women's pay differences. But these private household issues lie far outside the scope of government regulations.

## **WAGES CAN REGULATE THEMSELVES**

It is no surprise that wage discrimination is unimportant in these statistical analyses. In today's highly competitive US economy, discrimination becomes far too expensive to sustain. If women or any other demographic group were significantly underpaid, then the demand for these workers would rise, and so would their wages.

The Fair Pay Act dramatically lowers the bar for an equal-pay lawsuit against an employer and thus raises the expected cost of hiring women. Ironically, the legislation that is intended to raise women's pay depresses the chance that a woman would be hired in the first place.

New legislation by Jackson goes beyond the Fair Pay Act and approaches an almost Orwellian level of government intrusiveness. Jackson's SB 171 would require businesses with at least one hundred employees to file a detailed annual report to the state's Department of Industrial Relations explaining the compensation and the number of hours of work of their employees based on gender, ethnicity, and race. The purpose of these annual reports would be

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***The Fair Pay Act distorts the normal economic forces of supply and demand that reward both employers and employees.***

to allow state agencies to identify "wage disparities" and to better enforce wage-discrimination laws. The government claims that the data would be protected and seen only by state agency employees.

But the most disturbing aspect of this legislation is Jackson's view that "many employers are unaware of their own disparities in pay. This bill will give employers an opportunity to examine their practices and make necessary adjustments to ensure that all employees are earning what they deserve."

Let's parse this. Labor is the most important cost for almost all employers. If a business doesn't get this right, it won't survive. Human-resources departments exist to make sure that businesses efficiently recruit and retain the

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***The most important determinant of worker pay—productivity—isn't even mentioned.***

workers they want as well as comply with state and federal employment law. And if human resources isn't doing its job, the market will let a business

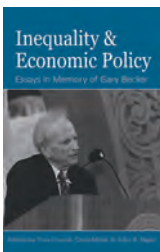
know this when workers leave for better jobs. Why should we think that a government agency would know more about the reasonable compensation of a business's workers than the business itself?

### **EVEN MORE INTRUSION**

You can see why this is politically popular in California, where many legislators have little trust in a free marketplace. Under SB 171, the state government will know the pay and the number of hours worked by your employees, and it will have this information by gender, age, and ethnicity. How far of a leap is there between a government that collects data on earnings and hours by demographic groups and a government that uses this data to advise your business that you are not paying workers "fairly"?

California is ranked among the worst states for regulation. If this proposed labor legislation passes, it will become even worse. There are better ways to support women's employment opportunities. ■

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# King of the Hill

Hoover fellow and legendary Yale historian **Charles Hill** looks back on grand strategy and a grand life.

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**By Jay Nordlinger**

**Jay Nordlinger:** I'm at Yale University, sitting with a distinguished gent. He is Charles Hill, diplomat in residence here. He teaches international studies and is particularly known for grand strategy. You were in the game, so to speak, for a long time, in the action. And for years now, you've taught. I wonder whether you ever miss the game, or whether teaching gives you enough of it?

**Charles Hill:** Teaching is the best thing I've ever done, and in a strange way, I wanted to do that from an early time. I thought college was the greatest thing ever, kind of a paradise. I thought it would be great to spend a life being a college teacher, but I knew I couldn't do that because I didn't have the background, I didn't have the scholarly bent, I didn't have the intellect to do it, so I went to law school. I gave up the idea of being a college teacher.

But then, in law school, I found that the first year of law school was intellectually really marvelous. And the second and third years, I didn't really want to be a lawyer. I didn't want to do wills and estates and bills and notes and things like that. So while I was in law school, I started a PhD in American history. And that then pulled me back into the idea that maybe I could

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*Charles Hill is a research fellow at the Hoover Institution and co-chair of Hoover's Herbert and Jane Dwight Working Group on Islamism and the International Order. He is also the Brady-Johnson Distinguished Fellow in Grand Strategy and a senior lecturer in humanities at Yale. Jay Nordlinger is a senior editor of National Review, music critic of the New Criterion, and host of the podcast Q&A, Hosted by Jay Nordlinger, where this interview first appeared.*

actually do this. I got through the part where you do your coursework for the PhD, and then there was then this pretty new thing called a draft board, and the Vietnam War was ramping up. And the draft board suddenly informed me that we have deferred you through college, we've deferred you through law school, and we're not going to defer you anymore, so you're going to get drafted. By that time, I had passed the bar examinations and I had, in the course of this, taken the Foreign Service examination. The draft board people said, "Well, you're either going to be a lawyer in the military or you can be a Foreign Service officer, or you can just get drafted and be a grunt." And I said, "I'll be a Foreign Service officer."

I had a full career in that, and I loved that. I found out I was pretty good at it—by not being what you're supposed to be when you're in the diplomatic service. I didn't like going to receptions. I didn't like going to dinners. I didn't like going to ceremonies. But I found I could make a place for myself by being the anchorman and staying put in an embassy. And I realized I was becoming useful in a way that nobody else was really doing. And so I had a good career and rose pretty high up.

Then I was asked to teach at Stanford. They had given me something like an academic appointment. But my wife, who was teaching at the University of San Francisco, was given an offer to come to Yale. And within a week, I was given an offer to go to the UN, not as an American diplomat, but as a UN diplomat. I was on the thirty-eighth floor, working for Boutros Boutros-Ghali, the new UN secretary-general, who knew me from the Middle East, where I had been involved, kind of on the margins, with the Egypt-Israel breakthrough that came out of Camp David. Then, because of my wife and from knowing Professor Donald Kagan, Yale said, "Well, why don't you teach this new thing that we have called international studies as a major just one afternoon a week?" So I did, and I commuted to the UN the rest of week.

That began my second career, teaching, and it came about by luck when Donald Kagan told Yale, "Put this guy in a place where he can teach." And it's been even better to me, much better, than the first Foreign Service years.

**Nordlinger:** Charlie, where did you grow up?

**Hill:** I grew up, blessedly, in a small town in southern New Jersey, down on the Delaware Bay. I have been so grateful that I think I'm one of those who actually grew up in, was immersed in, the classic American little town that now is gone.

**Nordlinger:** What did your dad do, may I ask?

**Hill:** My father came from a town maybe ten miles south of where I was born, and the family was pretty poor. He got himself out of there by going to dental school at Temple University. He became a dentist, and was really successful as such, but he didn't like it. My mother's family had been in the oyster business, with dredge boats in Delaware Bay when the bay was producing, truly, the most remarkable oysters you could imagine. So my father and my uncle on my mother's side formed an oyster company. That was destroyed. At one point, it was realized that pollution from the Delaware River coming down from Philadelphia was destroying the oyster beds. The oyster business in Delaware Bay just came to a screeching stop.

At that point my father, who was pretty good with numbers, just decided he was going to be an investor. He went into the stock market and he did well on that.

**Nordlinger:** It's an American story.

**Hill:** He had enough money to send me to a good college, and I had the remarkable, strange ability, I guess, to get into a good college.

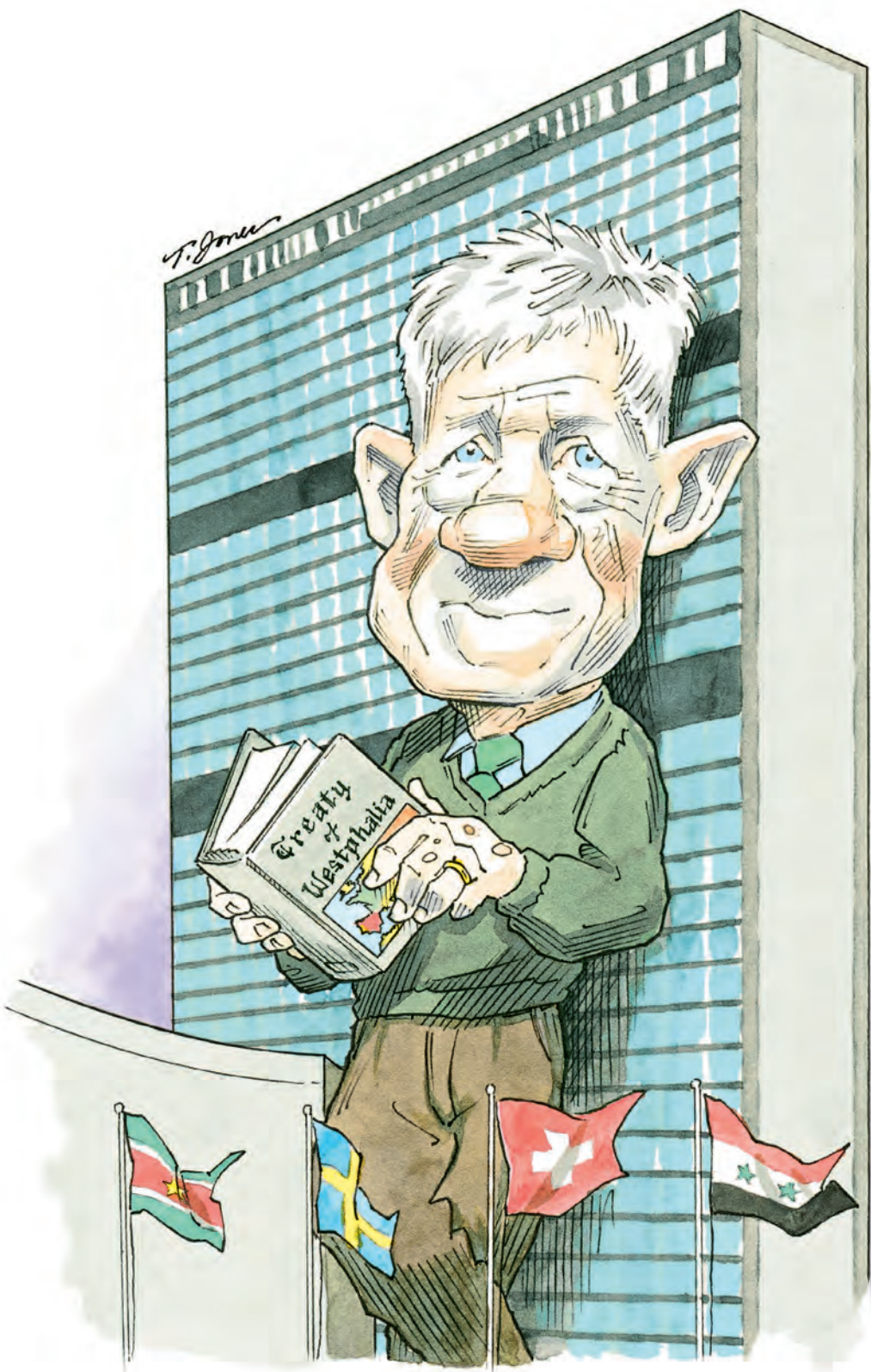
**Nordlinger:** Brown University, wasn't it?

**Hill:** Brown. My high school, it's a wonderful high school, great teachers, but most of the students were going into farming or into the oyster-bed business or into the telephone company, and they didn't go to college. In my graduating class of about two hundred and ten, maybe ten went to college. The rest just got married and went to work.

It was a different college time then. One day in April, my senior year in high school, a lady came into my homeroom and she said, "There's going to be an examination for college entrance; it's called the college boards. We'll have one of those yellow school buses here tomorrow morning at 7 o'clock. Anybody who wants to take the examination, be here and we'll put you on the bus, and we'll take you to Atlantic City," which was a long way away when there were no superhighways.

My Aunt Elsie, who was a middle-school principal, had always pounded into me, "you must read this, you must read that." And she insisted that I get on the yellow school bus. There were probably twelve people who said OK, I'll do this. We got on the bus and they drove us to Atlantic City, where we took this examination. We had no idea what we were getting into, but we took the exam and then got back on the bus.

It turned out that I got a pretty good score because Aunt Elsie had essentially insisted that I educate myself under her tutelage. I knew more



[Taylor Jones—for the *Hoover Digest*]

connections, more of a range of reference, than a lot of other students. My classes were essentially directed to people who were in the Future Farmers of America. I had less than mediocre grades in high school, but a higher score. So I applied to college.

**Nordlinger:** We owe a lot to that aunt.

**Hill:** I decided I wanted to go to New England, so I applied to the University of Maine and the University of Connecticut and to Brown. And to Brown because I somehow had a pendant—I don't know how I got it—and it had a Brown Bear on it. And I applied to Duke. The University of Maine never replied to me.

**Nordlinger:** That was rude. I bet they're sorry now.

**Hill:** The University of Connecticut replied in a little postcard, "We don't accept applications from non-Connecticut residents." Duke accepted me, and Brown accepted me. I had never been to Brown.

