

# IT COULD BE MUCH WORSE, AND IN THE LONG RUN WILL BE

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## I. A PESSIMISTIC BUT PREDICTABLE INTRODUCTION

When I originally proposed the title of this lecture I wanted to point out that some of the long run consequences of the current presidential administration were going to be worse than anything that has happened so far. I also wanted to explain that the fault was not just with the preceding three years, but was the result of some longstanding problems.

The past two months have unexpectedly changed everyone's perspective. The COVID-19 epidemic has shown that the United States is less prepared to face a major crisis than most of us understood until recently. The "worse to come" in the future is right now.

Of course, the United States is hardly alone. Few countries have reacted well to the current health crisis.

I cannot, and do not propose to try to cover all of the aspects of the issues we face. Anyone reading the news, either on line or in print, can find countless good stories and analyses that do the job. Reading several newspapers on line, the *New York Times*, the *Washington Post*, the British *Guardian*, the French *Le Monde*, and occasionally several others I have been struck by how much they all tell the same story, over and over. But so do the *Wall Street Journal* and reputable business media. Furthermore, there are now an increasing number of books like Ezra Klein's *Why We're Polarized*, or the best selling, more comparative Levitsky and Ziblatt book, *How Democracies Die*, that explain much of our predicament. Journals such as *Foreign Affairs*, or magazines like the *Atlantic* do this too. A vast number of blogs and new kinds of on line news sources cover much that is going on, offer opinions, and steer those who follow them to yet other ways of obtaining information.

I am hardly the only one to note that there too many, not too few ways to find out what is going on, and that they have been increasingly siloed. If you are at all attuned to

the reality of our news media all you need in order to already know my political opinions is to see what publications I have mentioned. The *NY Times*? The *Washington Post*? *Foreign Affairs*? Even some non-American publications? No doubt I consider these highly reliable sources, but if you don't, you can be sure you disagree with my views and disdain the so-called "elite news media" and those who think they are reliable. So a big part of the problem is that we do live in information and opinion "silos" that make it almost impossible for us to understand each other.

If this were simply a problem within the general public, while among political leaders there was greater understanding and a capacity to compromise with those who have different ideologies, we would not be in so much trouble. Despite serious ideological disputes between more conservative and more liberal viewpoints, during much of the period in the United States from about 1941 until the 1990s there were more compromises and greater ties across party lines. As late as Ronald Reagan's presidency, and that of the first Bush, presidents compromised with the opposite party to get programs passed. With a few exceptions qualified jurists and lawyers appointed to high federal judgeships were overwhelming confirmed by the Senate. That included those appointed to the Supreme Court if they had not deliberately staked out hyper-partisan positions, given rise to suspicions of corrupt behavior, or demonstrated incompetence. It was changing in the 1980s, but as late as 1993 Ruth Bader Ginsburg, who was an obvious liberal was confirmed 96 to 3. By now, however, appointments are so ideological that those who oppose them no longer think they are legitimate. As the entire judicial system relies on its being considered fair, the tendency to see it as just political, and therefore not legitimate, imperils the consensual belief that the rule of law can be upheld. Even non-federal judgeships are now far more likely to be ideological electoral contests than they used to be.

#### *I-A. A Little American History*

This is not the first time that the United States has had this kind of extreme partisan division, and was consequently incapable of properly addressing crises because there was no consensus or willingness to compromise.

In the 1850s partisan division was so extreme that there were actual physical fights in Congress, and those for or against slavery lived in entirely different ideological worlds unable to compromise or see the other side as legitimate. We had a terrible Civil War that killed so many that if the same proportion of men were to die today, with a population about 11 times greater, the death toll would be seven to eight million. Then, after 1876, Reconstruction failed and we had another century of egregious racism and segregation.

But in a way, the United States was extraordinarily lucky in 1860. Abraham Lincoln was not one of the most prominent Republicans and did not have that much of a successful record, but he turned out to be a great man able to hold the North together, fight the Civil War, and win it. We can never know how much better it would have been had he lived to lead for his second term.

With its antiquated electoral college, the United States until recently was also generally lucky in that there was only one great electoral disaster before 2000 caused by this less than democratic institution. Having John Quincy Adams instead of Andrew Jackson become president despite his loss of the popular vote in 1824 was not a tragedy, and four years later Jackson did win. The worst case was the election of Rutherford Hayes in 1876. His opponent actually won a majority of the votes, but Hayes' promise to end Reconstruction was a disaster that swung enough Southern states' electoral votes to his side anyway. That ushered in the disenfranchisement of African-Americans and the institutionalization of segregation until the 1960s. The other case before 2000 was the election of Benjamin Harrison over Grover Cleveland who was running for reelection in 1888. Harrison had fewer votes but won the Electoral College. This probably made little difference, and Cleveland actually came back to win a second term in the next election of 1892.

Now the United States has run out of luck. The election of 2000, swung to George W. Bush was a catastrophe. He lost the popular vote, and then he was installed as president by a clearly partisan Supreme Court that should have ordered a full Florida recount. His ignorant, bellicose, and incompetent reaction to the 9/11 2001 terrorist attack has mired the United States in endless, unwinnable wars. America's inept interventions further destabilized the Middle East and provoked the rise of even more

dangerous, more numerous Muslim extremist terrorist groups. Thousands of Americans died in these wars, tens of thousands were seriously injured, and hundreds of thousands of Arabs and Afghans also died, all for no good end. The chaos continues.

Especially toward the end of his term, George W. Bush improved, handled the start of the 2008-2009 recession pretty well, and did a lot of good providing aid to Africa to combat HIV. If on the whole his record was very problematic, and in some ways disastrous, he was not, and is not an inherently evil man, only someone who was put into a position for which he was not intellectually qualified.

### *I-B. The Long Term Problem*

The Republican Party has won a plurality or majority of popular votes in presidential elections once after 1988. It lost in 1992, 1996, 2000, 2008, 2012, and 2016 (this time by 3 million votes). Yet, in two of those elections a Republican became president. Given this, and the fact that if the Senate were not dominated by southern and lightly populated states the Republicans would not control any part of Congress, the prospects for electoral reform are almost zero. Why should a consistently minority party yield its sole advantage? It can stuff federal courts as much as possible with reactionary judges who will agree to limit voting to exclude as many minority voters as possible, favor big business and the rich over labor, and agree to dismantle rules that have protected our safety and health. None of that is going to change anytime soon.

At the same time the siloed news sources are such that those on either side of the ideological divide receive quite different kinds of information. You can guess which side I think lies far more by a huge margin, but the point is that in such an environment it doesn't really matter what is happening. Those on either side will just believe what their favored news sources or politicians tell them. That means that political lineups will stay about the same for a long time, making compromise and needed reform that much more unlikely.

Furthermore, the institutions that govern us, maintain laws, and are supposed to protect us will continue to lose their legitimacy so that political victories by one side will be deemed totally unacceptable by the other, as was the case in the 1850s. Countries where governing institutions are no longer deemed legitimate function poorly.

Democracy and the rule of law weaken. Corruption increases. Serious problems are not addressed. Eventually an autocrat takes power promising to fix everything. Or, in extreme cases, problems remain unaddressed so long that in a moment of crisis there is a revolution, sometimes from the left, but sometimes from the right, and that opens the way to radical, impractical solutions and more violence.

After that gloomy introduction, which you surely expected, let us turn to more specific reasons to worry, and then to concentrate on a few specific areas that are perhaps less well known by the general public but are just as frightening as the most discussed ones.

## II. UNADDRESSED PROBLEMS

Before going to a list of unaddressed long term problem it should be said that not everything is so gloomy. The United States is still considerably decentralized, though not as much as the Constitution was supposed to insure. States and localities do have significant powers, and some have been addressing problems such as climate change, pollution, the inequities of our health insurance system, restrictions on voting, and support for all levels of public education. In the present health crisis some states and localities have done a creditable job, while others have not. We are fortunate to live in the state of Washington and in this region. And it hasn't just been Democratic politicians; some Republican ones have been far better than most.

Also, the United States continues to have exceptional scientific and research talent that cannot be so easily destroyed, despite the best efforts of the national administration to demean science as something done by politically biased and irrelevant nerds. The United States still has the world's best research universities. It still has innovative entrepreneurs and businesses. It can still meet daunting technological crises and educate a highly skilled workforce. All this may be slowly eroding, but is still present.