**Nordlinger:** Did your aunt or your parents live to see you serve as assistant to the secretary of state and that kind of thing?

**Hill:** Yes.

**Nordlinger:** They must have been tickled, as we say in my native Midwest.

## FOUNDATION OF THE MODERN AGE

**Nordlinger:** I have a few more big questions for you. You have a lot of experience in the UN. You have practical experience and you studied the UN and thought about it. A lot of people on the right think there should be a replacement organization, or very serious reform, or even a US withdrawal. If you had your way, if you were czar, what would you do to or with the UN or instead of the UN if you could decide?

**Hill:** The UN is indispensable. It is indispensable, but not that important.

**Nordlinger:** That's interesting.

**Hill:** It is, in a way, the symbolic centerpiece of the international state system that goes back about three to four hundred years, coming out of the Thirty Years' War and the 1648 Treaty of Westphalia, which, almost by chance, created a very, very simple, principled way of doing international relations. Those principles were, to be very brief, you had to be a state; you had to try to follow international law; you had to have certain norms—very simple, no



***MENTOR: Hoover fellow Charles Hill speaks to faculty of the Naval War College. Hill has long taught a course at Yale on grand strategy, a class informed by his extensive international experience.*** [US Navy—Mass Communication Specialist 2nd Class Eric Dietrich]

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slavery, no polygamy; and you had to agree to have a professional military and diplomatic service. And that's all. And if you did that, then you were OK with what was then called the Westphalian system.

And the Americans, when they came along, didn't want to be in it. You can see that in this strange name, "the United States." The system says you have to be a state, so United States doesn't fit. Neither did the Chinese and the Qing dynasty. Most of the world wanted to be in it, and it became the international system that eventually became represented by the United Nations, which called itself, starting in 1945, the world organization of its member states.

It represents the holding together of a universalistic approach that enables any people and government in any part of the world to be part of it. And this system is deteriorating. It is the foundation of grand strategy; all grand strategy operates atop this structure.

It is utterly essential to a concept of international interaction that can be cooperative and can try to contain the horrors of international war. So it

doesn't work well—it's not perfect. You might design something else. But it is the modern system, and what we call the modern age is built upon it. Open trade or freedom of expression or consent of the governed, international organizations, they're all built on top of this structure. The people running countries simply don't understand it, or they ignore it. The Americans stopped understanding it sometime in the late Cold War period.

Here's the key point. If this structure continues to deteriorate, it's going to go out of operation, and there's nothing to replace it except going backwards, because this system is the only one in the history of the world that is actually worldwide. And it's attractive.

## DECLINE AND TERROR

**Nordlinger:** I want to ask you this. When the “war on terror” began in the early 2000s, a lot of people thought it was going to be another twilight struggle like the Cold War. It would go on for fifty, sixty, seventy, eighty years, sometimes heating up, sometimes cooling down. Now we're almost twenty years in, and it seems to me something less than that. What do you make of this idea of the war on terror as another Cold War-like struggle?

**Hill:** It really comes out of what I've just been talking about, and that is the deterioration of a well-founded, well-understood, and well-maintained international system. You have been seeing states fail. You have been seeing the so-called ungoverned spaces of the world. Something that was agreed on at Westphalia in 1648 was that the Thirty Years' War had been a religious war—Catholic Holy Roman empire against the Protestant states

of Northern Europe—and at Westphalia, they agreed that we don't want any more religious wars. No, we're not

against religion, but put your religion back in the corner or on the shelf. The feeling was, that worked. But now terrorism, as we have been defining it, and correctly so, has a religious dimension to it—a religion that has added political ideology. This is all part of the breakdown of the system.

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***“This system is the only one in the history of the world that is actually worldwide.”***

**Nordlinger:** Final question, a biggish one. I'm sure you've thought about it a lot, been asked about it a lot. Charles Krauthammer had a slogan with respect to the United States that “decline is a choice.” I wonder if you agree that the United States can choose to decline or not to decline?

**Hill:** Well, we *have* decided to decline, though certainly not economically. There is a countercurrent in civilization. The civilization we're talking about, some have called a Western civilization, but in fact it's global. It ceased to be purely Western a long, long time ago. That has got to be understood as something that is important, maintainable.

Americans—and I have to go back to education—they just don't get it, because we have dropped it from the curriculum going back to the late 1960s, the early '70s, when the new left came in. At Harvard, where I was at the time, they were emulating the Red Guards. They were taking major figures like John King Fairbank, a professor I admire greatly, and were "struggling him for his wrongful political crimes" just as though they were Red Guards in Shanghai. So you began to get a mentality taking root during the formative years of people who are now in positions of great authority in America. And they've been teaching young people ever since that America is a bad place.

**Nordlinger:** We'd be better off with the curriculum that the Future Farmers of America had in southern New Jersey.

**Hill:** Even with the very best, most wonderful students, who don't think this way automatically, there is an inculcated, fallback position they have when they're challenged: they will say it's all our fault and we should stop.

**Nordlinger:** Jeane Kirkpatrick had a slogan for that: "Blame America first." I'm glad you're teaching. ■

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# *“It’s Not the End of the World”*

We can handle rising temperatures—if only everyone would calm down and *think*. Hoover visiting fellow **Bjorn Lomborg** on climate change and sweet reason.

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**By Peter Robinson**

**Peter Robinson, Uncommon Knowledge:** Bjorn Lomborg is president of the Copenhagen Consensus Center, a think tank dedicated to applying economic analysis—including cost-benefit analysis, which we’ll be talking about quite a lot today—to the great issues of the day. He is the author of a number of books, including his 2001 bestseller, *The Skeptical Environmentalist*, and his most recent work, *Prioritizing Development: A Cost Benefit Analysis of the United Nations’ Sustainable Development Goals*.

Let’s begin with the issue that first brought you to prominence and to which you still devote a lot of time: climate change. Here we have Congresswoman Alexandria Ocasio-Cortez speaking recently: “Millennials and . . . you know, Gen-Z and all these folks that come after us, are looking up and we are

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*Bjorn Lomborg is a visiting fellow at the Hoover Institution. He is president of the Copenhagen Consensus Center and a visiting professor at the Copenhagen Business School. His books include **How to Spend \$75 Billion to Make the World a Better Place** (Copenhagen Consensus Center, 2013) and **Smart Solutions to Climate Change: Comparing Costs and Benefits** (Cambridge University Press, 2010). Peter Robinson is the editor of the **Hoover Digest**, the host of **Uncommon Knowledge**, and a research fellow at the Hoover Institution.*

like, the world is going to end in twelve years if we do not address climate change and your biggest issue is how are we going to pay for it? Like, this is the war, this is our World War II.”

**Lomborg:** Well, it is first of all a wonderful encapsulation of how we really talk about global warming. There is a sense the world is going to come to an end very, very soon, so we have to throw everything and the kitchen sink at this problem. Now, if that were really true, if the world was ending in ten years, then we should throw everything at this problem, but that is not what the UN climate panel is telling us. The UN climate panel tells us global warming is an issue overall, and in the long run this will be a significant problem for humanity. The Nobel [economics] award was just awarded to William Nordhaus, the first climate economist ever to win the Nobel Prize, and he tells us, along with a lot of other experts, that global warming by the end of the century will cost on the order of 2 to 4 percent of global GDP. That means you will be, on average, 2 to 4 percent less rich by the end of the century than you would otherwise be.

**Robinson:** Not less rich than we are now?

**Lomborg:** No, no.

**Robinson:** Less rich than we otherwise would have been.

**Lomborg:** Yes. Remember, we are talking about how we will be 300 to 1,000 percent richer in 2100, and then we will be 2 to 4 percent less rich. It is a very small percentage of a much, much larger number. That is why you need to recognize global warming is a problem, but it is just simply and by no means the end of the world. Now if it is a problem, and that is what the UN climate panel very clearly tells us, there are many, many problems in the world. We need to make sure that we fix those problems in a way where we spend less resources fixing them than the negative impact that they have. Otherwise, we are actually throwing away resources—resources we could have spent on doing a lot of other good elsewhere.

She just told us we need to spend lots and lots of money—remember, her “Green New Deal” seems to indicate we are going to be spending in the order of \$2.1 trillion a year. This is the Bloomberg estimate, obviously a very rough estimate, but \$2.1 trillion to achieve almost nothing in one hundred years is typically a bad deal. I want to make sure that we actually do things, both for climate and all the other problems in the world, that do the most good. Unfortunately, that is not it.



**DATA-DRIVEN:** *Bjorn Lomborg, author of [The Skeptical Environmentalist](#), heads a think tank that applies economic analysis to public policy: “We need to make sure that we fix those problems in a way where we spend less resources fixing them than the negative impact that they have.”* [Hoover Institution—Uncommon Knowledge]

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**Robinson:** I would like to elucidate your thinking on climate change just a bit before we go to cost-benefit. On the spectrum of climate-change views, over here the world is ending. Over *here*, I found a quotation by the late Michael Crichton from a 2009 book he wrote: “We are in the midst of a natural warming trend that began in about 1850. Nobody knows how much of the present warming trend might be a natural phenomenon and nobody knows how much of the present warming trend might be manmade.” Where is Bjorn Lomborg in that spectrum?

**Lomborg:** Well, it is always convenient to say I am sort of in the middle, right . . . but I would much rather want to say, I am where the UN climate panel tells us we should be. The UN has spent a lot of money and a lot of people’s time for twenty years now, looking at the ups and downs in global warming.

**Robinson:** You find that body impressive and generally credible.

**Lomborg:** I think generally credible. Look, there have been some issues, and clearly they do not do everything equally well. They have actually decided

not to talk about cost-benefit analysis. They did that in their second report, and then basically skipped all of that since then. I obviously think that is a big issue. My sense is they tell us pretty much the way it is: there is a problem, it is limited, but it is not trivial. So it is something we should deal with, but it is not the end of the world.

**Robinson:** Among the usual climate change claims is a rise in sea levels. Do you buy that?

**Lomborg:** Oh, yes, absolutely. We have very, very good data—sea levels are rising and we are likely to see somewhere between a one- and three-foot sea level rise by the end of the century.

**Robinson:** How about extreme weather events: hurricanes on the Gulf Coast, wildfires in California; we just had the polar vortex descend from the Arctic to Chicago. All attributable to global warming?

**Lomborg:** That is a lot more problematic. The UN tells us that we do not know about floods, we do not know very much about hurricanes and storms. If you look out into the future, we estimate that there will probably be slightly fewer hurricanes but they will probably be stronger. Overall you will probably see somewhat of an increase in the cost of hurricanes. It is important again to keep a sense of proportion. Right now, hurricanes cost about 0.04 percent of global GDP.

A famous study from 2012 in *Nature* magazine, which is still the best authority on looking at what happens if you include and exclude global warming, found that by the end of the century, because we are going to be much

richer, as we talked about before, we are going to be much more resilient and will actually see less damage. They estimate that instead of 0.04 percent

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***“Global warming is a problem, but it is just simply and by no means the end of the world.”***

of GDP as it is today, it will be about 0.01 percent of GDP by the end of the century. But with global warming we actually expect to see a doubling of those damages to 0.02 percent. Two things are true at the same time: you will see a decline in actual impacts of hurricanes, despite global warming, but the impact will be bigger than had there been no global warming.

**Robinson:** So we are not facing a disaster movie. What we have are adjustments we can make over the course of many, many years.

**Lomborg:** Yes. Yet it is reasonable to say that although we will adapt, we will have higher costs when temperatures rise. But we need to have a sense of proportion—that is what I am trying to say. Hurricanes, which are by far the worst outcome of extreme weather, are a very small part of global GDP. The reason we think the effect is much bigger is, of course, the CNN effect. There is always a camera crew there to show you how terrible it is for those people who are involved, and it *is* terrible for them. But you just cannot make your decisions on what you see on CNN and say that is the entire world.

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***“We are actually throwing away resources—resources we could have spent on doing a lot of other good elsewhere.”***

We do not make good decisions if we are scared witless. We are likely to make panicky decisions, and indeed, that is what we have been doing on global warming for the past thirty years. We have had lots of those predictions and the reason they are being made is to gather all the good and great and get us moving and do something. But the inevitable result is we do something that feels good, that looks good, but does not actually have any impact and often is incredibly expensive.

## **IMPOSSIBLY GREEN**

**Robinson:** As we speak, it was just a couple of days ago that Ocasio-Cortez and Senator Edward Markey of Massachusetts rolled out the “Green New Deal,” their nonbinding resolution that calls for a number of quite dramatic items to deal with climate change. Here is one: the Green New Deal contains a promise to convert “one hundred percent of the power and the demand of the United States to clean, renewable, and zero-energy sources” within ten years. Good idea?

**Lomborg:** It is not doable, and even if you could, it would be phenomenally expensive. This is clearly motivated by a lot of fear. I understand where this comes from, but I think it is important to reel people back and say, “if you actually want to do something about global warming, let’s do proposals that will actually work.”

**Robinson:** There is also a promise to upgrade “all existing buildings” to meet energy efficiency requirements. Again, I believe it promises to do that within a decade.

**Lomborg:** And that is even more impossible. We are talking about \$1.3–1.4 trillion per year, half the US budget. That is just not going to happen.

**Robinson:** Expand high speed rail service so broadly that within a decade, most airline travel will be rendered obsolete.

**Lomborg:** Yeah, I cannot really see that happening. But again, even if you did that, air travel is a fairly small amount. It is the guilt amount: it feels wrong to fly and so that is what we are focusing on.

**Robinson:** All right, this brings us to what you believe should reasonably be done. You mentioned economist William Nordhaus a moment ago, and you wrote of him that “his careful work shows that a globally coordinated, moderate and rising carbon tax could reduce temperatures modestly.” Yes?

**Lomborg:** I am going to complicate this a little further because he is absolutely right—almost any economist you ask will say the right way to tackle a problem where basically you have a market failure and nobody is paying for an externality is to put in a carbon tax. If you can do that, and can make it globally coordinated across the century with China, India, and everybody else, then you can actually make this work. You can cut carbon emissions a little bit.

The problem, of course, and you have seen this in the United States, is basically it leads to gridlock for ten years. And in many of the countries, as soon as it starts ramping up a little bit, you get the yellow vests on the street and nobody can do anything. In many developing countries, a realistic carbon tax would be so expensive that it would be more than the entire government intake. I think in principle we should try and do it, because it probably is effective even if only some countries do it, assuming no stupid stuff like trying to impose carbon controls at the border, which a lot of people misuse to basically break down free trade.

But the much, much better approach to this is to focus on technology. Think back on the 1860s, when the world was hunting whales to extinction. Whales have this wonderful oil that burns really bright and really clean, so it lit up most of the US and Western European homes. Our current approach to tackling global warming would be like asking the people in the 1860s, “could you please turn down that light, could you use the annoying old sooty oil instead?” Naturally you would have failed. What did happen was somebody drilled for oil in Pennsylvania and discovered a much cheaper and even more effective energy source. We do not have to go out and hunt whales, we can burn it in our homes, and it is cheaper and even brighter. That technological development basically meant we saved the whales. We have seen that a number of



***FRESHER AIR: A protester joins the People's Climate March in Washington in 2017. Lomborg says carbon taxes, advocated by many as a way to address climate change, are useful in theory but, for many developing nations, potentially ruinous in practice. "The much, much better approach to this is to focus on technology," Lomborg says. [Mark Dixon—Creative Commons]***

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times through human history: If you get a technological solution, everyone switches. If you do not get a technological solution, it almost never happens.

Back in the early 1970s, we thought hundreds of millions of people were going to starve. The solution was the Green Revolution: a way for everyone to produce more food. In this country, fracking has cut a lot of carbon emissions, compared to coal, because natural gas is cheaper and emits about half as much CO<sub>2</sub> per energy unit. You did not do this to try to cut carbon emissions, but because of fracking you have actually reduced your total emissions more than any other country. If we could make green energy even cheaper—and that of course requires a lot of investment in research and development—everyone would switch. The Chinese, the Indians, the United States, Europe. Not because they are green but because it was cheaper.

**Robinson:** Let me quote a recent article you published in *Forbes*: “Having powered their own development through fossil fuels, rich countries now suggest poor countries go without reliable energy sources in the name of the

environment. But there are one billion people in the world still without access to electricity. It is immoral and rank hypocrisy to leave them in the dark.” By defaming, in a certain sense, the trajectories of growth in the Third World, Ocasio-Cortez, Al Gore, and others are not just wrong. You cannot just say “their hearts are in the right place, poor dears, they are mistaken.” They are

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**“\$2.1 trillion to achieve almost nothing in one hundred years is typically a bad deal.”**

saying things and pursuing an agenda that will do poor people harm. Isn’t that your position?

**Lomborg:** So, to argue that you are going to cut

carbon emissions and therefore the poor world also needs to stop developing their electricity—absolutely harmful, you are right. But my sense is that most people want to do good. I think by engaging them, saying “let me just explain to you why this is a problem for Bangladesh and other countries because they actually want to have more energy; let me also explain to you why trying to do this in the United States is a pretty poor use of resources” . . . I think it is much more likely to pull them a little toward thinking about smarter ways to do that rather than saying “you are terrible and you are morally wrong.”

**Robinson:** But it is accurate to say that to the extent that [Ocasio-Cortez’s] agenda succeeds it is very likely to do actual harm.

**Lomborg:** Yes.

## **FREE TRADE AND OTHER WISDOM**

**Robinson:** The Copenhagen Consensus Center does all kinds of work using this sort of calm, dispassionate, rational approach. You try to persuade people and offer a cost-benefit analysis. Recently your work has focused on the United Nations, which has set out multiple “sustainable development goals”—on undernourishment, maternal mortality, water access, and so forth. You note that in 2017, \$146 billion was spent toward those goals, only a fraction of what would get them all to the state where the United Nations wants them by 2030. The Copenhagen Consensus Center engaged in a cost-benefit analysis of these goals and discovered what?

**Lomborg:** Not surprisingly, we discovered that not all goals are equally good. The UN has decided on one hundred and sixty-nine targets; the *Economist*

lampooned that a little bit and called it the one hundred and sixty-nine commandments. They said there is a reason why Moses came down the mountain with ten, not one hundred and sixty-nine; you just cannot get people to focus on one hundred and sixty-nine. In some sense, the UN promised everything to everyone, everywhere and all the time, which makes everyone feel really good but does not help you to decide what you should do first. In the real world you cannot do all good things for everyone all the time—first let's focus on where you can do the most good. We found that some investments in trying to make the world a better place are just much, much more effective.

Let me give you a few examples. Free trade is probably the most important single thing for the world. You are smiling, you probably like that.

**Robinson:** Yes.

**Lomborg:** I think we have forgotten, certainly in an era of Trump, how much free trade can lift people out of poverty. It would not fix all problems, but it would make most of the world a much better place. The simple metaphor is to look at China, which in twenty-five years lifted some six hundred and eighty million people out of poverty, very much because they were integrated into the global economy.

There are significant costs to that, both people who lose out and a lot of special interests that you have to pay off, but

even then, we find that the benefit-cost ratios would be in the thousands. So, you pay a dollar to special interests and you do about two thousand dollars of social good for the world. That is a great investment.

You can save a million kids by immunization. For a million kids, we could save their lives every year for about a billion dollars in immunization.

**Robinson:** Of the \$146 billion spent toward the one hundred and sixty-nine goals in 2017, 20 percent was spent toward climate change. Good idea?

**Lomborg:** No.

**Robinson:** That leads to a question: Do you get impatient with politics? Do you get impatient with democracy? Do you not sometimes think to yourself that if the technocrats ran the world, wouldn't we all be better off?

**Lomborg:** No, I see what you are getting at and obviously I think what we are doing is immensely smart. But there are a lot of people out there, AOC for one,

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***“You just cannot make your decisions on what you see on CNN and say that is the entire world.”***

and she is probably also very smart as are a lot of other people. And the point of democracy is that we actually have this conversation and make sure we walk everyone through it so it is not just me or you or a few other people who say “that is the right way to go,” but we actually get everybody on board. We are trying to give the menu, if you will, of all the smart choices you can make. We help push smart ideas forward. We like to say we give tailwind to the good ideas and headwind to the bad ones. It still means in a democracy there are going to be a lot of bad decisions, but hopefully slightly fewer. That is really the testament of smart technocratic evidence: that you help us do a little better.

## “STAND UP FOR REASON”

**Robinson:** You published *The Skeptical Environmentalist*, which was your roundhouse attack on climate alarmists, in 2001. For the past seventeen years you have been getting attacked by the left. What keeps you at it?

**Lomborg:** Again, I think it is the same answer. If nobody stands up for reason and smart arguments, we are going to end up in a worse place. But again, remember what I did with *Skeptical Environmentalist* was not just criticize global warming; it was basically criticizing how we get our priorities wrong. Look at what we do with air and water pollution. Air pollution is by far the worst pollutant in the United States. It kills almost two hundred thousand people every year. If you do the EPA cost-benefit analysis, about 95 percent of benefits from EPA regulations comes from cutting air pollution. Yet you spend more money on water pollution, which kills virtually zero percent—not drinking water, but clean rivers.

Now in a perfect world, I would want both. I like the fact that I can swim in a river instead of having it catch fire. But there is something wrong about not focusing on the fact that there are still almost two hundred thousand Americans who die every year because of air pollution. Why is that not our top priority? Because it is boring. We focus on the things that are easy to watch on CNN and the news shows, but we should be talking a lot more on where can we do the most good. ■





# “Technology Always Becomes Something Else”

The age of artificial intelligence has already begun, says futurist **Amy Webb**, and a cascade of small changes will swell until “life is nothing like it was before.” Why we must decide what we want from tech, and what we will refuse to tolerate.

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**By Russell Roberts**

**Russell Roberts, EconTalk:** My guest is futurist and author Amy Webb. Her latest book, *The Big Nine*, is a warning about the challenges that we’re going to face dealing with the rise of artificial intelligence (AI). What is special about the book is that it doesn’t talk about AI in the abstract, but actually recognizes the reality that AI is mostly being developed within very specific institutional settings in the United States and China. Let’s start with what you call the Big Nine. Who are they?

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*Russell Roberts is the John and Jean De Nault Research Fellow at the Hoover Institution. Amy Webb is a professor of strategic foresight at the NYU Stern School of Business, the founder of the Future Today Institute, and the author of **The Big Nine: How the Tech Titans and Their Thinking Machines Could Warp Humanity** (PublicAffairs, 2019).*

**Amy Webb:** It's important to note that when it comes to AI, there's a tremendous amount of misplaced optimism and fear. As you rightly point out, we tend to think in the abstract. In reality, there are nine big tech giants who overwhelmingly are funding the research, building the open-source frameworks, developing the tools and methodologies, building the data sets, doing the tests, and deploying AI at scale. Six of those companies are in the United States—I call them the G-Mafia for short—Google, Microsoft, Amazon, Facebook, IBM, and Apple. The other three are collectively known as the BAT and are based in China: Baidu, Alibaba, and Tencent. Together, those Big Nine tech companies are building the future of AI and, as a result, are helping to make serious plans and determinations for the future of humanity.

## WHAT'S YOUR SCORE?

**Roberts:** What's happening in China is hard to believe. Tell us about it.

**Webb:** Let me give you a quick example of one manifestation of this trend, and then set that in the broader cultural context. There's a province in China where a new sort of global system is being rolled out, and it's continually mining and refining the data of the citizens who live in that area. As an example, if you cross the street when there's a red light—if you jaywalk—cameras that are embedded with smart recognition technology will automatically not just recognize that there's a person in the intersection when there's not supposed to be but will actually recognize that person by name. They'll use facial recognition technology along with technologies that are capable of recognizing posture and gait. It will recognize who that person is. Their image will be displayed on a nearby digital billboard along with their name and other personal information. It will also trigger a social media mention on a network called Weibo, which is one of the predominant social networks in China. And that person, their family members and friends, but also their employer, will know that they have committed an infraction. In some cases, that person may be publicly told to show up at a nearby police precinct—publicly shamed. This is important because it tells us something about the future of recognition technology and data, which is very much tethered to the future of AI.