Despite the nastiness of the president and his favorite news sources that insult, belittle, and lie about those who oppose them, and appeal to a spirit of bitter vengeance, most Americans are not like that. Americans still contribute vast amounts to non-governmental organizations that help people. They still support cultural

institutions. They mostly still respect their neighbors. I have lived and worked in some countries where this is not at all the case, where there is a severe lack of social trust, where corruption is rampant at all levels, and where no public institutions are trusted. That has made me see why ours is a society that is far from the mean, selfish one represented at the top of our government. So far, anyway.

Perhaps most of all, despite everything, a lot of Americans have been mobilized in the last three years and have formed politically active groups pushing for improvement. At the grass roots all is not lost. Both liberals and those conservatives who reject the polarizing, anti-science, racially biased administration are increasingly looking at local organizations to restore balance and push for reform. And let us not forget that a good many of the richest, most powerful business leaders in the United States really do see beyond future tax breaks for themselves and contribute both money and public action to promote reforms. All of this helps those political leaders who are in the forefront of finding solutions to our problems.

*II-A. A Very Partial List of Long Term Issues That Should be Tackled*

The list of problems that need to be addressed, and are being neglected or even denied at the federal level is long. Here are a few key, long term ones that will still be around when today's pandemic has long passed and the economy has at least partly recovered.

- 1) Climate change is not going away. It is a global problem that needs to be dealt with cooperatively. The Paris accord was too weak and insufficient, but at least it was a step in the right direction. When the United States pulled out, it sent a signal that this a country that does not care, will not lead, and is untrustworthy. Denying reality is not going to work. Promoting pollution and cutting support for technologies that can help is unwise, especially because so much progress has already been made, and much more is possible. Local efforts in the right direction are good, but not sufficient without leadership from the federal government. Furthermore, the great economic power of the United States means that without it finding a global solution is far more difficult.

- 2) Why so-called conservatives think that the kinds of environment protections favored by Republicans from Theodore Roosevelt to Richard Nixon are wrong escapes me. This gets justified, as does climate change denial, by saying that all environmentalism is of the most extreme kind that would have us destroy our standard of living for the sake of purity. But the reality is that most people who value wilderness protection, national parks, automobiles that pollute less, and so on, are far from being extremists. One of the most distressing things going on now is that within the Interior Department and the Environmental Protection Agency that are officially tasked with preserving our environment, this administration has inserted political officials who are systematically destroying these agencies. Qualified, experienced officials are leaving as soon as they can, and good younger people are not replacing them. This will take years of work to undo. A bizarre example was to move scientific research in the Department of Agriculture from Washington DC to Kansas. Unwilling to be so displaced on short notice, most of the scientific staff quit. The most qualified scientists quickly found other jobs. Farmers were deprived of important research. Why? This has just been one of many instances of diminishing the role of unbiased research.
- 3) The American health care system is a mess. Too many are uninsured or underinsured. What this means is that if you are well off or well insured you can get excellent care, but otherwise not. This explains why America's life expectancy and general health statistics are worse than those of other rich countries, while medical spending per capita is far higher. Obama's Affordable Health Act was a step in the right direction, though it still needed to be improved. It was also a fairly conservative step in that it preserved private insurance companies and did not mandate either a single payer system, like the one France has, much less a nationalized health system like the one the British have. Instead it built on proposals originally made by the conservative Heritage Foundation, and Mitt Romney, when he was Governor of Massachusetts, tried to implement exactly this kind of reform. It seems to me that the reason it was so viciously attacked by Republicans was that, as some

said at the time, if such an obviously popular reform was passed, Democrats would gain a long term popularity similar to the one they got because of Franklin Roosevelt's New Deal reforms, particularly Social Security. They might have been right, so it was necessary to lie and try to block the ACA. They are still at it, though if they succeed and millions of Americans lose their health insurance as a result, that is unlikely to be highly popular. Why? By lying they convinced their base that everything Obama ever did was evil socialism and had to be destroyed. In the late 1930s Republicans tried to do the same thing to Franklin Roosevelt's New Deal, but it didn't work. By the time they elected their own president in 1952, Dwight Eisenhower (one of our great presidents who is almost never mentioned by Republicans these days), he was a moderate conservative who accepted New Deal reforms.