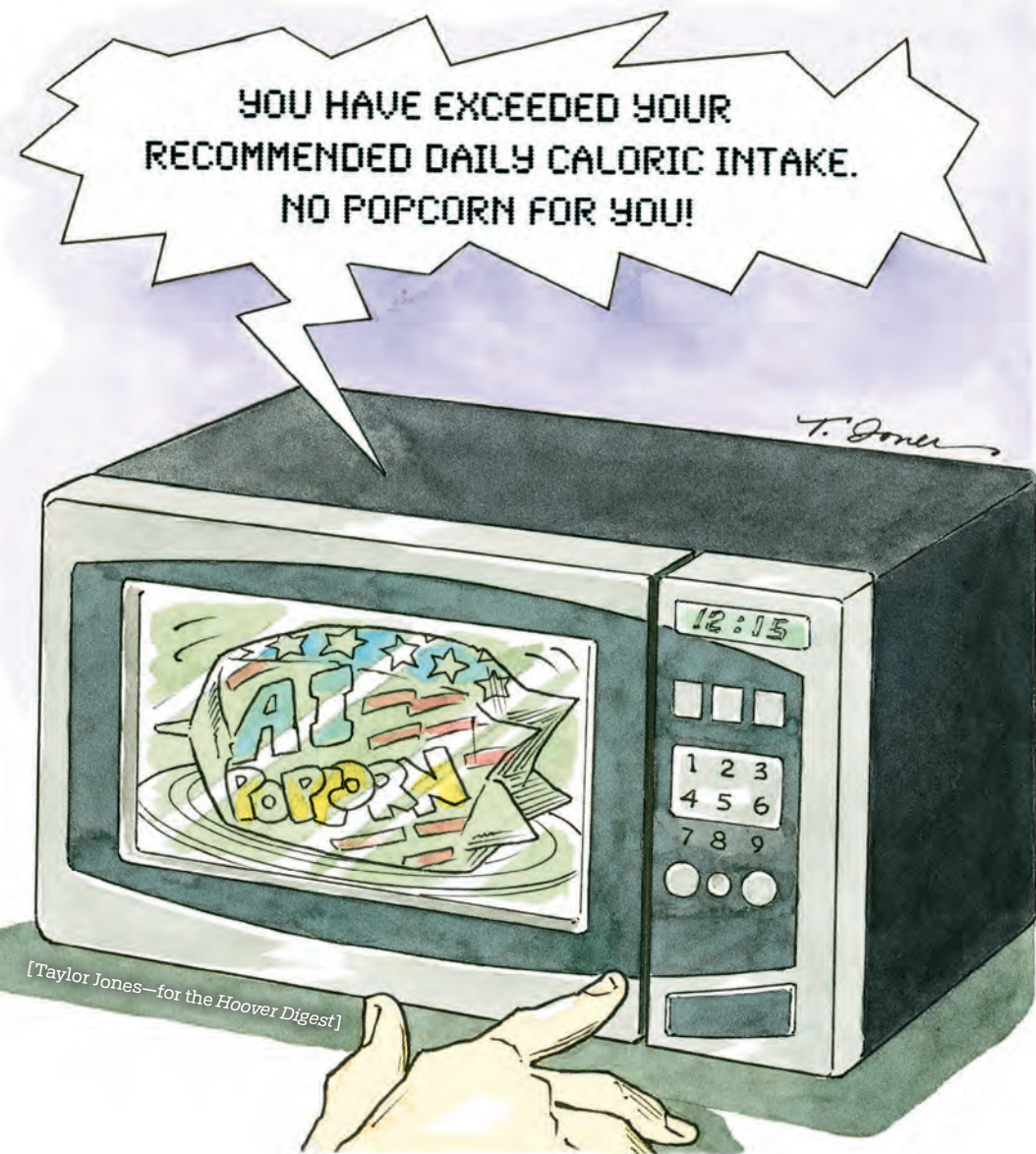
Better known as the social credit score, China has been experimenting with this for quite a while—and they're not just tracking people as they cross the street. They're also looking at other ways that people behave in society, ranging from whether bills are paid on time, to how people perform in their social circles, to disciplinary actions taken at work or school, to what people are searching on the Internet. The idea is to generate a metric

to show people definitively how well they are fitting into Chinese society. This probably sounds like a horrible *Twilight Zone* episode.

**Roberts:** It sounds like 1984 to me.

**Webb:** When I first heard about this, my initial response was not abject horror. I was very curious. China has 1.4 billion people, and if the idea is to deploy something like this at scale, that's a tremendous amount of data.

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***NO GUARDRAILS: Futurist Amy Webb's latest book focuses on the six US companies—Google, Microsoft, Amazon, Facebook, IBM, and Apple—and three Chinese firms—Baidu, Alibaba, and Tencent—that are building the future of artificial intelligence.*** [Knight Foundation—Creative Commons]

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And you have to ask: What's the point? This is where some cultural context comes into play. One distinctive feature of China is a community-reporting mechanism that is sort of embedded into society, going back thousands of years. One way to maintain control over vast masses of people spread out geographically was to develop a sort of tattletale culture. Throughout villages, if you were doing something untoward or breaking some kind of local custom or rule, you would get reported, sort of in a gossipy way. But, ultimately, the person who heard the information would report that on up to maybe a precinct or a feudal manager of some kind, who would then report that up to whoever was in charge of the village or town, and then you would get into some kind of actual trouble. This was a way of maintaining social control.

So, if you talk to people in China today, they are aware of monitoring. What I find so interesting at the moment is that the outcry outside of China does not match what I have observed in China—the lack of an outcry.

There's one other piece of this that's really important. Using AI in this way ties into China's Belt and Road Initiative (BRI). This is a sort of master plan—a long-term strategy that's built around infrastructure and helps China optimize what used to be the Silk Road trading route. But there's also a sort of digital BRI, where China is partnering with a lot of countries that are in situations where social stability is not a guarantee. So, China is starting to export this technology into societies and places where there isn't that cultural context in place. What does it mean for fifty-eight pilot countries to have in their hands a technology capable of mining and refining and learning about all of their citizens, and reporting any infractions to the authorities? In places like the Philippines, where free speech right now is questionable, this kind of technology becomes a dangerous weapon in the hands of an authoritarian regime.

**Roberts:** It's not just that it's awkward or embarrassing. These scores are going to be used to determine whether people can get credit, whether they can travel, and so on. Correct?

**Webb:** Right. We can't be 100 percent certain of the information that's coming out of China, because it's a controlled-information ecosystem. But from what we've been able to gather, I would suggest that it's already being used. It's certainly being used against ethnic minorities like the Uighurs. But we've seen instances of scoring systems being used to make determinations about schools that kids are able to get into, because their parents may have earned demotions and demerits on their social credit scores. So, it would appear that this is already starting to affect people in China.

My job is to quantify and assess future risk, so my mind immediately goes to the long-term implications. I think some of them are pretty obvious. Some people in China are going to wind up having a miserable life as a result of the social credit score. As the system grows and is more widely adopted, to some extent I suppose it could lead to better social harmony, but it also leads to quashing individual ideas and certain freedoms of expression.

And if it's the case that China has this digital BRI, and it's investing in countries around the world not just in traditional infrastructure but in digital infrastructure like fiber and 5G and communications networks and small

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***“One way to maintain control over vast masses of people spread out geographically was to develop a sort of tattletale culture.”***

cells and all the different technologies, in addition to AI and data, isn't it plausible that in the near future, our trade wars aren't just rhetoric but could wind up in a retaliatory situation where people who don't have a credit score can't participate in the Chinese economy? Or businesses that don't have

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***“China has not always made good on fulfilling promises, but they’re very good at long-term planning. So I don’t see all of this as a flash in the pan.”***

credit scores can't trade?  
Or—if we think about this like an AAA bond rating—what happens if this credit scoring system evolves and China does business only with coun-

tries that have a high enough score? We could quite literally get locked out of part of the global economy. It seems farfetched, but the signals are present now that point to something that could look like that in the near future.

**Roberts:** It strikes me as quite worrisome. You hinted that we have to be open-minded that maybe this will make a better Chinese society (as defined by them). The Soviets wanted to create a new Soviet man and woman—they failed. But now, with these tools, maybe there will be a new Chinese man and woman who will be harmoniously living with their neighbor, never jaywalking or gossiping, and smiling more often. Who knows? But it's not my first thought about how this is going to turn out.

**Webb:** I'm not a dystopian fiction writer; I'm a pragmatist. But I've studied all of this, and used data to model plausible outcomes—and it's scary. It really is. Because you have to connect the dots between all of this and other adjacent areas that are important to note. The Chinese Communist Party (CCP) is facing some huge opportunities but also big problems. The Chinese economy may technically be slowing, but it's not a slow economy. There's plenty of growth ahead. And, if that holds, Chinese society is about to go through social mobility at a scale never seen before in modern human history. And as that enormous group of people moves up, they're going to want to buy stuff and they're going to want to travel. That potentially causes some problems, because the more wealth that is earned and the more agency people feel, the more opinions they start having about how the government ought to be run. And the CCP made the current president, Xi Jinping, effectively president for life. And 2049—which seems far off, but in the grand scheme of things isn't that far into the future—is the hundredth anniversary of the founding of the CCP. China has not always made good on fulfilling promises, but they're very good at long-term planning. So I don't see all of this as a flash in the pan, or

just that AI is a buzzy topic right now. I'm looking at the long term and the much bigger picture, and that's what makes me concerned.

## THE FUTURE IS NOW

**Roberts:** The Chinese Internet is roped off to a large extent. They're developing their own tools and apps. Talk about the three companies in China that are working on AI and how they work together in a way that American companies do not.

**Webb:** Baidu, Alibaba, and Tencent were all formed in the late 1990s or early 2000s, and their origin stories are not all that different from our modern tech giants like Amazon, Google, and Apple. The key distinction is that our big tech companies were formed—for the most part in and around Seattle and the San Francisco Bay Area—where the ecosystem was able to blossom due to plenty of competition and plenty of talent. California has fairly lenient employment laws that have made it very easy for talent to move between companies. But the lack of a central, federal authority is partly what enabled these companies to grow fast and grow big. It's why we also see a lot of overlap. We have competing operating systems for our mobile devices, competing cloud infrastructures, and competing email systems. That's because, without a central authority dictating which company was going to do which thing, they all sort of went on their own and built their own things. So, now we have tremendous wealth concentrated among just a few companies that own the lion's share of patents and are funding most of the research. And, for the most part, Silicon Valley and Washington, DC, have an antagonistic relationship.

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***“In places like the Philippines, where free speech right now is questionable, this kind of technology becomes a dangerous weapon in the hands of an authoritarian regime.”***

That is not the case in China. When the big tech companies were being formed there, they were created in concert with the government. So, while Baidu, Alibaba, and Tencent may be independent financial organizations, in practical terms they're very much working in lockstep with Beijing. Alibaba is very similar to Amazon—a retail operation. Tencent is very similar to our social media—sort of Twitter meets gaming and chat. Baidu is sort of the Google-esque company of the bunch. When the Chinese government decided that AI was going to be a central part of its future plans—and this was decided



years ago—it also decided that Tencent was going to focus on health; Baidu was going to focus on cloud, AI, and transportation; and Alibaba was going to focus on various data aspects. It was centrally coordinated, and that's a very important thing to keep in mind. If you've got a powerful central government that has this long-term vision and is centrally coordinating what's happening at a top level with the research and the movements of these companies, suddenly you have a streamlined system where you don't have arguments about regulation and you don't have the companies at each other's throats as we've seen in the United States. You don't see all that infighting in China.

The real challenge is that while we're trying to sort all this out in the United States, in China you have a streamlined central authority with three very powerful companies that are all now collaborating in some way on the future. There are other top-level government initiatives, such as to repatriate academicians and bring back top AI people. There is a textbook that is going to roll out this year throughout China teaching kindergarteners the fundamentals of machine learning. Whereas in the United States, some of our government officials until very recently denied AI's capabilities. There's no funding; there's no government structure set up. You see what I'm getting at?

**Roberts:** Let me push back against that a little bit. Historically, the chaotic soup of competition serves the average person and the people who are innovators quite well. The fact that China has, say, Baidu focusing on one thing and no one else having to worry about it could be a bug, not a feature. I'm not convinced that China teaching kindergarteners machine learning is going to turn out well. They're not allowing the kind of experimentation—trial and error—that in my view is central to innovation. So, I think it remains to be seen how successful their walled garden, with top-down gardening going on from the government's vision of what they want AI to serve, is going to work out. I'm not so sure they have everything under control.

**Webb:** I completely agree with you. For years, especially in the United States, we've been indoctrinated into thinking that China is a copy-paste culture rather than a culture that understands how to innovate, and to some extent I think that is the result of that heavy-fisted, top-down approach to business.

***WATCH OUT: A police surveillance robot (opposite page) rolls among the streets of downtown Beijing. China's massive efforts to surveil its people electronically include face-recognition cameras, social media monitoring, and public shaming—all tethered to the future of artificial intelligence.*** [Stephen Shaver—UPI]

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But I'm not concerned about whether China succeeds financially. I'm concerned that the challenge with AI is already here. There's no event horizon; there's no single thing that happens. It's already here, and it's been here for

a while. AI now powers our email; it powers the antilock brakes in our cars. The new Third Era of computing that we're in is AI. And while we've

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***“We’re talking about slowly but surely ceding control to systems to make decisions on our behalf.”***

seen AI anthropomorphized in movies like *Her* and on shows like *Westworld*, at its heart AI is simply systems that make decisions on our behalf, and they do that using tools to optimize.

Right now, these systems are capable of making fairly narrow decisions. The structures of those systems, and which data they were trained on, and how they make decisions and under what circumstances—those decisions were made by a relatively small number of people working at the BAT in China and at the G-Mafia in the United States. The problem is that these systems aren't static. They continue to learn. And they join millions of other algorithms that are all working in service of optimizing things on our behalf.

So, I agree with you that if we're talking about a self-driving future, say, it's good to have competition, because we get better form factors, better vehicles, better price points, and so on. But when we're talking about systems that are continuing to evolve and that grow more and more powerful the more data they have access to and the more compute power they're given, we're talking about slowly but surely ceding control to systems to make decisions on our behalf. That's what concerns me. We don't have a single set of guardrails that are global in nature. We don't have norms and standards. I'm not in favor of regulation. On the other hand, we don't have any kind of agreed-upon ideas for who and what to optimize for, under what circumstances. Or even what data sets to use. And China has a vastly different approach than we do in the United States, in part because China has a completely different viewpoint on what details of people's private lives should be mined, refined, and productized. Here in the United States, a lot of these companies have obfuscated when and how they're using our data. The challenge is that we all have to live with the repercussions.

## **DEATH BY A THOUSAND PAPER CUTS**

**Roberts:** This kind of corporate nudging, which you reference in the book quite a bit, is a slippery slope. So, it starts off: “You sure you want

popcorn today? You've had three bags this week." And you're still able to hit "yes" and override it. But is it possible that there will be a day where I get a bargain on my health insurance if I allow Google or Amazon to cut me off from popcorn and pay an extra fee for that? There are all kinds of things there that strike at the heart of how we live our lives. I really don't want AI making my decisions about who to date, what career path to take, or how I ought to spend my weekend. Right now, the nudging might be about restaurants, movies, or books I might enjoy. And most of that I love, because I discover options I didn't know about. But are we going down a path where it controls what we do? You could argue, I guess, that it already does.

**Webb:** So, how did we wind up at this point? You could argue that one of the things that the modern Internet brought us was tyranny of choice, and you could argue that using AI to make recommendations was simply an antidote to the tyranny of choice we created for ourselves in the early days. And, one could certainly argue that that's not necessarily a bad thing. All these choices we have—that's one side of the coin. The other side of the coin is: nobody asked me what I wanted, and somebody, somewhere made a decision that this nudging is best for me. Let me give you a concrete example of how that manifests in my life. When my car goes into reverse, the sound system automatically turns itself down. Somebody decided that was best for me as the driver, regardless of what I'm listening to, regardless of what kind of driver I am, regardless of conditions.

There's no federal

mandate or law requiring that, and there are no data—as far as I know—indicating that accidents will be prevented. Somebody just thought that would be a good feature, and I can't override it. That may not seem very important—to me, it's like a paper cut.

But with AI and these systems built by relatively small groups of homogenous people who are making decisions intended to govern us all—working at six companies in the United States and three in China—we're going to start experiencing paper cuts at a fairly rapid clip. When you have one or two paper cuts, it's not a big deal. When your entire body is covered in paper cuts, your life is very different. Suddenly life is nothing like it was before. You're miserable, and you don't have any way to override those paper cuts,

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***"Nobody asked me what I wanted, and somebody, somewhere made a decision that this nudging is best for me."***

because they just keep coming back, seemingly out of nowhere. That's the kind of future I'm hoping to prevent.

**Roberts:** So, what can we do about all that?

**Webb:** So this is where things get a little complicated. And, you know, I just want to be very clear: I don't think Big Tech is the enemy. I don't think that the G-Mafia are the villains. In fact, I think they are our best hope for the future. But introducing competition at this point may not elicit the same type of responses that you might see in other market sectors, in other industries. And I think part of the reason is that the technology that these companies build and maintain is the invisible infrastructure powering everyday life. It's not a single widget, or even a series of widgets. And technology always becomes something else, right? Then, how do we mitigate that?

One way we could think about the future of AI is to treat it similar to a public good—the way that we might treat air. The public-good concept works, I think, because it tells us that we all have a stake—we're not just going with the flow. It also helps us think about global guardrails. I know it sounds like I'm angling for regulation, but I'm not. I'm angling for widespread collaboration, with some very specific, agreed-upon tenets, like stipulating that whenever an investor invests money in AI for whatever reason, part of that investment must be allocated to making safety a priority.

Having some kind of global body is important. Again, I'm not usually in favor of huge government and big bureaucracies, but I think in this particular case, we can't just assume that these companies, which have motivations that I don't think are always in line with what's best for humanity, are going to take care of stuff on their own. We have no basic funding for research, or not

anywhere near enough, in some of these areas, outside of military expenditures. Somebody has got to do it. If there was some global agency that acted a bit like the International

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***“We individuals have to take some responsibility as well. We have to get smarter about what data we’re shedding and when, how, where, and why.”***

Atomic Energy Agency (with the caveat that I'm not saying AI is a weapon), then we'd have some mechanism to think this through. I think we need to have some kind of global atlas of human culture or values, which is going to take time to build and is not static—how we interpret things culturally and how we relate to each other. Because, ultimately, these systems don't just live

within the geographic boundaries of our countries. They travel. So, I think that there are a lot of solutions that are top-down.

But we individuals have to take some responsibility as well. We have to get smarter about what data we're shedding and when, how, where, and why. We have

to demand transparency. I think it's possible for the big tech companies to be more transparent, without sacrificing intellectual property. And our universities have to take more responsibility and weave difficult questions and worldviews into their core curricula. There is no single fix here. The good news is that there is something for all of us to do and, collectively, if we can get it together, to shift the developmental track of AI. I think the optimistic scenarios are possible. I really do. My concern is that everybody is going to say: "I don't feel the pain all that much yet, so I'm cool waiting." ■

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***"You could argue that using AI to make recommendations was simply an antidote to the tyranny of choice we created for ourselves."***

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# The Audacity of Nope

**It takes a special kind of chutzpah to compare the outrageous goals and impossible price tag of the Green New Deal with the components of the original New Deal.**

**By Richard A. Epstein**

**T**he dominant energy source for the foreseeable future, for both the United States and the rest of the world, will be fossil fuels, chiefly oil, natural gas, and coal. Around the world, many groups will push hard for massive subsidies for wind and solar energy, yet that attempt, no matter how bold, will fail to shift the overall balance of production toward green energy sources. Lack of storability remains the fatal drawback of wind and solar:

## Key points

- » The major challenge of sound energy policy is to find ways to make the production of fossil fuels both cheaper and safer.
- » Cartels were among the harmful ingredients of the original New Deal, and many of those cartels persist today.
- » The “Green New Deal” would mean massive government mandates fueled by equally massive spending—all to no effect.

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Solar works when the sun shines. Wind works when breezes blow. Both often provide energy when it is not needed and fail to provide it when required. Any legal diktat that puts these renewable sources first will only produce a prolonged economic dislocation.

Pie-in-the-sky proposals like Representative Alexandria Ocasio-Cortez's "Green New Deal," which stipulates that 100 percent of energy needs be supplied by "clean, renewable, and zero-emissions" sources, should be dead on arrival.

The major challenge of sound energy policy today is to find ways to make the production of fossil fuels both cheaper and safer. Fortunately, private-sector innovation has paid off handsomely, such that the total social cost of fossil fuels has trended sharply downward and shows every indication of continuing to do so. The point is especially clear with hydraulic fracturing, or fracking, which has been driven by large cumulative improvements at every stage of the production process.

Since 1950, carbon dioxide emissions have increased more than fivefold, but, as policy analyst Marlo Lewis has demonstrated, it is difficult to link these emissions to any negative global consequences. After all, over the same period of time, there have been massive increases in life expectancy, crop yields, and wealth. In my view, the current scientific record offers no support for the claim that increases in CO<sub>2</sub> emissions pose an immediate, let alone existential, threat. Indeed, global temperatures have declined 0.56 degrees Celsius between 2016 and 2018, for the largest two-year drop in the past century—a trend that has gone largely unremarked upon in the press.

Nor is the Green New Deal justified by any breakdown in the economic system. Notwithstanding President Trump's major blunders on foreign trade, the domestic economy has picked up from the slow-growth Obama years. Gross domestic product is up, along with employment levels and wages. The progressive trope was that only strong government regulation in the form of minimum wages, tough overtime rules, and strong support for labor unions could improve job opportunities and wages for individuals stuck at the bottom of the income ladder thanks to race, age, gender, disability, or criminal record. That wrong-headed prescription ignores that these supposedly protective measures function instead as barriers to entry for people locked outside the market.

## A TALE OF TWO DEALS

It is instructive to compare how the two New Deals—Franklin D. Roosevelt's and Ocasio-Cortez's—responded to their perceived problems. The Roosevelt confection was a mixed bag, not representative of any coherent philosophy. Many of its initiatives were triggered by immediate dangers that required

firm action, including President Roosevelt's decision in March 1933 to declare a bank holiday shortly after taking office to slow down a potentially ruinous run on the banks. His introduction of the Federal Deposit Insurance Corporation that same year was surely a defensible approach to that same end, even if not beyond criticism. And the formation of the Securities and Exchange Commission in 1934 was a sensible, if controversial, action to prop up public confidence in the securities markets.

On a different front, the use of government advisers to teach sound agricultural techniques to Dust Bowl farmers through the Soil Conservation Service was a stroke of genius, as was the operation of the Civilian Conservation Corps for unemployed and unmarried men, which led to massive improvements in domestic infrastructure, including the construction of roads and dams, and the planting of some three billion trees.

On the debit side, FDR's New Deal carried with it a very high price tag. Roosevelt is often credited with staving off socialism by his intervention in the labor, agriculture, and transportation markets. And Roosevelt should receive full marks for resisting government ownership of these operations. But two major blunders had lasting effects.

First, Roosevelt did nothing to moderate the high progressive tax rates of the Hoover administration. Drying up private investment capital forced the government to prime the pump to facilitate capital improvements. But all

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***Roosevelt's madcap systems, agricultural quotas, and collective-bargaining regime remain in place today.***

too often, this approach gave priority to inefficient forms of public investment, driving out the more informed choices of private investors.

Worse still was Roosevelt's infatuation with cartels, which allowed industry members to call on the government to curb output and raise prices. These cartels were formed for agriculture, ground transportation, airlines, labor, and many other activities. Their creation gave Roosevelt political running room to rail against various monopolists, real and imagined, for he well understood that cartels offered at least short-term assistance to large numbers of farmers and workers who helped forge his political coalition. But that master political stroke had strong negative economic consequences. It led to the burning of excessive agricultural produce to keep food prices artificially high, and to constant strikes and union actions that advanced the monopoly position conferred on them by the National Labor Relations Act.

These blunders, moreover, were quite durable: the madcap systems, agricultural quotas, and collective-bargaining system remain in place today, long after the short-term measures of the New Deal expired.

Whatever the economic problems caused by the New Deal, they are child's play in comparison with the Green New Deal, which would likely lead to massive government mandates fueled by equally massive spending. The initial blunder is to assume that

any such initiative, likely to wreck the US economy, would have more than a negligible effect on carbon dioxide levels.

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***Even as carbon dioxide emissions have grown, so have increases in life expectancy, crop yields, and wealth.***

Two salient facts draw the picture: China produces more CO<sub>2</sub> emissions than the United States and the European Union combined, and emission levels in the United States, which account for less than 15 percent of total world emissions, have dropped by about eight hundred million tons a year since 2005.

Worse still, the Green New Deal seeks to implement a set of juvenile domestic proposals. The decline of union power has been one of the most welcome recent developments in the United States; the Green New Deal would instead give unions the whip hand in all labor negotiations. Strong unions lead to artificial work rules that make it impossible to introduce sensible procedures for the most mundane tasks, like changing light bulbs in union-managed public housing. Any proposal to implement the massive retrofitting of housing and transportation stock through union labor, as the Green New Deal contemplates, would consume so many resources that little private capital would be left for the high level of new investment required to sustain economic growth.

Nor would the situation improve with further distortions imposed on the economy in the name of gender equity. One of the more puzzling aspects of the Green New Deal is its insistence that all occupational differences between men and women are somehow suspect. Yet the purported defenders of that principle do not mean that all individuals should have the right to compete for whatever jobs they want in an open market. Rather, the objective is equality of outcome in the form of proportionate representation in key occupations, pay equalization across different job categories, equal representation of women on corporate boards, and an ever-higher percentage of female CEOs. The underlying premise: normal market forces necessarily undervalue the services of women.