- 4) There are many other issues that are not being addressed. Immigration is one of them. The birth rate in the United States has dropped below the rate at which the country can reproduce itself, and it is therefore aging without having enough younger people working to sustain pension plans or keep the economy in good shape. We can see what that leads to by looking at Japan. While Japan remains rich and comfortable, it is aging and its economy has been stagnant for thirty years as the population slowly declines. Japan, like South Korea and some European countries, has made immigration very difficult, and so cannot replace its aging population. China is actually heading in the same direction. The United States, a country that was exceptionally open to immigration for much (though not all) of its history was in a much better position to overcome this problem. If current policies remain in effect, however, we can envision a future like Japan's. So, immigration reform is vital. Leaving room for a renewed increase in immigrants is important. Foreign born immigrants make up roughly half of all science PhDs and a large percentage of university professors. But they also allow our old age homes to be staffed, our agriculture to work, our child care facilities to operate, and immigrants or their children have provided a disproportionately high percentage of entrepreneurs in small to very large enterprises. There is a



humanitarian case for allowing some persecuted and endangered immigrants to come, but even the most hard hearted conservative should see that there is a pressing economic need to keep immigrants coming. Saying that immigrants from Norway are fine, but not from Africa, is not just racist. It is stupid. Not that many Norwegians would trade their society for ours, and African immigrants to the United States have contributed greatly to the economy and society.

*II-B. Add to Your Own List and Think of Less Obvious but Important Issues*

You can add to the list on your own. Student debt and college costs? Yes, that needs to be addressed, as does the related decades long underfunding of public higher education by states. (State universities in almost every state were almost tuition free through the 1960s.) Continuing racial inequality? Yes. Growing economic inequality? Yes. (It has vastly increased over the past 50 years.)

One item most people are not talking about is the ridiculous underfunding for decades of the Internal Revenue Service. Sure, no one loves taxes, but making the IRS far weaker than it was decades ago is a good example of cutting off your nose to spite your face. It reduces revenue, increases cheating, delegitimizes the entire taxation system, and now all of a sudden the IRS is supposed to come up with ways of sending relief checks around the country after deciding who qualifies and who doesn't. Weakening taxation to hurt the government was the goal of attacking the IRS, but who ever thought it might be needed in an emergency? Or that weakening the IRS has lost the government vast amounts of needed funding.

The alarming thing is that whatever I have mentioned, or that you might add, is probably not being addressed. Societies paralyzed by inaction allow problems to pile up until some crisis unexpectedly erupts and it turns out that past failures to pass needed changes now expose the society to far greater danger than should have been present. That is what COVID-19 has done. Our insufficiently reformed health care system, the dismissal of scientific evidence, and the hollowing out of governmental bureaucracies over the past 40 years have exposed dangerous gaps in institutions that should have

done a better job protecting us. We would still have a very dangerous pandemic that is no one's fault, but it could have been handled better. (This does not, by the way, excuse China that first denied it had a problem, tried to hide it, and only then went into action. Closed autocracies with thin skinned ruling parties and dictators are not better models than open democracies with a free press, transparent institutions, and the rule of law.)

Rather than going on about general problems, I would like to finish by discussing some narrower, more specific issues that are related to the foreign relations of the United States.

### III. TRADE, ALLIANCES, AND AMERICA'S ROLE IN THE WORLD

The Jackson School specializes in the study of areas outside the United States and in America's international relations. Most of what I have written so far is mostly, though not entirely about domestic matters. I think that is necessary background for understanding America's international relations. I might add that over the years I have been somewhat surprised to see that too many of our students don't know nearly enough American history. It is not JSIS's role to teach that, but in this and many other subject matters, too many high schools should be doing a better job.

#### *III-A. International Trade*

In his first consequential act, at the very beginning of his presidency, President Trump pulled out of the TTP, the Trans-Pacific Partnership. This was a complex trade agreement that included countries in East and Southeast Asia and the Americas. Carefully negotiated for years, starting in the George W. Bush administration, it was going to expand trade across the Pacific. It also excluded China and was meant to counter China's aggressive and unfair trade behavior, leaving open the option for China to enter if it improved its behavior. The assumption was that faced by this China would improve. With the United States as the biggest partner, it gave us the power to craft international trade in the greater Pacific area in ways that benefitted us by opening new

markets to American goods and services, enforcing better labor laws, and crucially for the United States, protecting intellectual property rights. The United States is a major exporter of services and innovative technology, so this was something particularly important.

Trump hated TPP because Obama had liked it. He also correctly counted on the fact that a lot of labor unions, despite their consistent shrinkage in size and influence for the past 50 years, were hostile to freeing trade. (More on that below.) However, this was not all like most Republicans who until recently backed treaties that promoted freer trade. Trump was always viscerally opposed to free trade. His notion of international trade is a primitive reversion to 18<sup>th</sup> century mercantilism that was already debunked by Adam Smith in his great work *The Wealth of Nations*, published in 1776.