This full-scale regulatory campaign would only introduce further distortions in labor markets, hobble the economy, and fail to address climate change in any meaningful way.

## SOME THINGS ARE NOT SIMPLE

The defenders of the Green New Deal are also champions of the indigenous-rights movement, including proposals to give various groups the right to veto development along the lines of the 2007 UN Declaration on the Rights of Indigenous Peoples, which held that all nations must acquire from indigenous people “their free, prior, and informed consent before adopting and implementing legislative or administrative measures that may affect them.” Read broadly, that position could give various Indian tribes veto power over the construction of new pipelines and facilities across the country, and do so at a time when the

various legal obstacles to pipeline construction are beginning to cause a serious tightening of energy supplies in the New York metropolitan area and elsewhere.

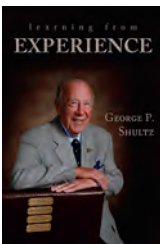
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### ***Critics of the status quo need to understand the many tradeoffs and compromises needed to operate any complex system.***

It is shocking how many Democrats have lined up in defense of this extreme proposal without the slightest knowledge or awareness of its deeply counterproductive features. They seem to have adopted the dangerous mindset that the outcomes produced by traditional markets and deliberative processes are necessarily corrupt.

The progressive movement, and the nation as a whole, would be better off if the harshest critics of the status quo took it upon themselves to understand the many tradeoffs and compromises needed to operate any complex system—before implementing an infantile proposal that would wreck the whole thing. ■

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# Native Freedoms

**Indian tribes once had economies that helped them thrive, not merely survive. They must be allowed to reclaim their economic freedom, re-establish the rule of law, and reassert individual liberties.**

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**By Terry L. Anderson and Wendy Purnell**

*Let me be a free man, free to travel, free to stop, free to work, free to trade where I choose, free to choose my own teachers, free to follow the religion of my fathers, free to talk, think and act for myself—and I will obey every law or submit to the penalty.*

—Chief Joseph, January 14, 1879

**F**rom protests and politics to pop culture, Americans have begun to pay more attention to the continent's indigenous peoples. The recent PBS series *Native America* offers a glimpse of the advanced civilizations that existed before European contact. The documentary film *Rumble* finally gives Native Americans "credit for influencing a vast amount of popular music." A record number of Native American candidates were on midterm ballots across the country last year, and Kansas and New Mexico elected the first two Native American women to the US Congress. To recognize "the remarkable legacies and accomplishments of Native Americans," as Senator John Hoeven (R-North Dakota) put it, the Senate passed

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its annual resolution declaring Native American Heritage Month. The legislation's co-sponsor, Senator Tom Udall (D–New Mexico), described Native American Heritage Month as an opportunity to “celebrate the indelible mark that Native American arts, languages, cultures, and peoples have left on New Mexico and the United States.”

The emphasis on language, culture, art, and religion is integral to Native American heritage. But Native American heritage is not just about language and song; that heritage is also about the institutions that once governed, and even now could help govern, Native Americans' daily lives.

This essay aims for a better understanding of how Native American heritage provides a foundation on which tribes can renew their economies with far less dependence on the “siren call of federal handouts,” as Alvin “A.J.” Not Afraid Jr., chairman of the Crow Tribe, puts it. Honoring that heritage begins with realizing that “old indigenous economies” were built of tribal jurisdiction, governance structures, property ownership, and trade. Unfortunately, old indigenous economies were supplanted with colonial economies that made tribes and individual Indians wards of the state. Extracting themselves from colonial bondage will require renewing indigenous economies by clearly defining tribal jurisdictions, establishing new governance structures built on a rule of law and tribal heritage, and securing property rights (both collective and individual) that help tribes fully participate in and benefit from the modern, global economy.

Before European contact, indigenous economies were based on institutions that allowed American Indians to thrive rather than simply survive. In fact, as historian Amy Sturgis has observed, “far from primitive or forgotten, the New World's indigenous legacy of individual liberty, limited government, and legitimate law offer insights as fresh and relevant as the new millennium.” Old indigenous economies are an example of “ideas defining a free society.”

## **JURISDICTION AND GOVERNANCE**

We generally refer to a group of Native Americans as a *tribe* because, as described by the *Oxford English Dictionary*, they are “a traditional society consisting of families or communities linked by social, economic, religious, or blood ties, with a common culture and dialect, typically having a recognized leader.” Like most social groups, Indian tribes, whether sedentary or nomadic, defined a geographic territory over which they had jurisdiction and from which they could enjoy nature's bounty. Of course, there were conflicts, but tribes generally recognized and respected who controlled what.

T. Jones



[Taylor Jones—for the Hoover Digest]

Sedentary tribes from all parts of North America recognized the importance of property ownership. Clans, families, and individuals in eastern tribes owned land and could transfer that ownership, giving them the incentive to invest in their land by cultivating fields, propagating vegetation, and managing wildlife. Similarly, Pacific Northwest tribes dependent on the ocean's bounty had property ownership of clam gardens, which were sections of beach where rocks and sand were moved to create terraces that encouraged clams to thrive. Southwestern tribes had cornfields with the boundaries clearly marked by stones indicating who owned the land.

The Iroquois Confederacy offers an excellent example of an agreement among governing tribes to avoid the zero-sum nature of fighting over territories and to organize, if necessary, to repel those attempting to violate established jurisdictions. Indeed, America's founding fathers derived some of their ideas from this forward looking inter-tribal compact.

Even the more nomadic tribes of the Plains and Mountain West had tribal territories within which they could hunt, trap, and fish, and into which other tribes were reluctant to enter without permission. Tribes laid claims to hunting territories, drew boundary lines delineated by topographic features or boulders wrapped in buffalo hides, and signed treaties establishing what today we would call jurisdiction. Some tribes established rights to bear- and goat-hunting areas, berry and root patches, hot springs, and even trade routes.

Within tribes and their jurisdictions, old indigenous economies were organized by governance structures—rules of law—that determined leadership, rules for collective actions, and laws for resolving disputes. In a paper titled “Northern Cheyenne Tribe: Traditional Law and Constitutional Reform,” Sheldon Spotted Elk eloquently describes the importance of the sun dance as a way of passing along tribal governance structures and tribal law.

The Cheyenne governing system has been in existence for “centuries upon centuries, perhaps thousands of years,” and goes to the core of our people's existence and identity. In order to govern our people as Cheyenne in a post-Indian Reorganization Act (hereinafter “IRA”) period, we had to adapt our traditional governing structure and live under two constitutions and two governments, one traditional and the other a more Western-based system. The main difference between the two systems is that the Western-based system is expressed through writing, secularism, individualism, and majority rule, while the



***LIVE FREE: Alvin Not Afraid Jr., chairman of the Crow Tribe, warns against Native Americans relying on the “siren call of federal handouts.” As America grew, indigenous economies were supplanted with colonial economies that made tribes and individual Indians wards of the state.*** [Joshua Roberts—Reuters]

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traditional system is oral, largely spiritual, tribal-based, and consensus-oriented.

Pedestrian Indians—meaning before the arrival of European horses—who drove buffalo over cliffs offer another example of a well-developed governance structure. Before the horse, hunting buffalo was a large-group exercise involving one hundred to two hundred people needed to drive buffalo herds over cliffs known as buffalo jumps or *piskuns*. The collective effort was governed by a designated hunt leader who coordinated activities by appointing guards. The guards had the authority to punish anyone who disrupted the communal efforts by destroying the disrupter's property.

In summary, Native American history prior to European contact is replete with examples of how indigenous jurisdiction and governance structures allowed Native Americans to go beyond survival to achieve prosperity. As James Robinson, co-author of *Why Nations Fail*, put it at a meeting of tribal leaders (September 24, 2018, at the Hoover Institution), “poverty and underdevelopment are caused by societies having extractive

institutions—institutions that fail to create broad-based incentives and opportunities in society.” This happens because nations have “extractive political institutions” that fail to broadly distribute political power or to establish a strong government based on the rule of law. Robinson concludes that

indigenous societies in North America, in Australasia, had to deal with many of the same problems that Africans did. They suffered military conquest. They lost vast amounts of land. They did so in a context where their existing economic institutions were different from Western ones. They had alien political institutions thrust upon them . . . which often had the effect of creating centralized authority which had not previously existed. This has had a lot of enduring effects when it comes to trying to change constitutions or institutions. . . . They still suffer from post-colonial meddling from the US government.

## PROPERTY OWNERSHIP

Just as Native American heritage should be celebrated for the ways in which tribes established jurisdiction over territories and governance structures for collective actions, it also should be celebrated for the legacy of property ownership.

Movie versions of American Indian life—for example, *Dances with Wolves*—depict communal societies where people adhered to the Marxian principle of “from each according to his ability, to each according to his needs.” Anthropological studies point to the contrary: Indians understood the link between ownership and productivity and conservation. As anthropologist Frank G. Speck put it, property ownership was linked to “the maintenance of a supply of animal and vegetable life, methods of ensuring its propagation to provide sources of life for posterity, the permanent family residence within well-known and often-times blazed property boundaries, and resentment against trespass by the family groups surrounding them who possessed districts of their own.”

Personal property was nearly always privately owned because it required a significant investment of time to produce and maintain. Clothes, weapons, utensils, and housing were often the property of the women who made them. The teepee, for example, was owned by the women who collected the hides, tanned and scraped them, and sewed them together. The time it took to chip arrowheads and construct bows and arrows meant makers owned the fruits of their labor.



**SHARED BUT OWNED: A 1901 postcard shows Indians fishing in the rapids near Sault Ste. Marie, Michigan. Traditionally, tribes had territories within which they could hunt, trap, and fish, and into which other tribes were reluctant to enter without permission.** [New York Public Library]

One of the best examples of property ownership comes from the Pacific Northwest, where Indians had well-defined fishing sites along the Columbia River. Because fish were naturally channeled at falls or shoals, Indians built fish wheels and weirs—capital—that required significant investment and made it easier to harvest salmon returning from the ocean to spawn. Access to these locations and to the fixed appliances were limited to the clan or house group that had made the investment.

Piñon groves in the Great Basin were such an important food source that the groves were owned by families and could be traded. In one case a Northern Paiute reflected that his father “paid a horse for a certain piñon-nut range.”

By celebrating the Native American heritage of property ownership, we see that they developed institutions that encouraged resource stewardship. Far from societies based solely on communal organization, American Indians used property ownership—whether individual, family, or clan—to give

individuals the incentive to invest in capital assets that increased productivity. As a result, they thrived even under sometimes-harsh conditions.

## TRADE

Given their heritage of jurisdictions, governance structures (or rule of law), and property ownership, it is no surprise that American Indians took advantage of gains from trade. A favorite example is that of a trade axe made by Lewis and Clark's blacksmith during the winter of 1805 in the Mandan villages of current-day North Dakota. These villages were among the most important trade nodes of the plains. Tribes from the north, south, east, and west gathered in them to trade Pacific Coast shells for Minnesota pipestone, dried buffalo for dried fish, and Yellowstone obsidian for caribou hide.

The Corps of Discovery used the trade axes to get food, horses, and other essentials for their trip west. After battling the upstream currents of the Missouri and crossing the Rocky Mountains, they arrived in the Nez Perce territory in the upper Columbia River basin only to find that one of the trade axes had beaten them there. In short, it had been traded again and again on its journey west.

By specializing in production and by tying production to property ownership, tribes throughout the Americas benefited from gains from trade. Trade allowed them to use new technologies—metal for cooking pots, for example—and expanded their art forms to incorporate materials such as beads for decorating clothing. Trade coupled with property ownership meant that what benefited one tribe benefited others.

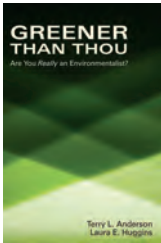
## INSTITUTIONAL HERITAGE

Long before Adam Smith penned *The Wealth of Nations*, Native Americans knew the source of wealth was more than nature; it was organizing themselves into productive societies. Not only were they rich in cultural ceremonies, language, songs, and art, they had cities such as Chaco Canyon in today's New Mexico. They were generally tall people as a result of highly nutritional diets, and if they survived infancy, they generally lived longer lives than most Europeans of the time. They generated new technologies, domesticated and refined seeds for cultivating crops, adapted to ever-changing climatic conditions, and successfully adopted European resources such as the horse.

In summary, though Native Americans are one of today's poorest American minorities, they were not poor under "old indigenous economies." Their modern poverty is the result of the "colonial indigenous economies" that rob

American Indians of the freedoms articulated in the opening quote from Chief Joseph in 1879. To renew indigenous economies would be to recognize Native Americans' rights to be American with their own jurisdiction, sovereignty, property ownership, and the freedom to trade. These are their heritage and they are the "ideas defining a free Native American society." ■

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# *Ideas Have Consequences*

**Before he went on to run another great think tank, the Heritage Foundation, Edwin J. Feulner served as a fellow at the Hoover Institution—and has followed Hoover ever since. In this appreciation of Hoover's first century, he explains how the institution has kept vigil, preventing the world, in Herbert Hoover's own words, from slumping "back toward darkness."**

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**R**ichard M. Weaver, professor of English at the University of Chicago, argued persuasively that we must remember the past to avoid the belief that "every cause which has won has deserved to win." Herbert Hoover agreed, and argued that the Bolsheviks and their successors—communists, fascists, Nazis, and assorted totalitarians that he encountered during his lifetime—should not be permitted to succeed by free men and women. He argued they did *not* deserve to win.

And the Hoover Institution, our shared institution, has been both accumulating and disseminating those ideas to promote a free society since its founding by private citizen Herbert Hoover one hundred years ago.

I say "our shared institution" because I was honored to be the very first public affairs fellow at Hoover in 1967–68, and because institutionally we—Hoover and the Heritage Foundation, the American Enterprise Institute, the

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*Edwin J. Feulner is the founder and former president of the Heritage Foundation.*

Hudson Institute, and other institutions—share a belief that “supports the Constitution of the United States, its Bill of Rights, and its method of representative government.”

We all support the belief that “our social and economic systems are based on private enterprise, from which springs initiative and ingenuity” and that we “must constantly and dynamically point the road to peace, to personal freedom, and to the safeguards of the American system.”

We also share the view that “ours is a system where the federal government should undertake no governmental, social, or economic action except where local government or the people cannot undertake it for themselves.”



Yes, these basic principles are shared by the major conservative think tanks I mentioned, but this statement of beliefs is a direct quote from the Hoover Institution’s 1959 mission statement as prepared under the direction of its founder, Herbert Hoover. One of my colleagues at Heritage asked me the other day why I was celebrating the Hoover Institution’s birthday—she asked me: “isn’t Hoover a competitor?”

No, I answered. Lighthouses don’t compete with each other!

Lighthouses complement each other and they cooperate in illuminating the challenges and dangers we all face in advancing freedom, free enterprise, and the rule of law, together.

## EXPERTISE AND MEMORY

What makes Hoover essential as the queen of those “freedom lighthouses”? I see two pillars: first, your archives, and second, the aggregation of your scholars—women and men who share a belief that freedom and free enterprise, the rule of law, and human rights are the necessary conditions for human flourishing.

You at the Hoover Institution have assembled an interconnected network of true experts with policy-relevant knowledge who share those fundamental beliefs and who work to actively transmit and translate those beliefs into policy. And that interconnectivity is what makes your work so important.

I remember my first excursions to the Hoover Tower more than fifty years ago, and joining my intellectual heroes for cookies and afternoon tea—and

perhaps, rather daringly, a glass of sherry—just to talk about ideas, about problems and challenges facing each other, and facing our nation and our world. And that interchange—that bubbling up of ideas among individuals—through that special shared relationship has brought forth the amazing productivity of some of the greatest minds of these hundred years.

Let's go back to the origins of the Hoover Institution. Back then, American leaders were not all politicians—Herbert Hoover, “the Chief” as he was affectionately known for decades, was still a private citizen. This was before his cabinet service under Presidents Harding and Coolidge and, of course, before his White House days. He was still an outsider, but an outsider who wanted to be a problem solver.

The Chief was a wealthy entrepreneur with an incredible range of engineering experiences including the Australian desert, the Boxer Rebellion in China, and the pinnacles of finance and international commerce in the City of London. Hoover faced challenges—successes and, yes, reverses—on four continents. But he always saw human needs and he looked for the opportunity to do something about meeting them.

We all have a vision of Hoover: successful London-based, American-born, Stanford-educated business leader, looking across the English Channel at the starving people of Belgium at the start of the Great War. How could he, from his perch as a private citizen, provide the basic food needs for an entire nation? A nation occupied by Germans who used all local food for themselves. A nation, at the same time, cut off from the world's help by a British naval blockade.

Hoover set no minor goals. He was never a “small ball” politician. Not only was he an extraordinarily successful businessman, but he was later described as the man who was responsible for saving more lives—in the tens of millions—than any other person in history.

Hoover, the Stanford-trained engineer, took up the challenge of feeding the war refugees while simultaneously beginning to collect what he called “fugitive documents” that would tell the real story of the travails of human history. The Chief, reflecting on how he might help the world avoid another Great War, established the vision of a great leader as a great institution-builder. Serving as counselor at the Paris Peace Conference to the American delegation, Hoover sent repeated requests to Stanford president Ray Lyman Wilbur to send assistance to him in Europe to collect the documents that told the story of war and revolution. “There will be a thousand years to catalog this library,” he wrote to Wilbur, “but only ten years in which to acquire the most valuable of material.”

As the Chief said later in his life, the Hoover Institution is “my major contribution to American life.”

## **NO “MERE LIBRARY”**

For one hundred years, the institution that bears his name has accumulated millions of documents that tell the story of war, of rebellion and revolution, and of peace. Of aspirations—realized and dashed—and too often, of evil prevailing where it needn’t have. It’s truly an amazing story.

The Hoover Institution is both the repository of the most complete archives of its type in the world, and simultaneously, the home base to some of the most brilliant scholars and the most insightful policy analysts in the world. There is a vital connection between the archives and the think tank. “The institution is not, and must not be, a mere library,” the Chief reminded us. In 1959, Hoover pointed the way toward a broader role for his institution, setting it on a path to evolve into a public policy research center focused on American freedoms and values. As he said, “basic research need not be anti-quarian or static; it can be timely and dynamic as well.” Moreover, priority must be given to “research projects which can be of direct use in solving the major problems of our troubled age”:

We cannot ever afford to rest at ease in the comfortable assumption that right ideas always prevail by some virtue of their own. In the long run they do. But there can be and there have been periods of centuries when the world slumped back toward darkness merely because great masses of men became impregnated with wrong ideas and wrong social philosophies. The declines of civilization have been born of wrong ideas.

It has been an inspiration for me to see the amazing progress and impact that Hoover has had in advancing the power of good ideas in our national policy arena. The Heritage Foundation, at age forty-five, is still a kid in the public policy arena, compared with our centenarian cousin at Palo Alto. But, over those past four and a half decades, we have borrowed from our great friends and collaborators at Hoover.

And our borrowing has been not only from your incredible bank of principled, new, and exciting ideas, but also from the extraordinary people of Hoover: Milton Friedman, then a senior fellow at Hoover, honored us by speaking at Heritage’s tenth anniversary celebration. Others, including Dick Allen, Dennis Bark, Gary Becker, Alvin Rabushka, Tom Sowell, Allan Meltzer, Victor Davis Hanson, Robert Conquest, Rita Ricardo-Campbell, Tom Henriksen,

Kiron Skinner, and John Taylor, have shared their remarkable insights at Heritage during a number of our Washington seminars.

Margaret Thatcher was an honorary fellow of the Hoover Institution and the patron of our Heritage Foundation. She reminded us on her last visit to Hoover “how much Hoover’s scholars have been involved with illuminating the struggle between freedom and communism and their first cousins, capitalism and socialism.”

The struggle continues. Here is the vision that Hoover director Tom Gilligan sets forth today: “A system of individual liberty and limited government allows us to build wealth, maintain democracy, and preserve peace, benefits that we in turn bequeath to future generations. The work of creating, preserving, and disseminating the best knowledge of recent generations through our scholarship, teaching, publishing, and outreach ensures the preservation of the freedoms we hold dear. This was the vision of our founder and we remain true to it.” ■

*Special to the Hoover Digest. Adapted from a speech to the Hoover Institution Board of Overseers.*



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# *Solzhenitsyn Was Here*

**The celebrated Soviet exile came, hunted for historical treasures in the Hoover Archives, and began his scrutiny of the American scene. Notes on a memorable visitor.**

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***By Bertrand M. Patenaude***

A landmark moment in the history of the Hoover Institution occurred in 1975, when the exiled Russian writer Aleksandr Solzhenitsyn paid a visit. Survivor of Stalin's gulag, political novelist, fearless dissident, winner of the 1970 Nobel Prize in Literature, he is best remembered for *The Gulag Archipelago*, his monumental epic combining oral histories of camp survivors with political analysis, philosophical ruminations, and the author's own memories of the camps. The publication, in Paris in December 1973, of volume one of the original Russian-language version resulted in his deportation from the USSR. He arrived in West Germany in February 1974 a celebrated author with a reputation as a moralist and prophet of Tolstoyan proportions.

The Hoover Institution was Solzhenitsyn's first announced landing point in the United States. He came to investigate its library and archival collections on Russia and the Soviet Union. On the occasion of his arrival, on June 2, 1975, Solzhenitsyn was named a Hoover honorary fellow. He and his wife, Alya, spent eight discovery-filled days on campus. It was an exhilarating and

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*Bertrand M. Patenaude is a research fellow at the Hoover Institution.*

exhausting visit. Each day the couple worked on the eleventh floor of the Hoover Tower from 7:30 in the morning to 6:30 in the evening without breaking for lunch. "We were given a conference room with a massive table to work in," Solzhenitsyn recalled a few years later, "and the staff kept bringing materials I had located in the card catalogs: inventories, archival boxes, binders, folders with personal testimonies, books, old newspapers."

Foremost among the outstanding resources that dazzled Solzhenitsyn was the Boris I. Nicolaevsky Collection, arguably the single most important collection on Russia in the Hoover Archives. The product of more than forty years of vigorous collecting, the Nicolaevsky collection contains, in more than eight hundred manuscript boxes, a wealth of primary documents from many diverse sources and of various kinds, including correspondence, speeches, memoirs, writings, minutes of meetings, and photographs. Its chronological breadth is remarkable, extending back to the middle of the nineteenth century and encompassing such revolutionary legends as Mikhail Bakunin, rival of Marx and father of Russian anarchism, and the early populist Petr Lavrov. It covers political, social, and economic conditions and developments in late czarist Russia and in Soviet Russia under Lenin and Stalin. A list of individuals whose papers are in the Nicolaevsky collection would read like a Who's Who of the Russian revolutionary movement, as well as of the international socialist movement.

To be able to investigate this and Hoover's countless other archival collections and library holdings on Russia in such a brief period required a division of labor. "Alya and I worked a full week, four hands on deck, without respite," Solzhenitsyn later recalled, "Alya focusing on the Nicolaevsky archive while I made my way through the card catalogs and inventories, mapping out a future work plan, but also digging through a number of memoirs and rare editions that I had never seen or heard of."

Solzhenitsyn was determined to avoid publicity during his visit. He shunned the limelight and refused all interview requests. But he did agree to Hoover's request to make a public appearance at a ceremony announcing his honorary fellowship. It took place on Friday, June 6, on the steps of Hoover Tower before a crowd of about two hundred. Looking much like an Old Testament prophet, Solzhenitsyn delivered remarks that were interpreted by Hoover associate director Richard Staar. The exile quoted a Russian proverb to express the fact that his misfortune in being exiled from the Soviet Union had led to his good fortune in being able to make remarkable discoveries in the Hoover Library & Archives.

"The documentation I have examined at the Hoover Institution is outstanding and, in many respects, unique," he noted. "It is the kind of original



***NEW WORLD: Aleksandr Solzhenitsyn, newly arrived in the United States, speaks on the steps of the Hoover Tower on June 6, 1975. Hoover Institution associate director Richard Staar (left) interpreted the writer's remarks. [Hoover Institution]***

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***IMMERSED: Solzhenitsyn went back to work on the eleventh floor of the Hoover Tower in spring 1976, after returning to Stanford unexpectedly. “I spent two months in the library and archives of the Hoover Institution,” he wrote in his memoirs, “though I would have happily stayed another six.” Researching the 1917 Russian Revolution, he admitted to being overwhelmed by “this towering, growing heap of living material.” [Hoover Institution]***

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source material that the Soviets, in order to rewrite history, either destroyed or refuse to make available to scholars. . . . I look forward to utilizing your special collections and library materials for the rest of my life.”

## **THE PROPHET RETURNS**

Solzhenitsyn returned to Hoover in April 1976 to conduct further research for a series of historical novels about the fall of imperial Russia and the birth of the Soviet Union in the wake of the revolution of 1917. The reclusive writer, who had just closed a deal on a property in rural Vermont, arrived without advance notice. Staar, at the time serving as Hoover acting director, received a phone call at home on the afternoon of April 25 from a local Russian émigré saying that he had seen Solzhenitsyn in church that morning, which happened to be Orthodox Easter Sunday. Staar assumed this was a case of



***AT EASE: Solzhenitsyn socializes in a 1976 reception in Palo Alto with Rita Ricardo-Campbell, wife of then-Hoover director Glenn Campbell, and Anthony John Bittson (right), a Russian exile from the days of the 1917 Revolution whose memoir is in the Hoover Archives.*** [Hoover Institution]

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mistaken identity, although he must have wondered how anyone could possibly be mistaken for the bearded giant. The telephone at the Staar residence rang again that evening, and Solzhenitsyn announced his arrival.

Thus began the exiled author's eight-week immersion into the Russia materials of the Library & Archives, with the focus this time on the Russian Revolution of 1917, in particular the February Revolution, which saw the collapse of the Romanov dynasty and ushered in the tumultuous period of the Provisional Government. "I now began an enthralling two-month foray into materials concerning the February Revolution of 1917," Solzhenitsyn would later write. "My eyes were opened as to what had really taken place. In the Soviet Union I would never have been allowed such a deep and wide-ranging search into the events of that February!"

On this visit, Alya was not along to help him with his research, and there were times when he felt deluged by the mass of documents, periodicals, and

books at his disposal. “I was buried under mounds of information that were piling up like rubble over my head, and clawing my way out with both insight and despair.” Despair as a result of what he later called “my shattering discoveries at the Hoover Institution.”

For forty years I had been preparing to write about the Revolution in Russia—1976 being forty years from my initial conception of the book—but it was only now at the Hoover Institution that I encountered such an unexpected volume and scope of material that I could leaf through and drink in. It was only now that I truly came to see it all, and seeing it caused a shift in my mind I did not expect. . . . Encountering the materials from the Hoover Institution, I was overwhelmed by these tangible fragments of history from the days of the February Revolution and the period leading up to it. . . . Without this towering, growing heap of living material from those years, how could I have ever imagined that it *went like this*?

Solzhenitsyn was referring to his epiphany that the end of the Russian monarchy had not in fact ushered in a period of democratic rule in Russia, as he had always assumed. Instead there was misrule, treachery, and a descent into anarchy. “There was not a single week in 1917 of which the nation could be proud,” he observed in a memoir two years later. “It was absolutely inevitable that the Bolsheviks would come to power; it was inevitable that power would tumble into the hands of such people.” Solzhenitsyn’s Hoover sojourn had thus left him convinced that after the collapse of the monarchy in February 1917, Russia was doomed to its fate under Soviet rule.

## **FREEDOM TO WHAT END?**

During his second stay, Solzhenitsyn was awarded the American Friendship Medal by Freedoms Foundation at Valley Forge. The ceremony was held at Hoover on June 1, 1976, in the Nicolas de Basily Room. In castigating what he saw as American society’s excessive individual freedoms—such as “freedom to put commercial rubbish in mailboxes and telecasts,” “freedom of adolescents to immerse themselves in idleness instead of invigorating tasks,” and “freedom for healthy adults to avoid work and live at the expense of society”—the speech anticipated his famous Harvard commencement address two years later. “Genuinely human freedom is inner freedom, given to us by God,” Solzhenitsyn said in closing, “freedom to decide upon our own acts as well as moral responsibility for them—that which was called in an age-old, and now quaint, word: *honor*.”



**TO BE FREE: Solzhenitsyn, accompanied by Hoover fellow Richard Staar (left), holds forth. During this second stay, Solzhenitsyn was awarded the American Friendship Medal. In his acceptance speech, he expressed misgivings about what he saw as excessive individual freedom: “Genuinely human freedom is inner freedom, given to us by God,” Solzhenitsyn said in closing, “freedom to decide upon our own acts as well as moral responsibility for them.”** [Hoover Institution]

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Further details about Solzhenitsyn’s tumultuous first years abroad emerge in a newly published memoir, *Between Two Millstones: Sketches of Exile, 1974–78* (Notre Dame, 2018). The millstones of the title refer to the continued harassments and slanders of the KGB and the daunting challenges presented by a new life in the West.

From the moment he left the Soviet Union and took up residence in Europe, the famous exile felt overwhelmed by unwanted attention and demands on his time, including beckoning letters from US senators Jesse Helms and Henry Jackson. “America, the consumer of everything new and sensational, was awaiting me with open arms,” he wrote in *Between Two Millstones*. He felt torn between his urge to withdraw from public view to write and his desire to speak out about the dangers posed to the unwary West by détente. He was besieged by reporters hounding him for a quote and photographing his every move. “You are worse than the KGB!” he exploded.



When in June 1975 word got out that Solzhenitsyn had arrived in the United States and was at the Hoover Institution, the speaking invitations came pouring in. "In this country people simply will not leave one in peace, it's a constant barrage!" he wrote. "How were we to live here? America was cornering me before I had even managed to find a place where I could settle down and bring my family."

From the time he landed in the West, the exile faced unexpected legal woes, the result of questionable book contracts made in his name while he was in the Soviet Union: "I found myself legally bound, tied and shackled every which way, with no escape in sight." There were accounts—and scores—to settle, including those involving the shoddy translations of his books. Later, Swiss officials were on his case for back taxes and fines when it turned out that *Gulag* royalties had been improperly recorded. "This was how the millstones of East and West came together to grind me down!" he wrote in the memoir.

But during his visits to Stanford, Solzhenitsyn was able to set aside present worries and devote himself to the study of Russia's turbulent past. "I spent two months in the library and archives of the Hoover Institution," he wrote about his 1976 visit, "though I would have happily stayed another six."

In 1994 Solzhenitsyn returned to Russia, where he died in 2008 at age eighty-nine. ■

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***CELEBRATED: Solzhenitsyn responds to the audience as he receives an honorary doctor of letters degree at Dartmouth College in 1991 (opposite page). After visiting Hoover, he and Alya settled in Cavendish, Vermont, to work and raise their family. In 1994, after the Russian political climate changed, they returned to their homeland. The writer died in 2008 and was buried at the Donskoy Monastery in Moscow.*** [Geoff Hansen—iPhoto.ca]

# On the Cover

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**T**he fierce metal bear that guards the reading room of the Hoover Archives reminds visitors of a link between California—the former “Bear Flag Republic”—and Russia, where Herbert Hoover worked as a mining engineer in the early twentieth century. The sculpture, by Nikolai Ivanovich Lieberich (1828–83), was among the masterworks created at the Kasli iron foundries in the Kyshtym district and was a personal favorite of the future president. During his Russian sojourns Hoover became enchanted with the decorative pieces, three of which he would keep at Stanford even after he donated the rest of his memorabilia to his presidential library in West Branch, Iowa.

*Standing Bear*, as the piece is called, was an actual animal. Lieberich, whose works were in great demand at the time (and remain so), had been invited along on a hunting party with Czar Alexander II during the 1865–66 season. The czar had been passionate about hunting since his youth. Such excursions were lavish affairs with numerous guests, a large staff of assistants, and plenty of pageantry. The game included deer, foxes, wolves, hares, and bears; trophies of Alexander’s kills decorated the czar’s lodges. When Lieberich tagged along in 1865–66, he found inspiration for many new artworks based on nature and the hunt.

The inscription at the base of this statue says “Killed by the Emperor near Lisino, 9 March 1865.” But the great bear would live on, in countless reproductions of Lieberich’s 1866 sculpture, including the one brought home by Herbert Hoover. A review of the Russian genre in the 1888 issue of *Harper’s New Monthly Magazine*, for instance, praised Lieberich for carrying out “the thick coat of the black bear with its multitudinous fine crinkles; he shows us the bony structures of his face, the soles of his feet, and his cruel claws,” while exhibiting “no trace of the clumsy humor sometimes shown by animal-painters and sculptors.”

Lieberich, a retired army colonel, produced many other scenes featuring bears, horses, hunting dogs, and other animals. Other talented artists also were at work in the Kasli foundries, whose products were renowned for both their lifelike qualities and their vigorous sense of movement. Among



Lieberich's student was Eugene Alexandrovich Lanceray, or Lanseré (1848–86), who was famous for his muscular metal sculptures of Cossacks, horses, and other figures in motion—the braided manes, sinews, and flying cloaks rendered in warm, touchable metal. A piece by Lanceray called *The Trick Rider*, a representation of a bold horseman firing a rifle while standing in the saddle, is also among Hoover's personal keepsakes at Stanford.

—Charles Lindsey



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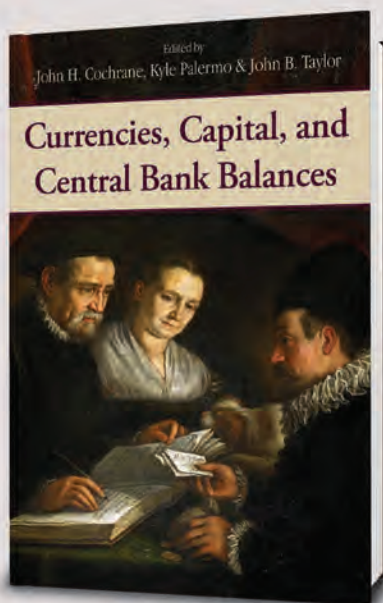
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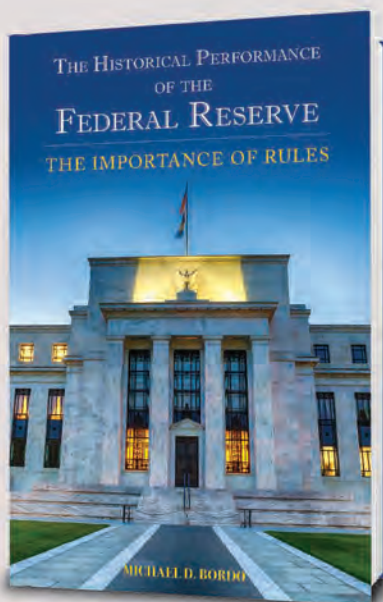
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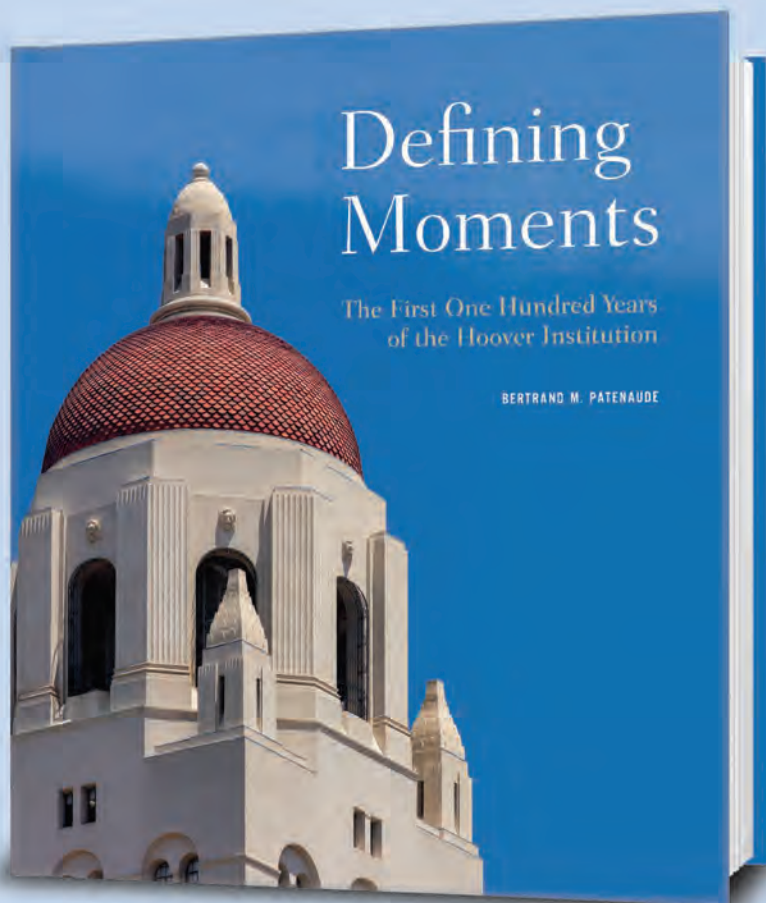


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