Mercantilists said that exports were good, but imports bad. The goal was to accumulate gold because that made a country strong. Today only economic quacks still believe that. And we now know that increasing protectionism throughout the world in the 1930s not only made the Depression worse, but prolonged it. That was why after World War II efforts were made by the United States to facilitate international trade, and there followed several decades of unprecedented economic growth for those countries that did not close themselves off.

It is true that many labor unions were also against any expansion of international trade because they saw it as threatening their jobs. There is some truth to that, but the solution is to improve technology and the work force, and to compensate those who cannot find new jobs so that the damage is limited. Generous early retirement and guaranteed health care insurance for those losing their jobs because of imports would go a long way toward addressing this problem. Analysis has shown in any case that more jobs have been lost to improved technology than to the export of jobs. Protecting less competitive firms against any kind of outside competition leads to economic stagnation and declining prosperity. Think of the dramatic decline of quality of American cars in the 1950s and 1960s until foreign imports began to challenge them. (After a wheel fell off my four year old 1978 Buick as I was coming off I-5, because of a widespread design flaw in General Motors cars, I stopped buying American cars. Years later I got a letter from GM carefully crafted by lawyers suggesting I might want to come

in to fix this flaw. Thank you! By then I had a Honda Accord that was still in good condition when I sold it ten years later.)

As a side note, as soon as Trump announced the United States was leaving TPP in January 2017, Senator Bernie Sanders said he approved. He has always disliked freeing international trade, and markets in general.

There is no doubt that the world trading system, including NAFTA with Mexico and Canada, needed reform. A lot of that was included in TPP. By abandoning it the administration has had to renegotiate separate agreements with Mexico and Canada, and then try to do the same, one by one, with other Pacific nations. Trade negotiations take a lot of time, and taking a selfish hard line may work in some cases but it also creates bad feelings and distrust that remains for a long time.

Trade policy in this administration has been oriented toward destroying the regime that has prevailed for many decades since World War II. Negotiating trade treaties was a long, frequently contentious process, but pushed by the United States, it worked pretty well. It certainly needed to be fixed and improved. Something needed to be done to stop China from using it to its advantage while systematically cheating. Blowing up all hopes of multilateral negotiations in favor of ones between the United States and single other countries has become the preferred strategy because it assumes its economic size can allow us to get our way. It also turns international trade into a war of all against all, with one set of protectionist measure and tariffs followed by retaliation. That was the situation before World War II, and if we revert to that, it won't be any better.

The United States is in a better position to limit the damage because we are less dependent on international trade than most other rich countries, but that leads to another problematic development that is even more serious.

### *III-B. International Alliances and Conflicts*

After World War II the United States was in an almost uniquely powerful position. World War II had been an economic boom that finally ended the Depression. It had suffered no war damage, and though over 400,000 had died in the military, that was

proportionately far less than losses suffered by the other major participants. It had half the world's manufacturing capacity, the only atomic bombs, and an unrivaled navy. Even after the Soviet Union got its first atomic weapons, it wasn't until the early 1950s that these became a serious threat that could be successfully delivered.

Yet, the United States wisely sought out allies. There were some Americans who wanted to retreat back into isolation, as the country had done after World War I. This was wisely rejected because of an understanding that no matter how strong it was, the United States needed friends. It became particularly concerned with getting Western Europe back on its feet to help meet a growing Soviet threat. It was not only in economic matters that the Americans built a new cooperative set of links across the world, but also by solidifying cultural and political alliances. Yes, there were many mistakes. There were too many alliances with unsavory dictatorships, too much interference in a number of poorer countries, and worst of all, the catastrophic war in Vietnam until 1975. But on the whole, through skillful diplomacy, a mostly steadfast loyalty to allies, and the maintenance of a strong military, the United States did very well.

Vietnam did threaten to undo that, but Richard Nixon's outreach to China and agreements with the Soviet Union reduced the threat of a new world war. Close ties with Europe's democracies kept NATO (the North Atlantic Treaty Organization, created in 1949) strong. Pushing the Europeans to create common institutions helped their economies so that over time the popularity of communist parties in Europe fell dramatically.

Underlying all this was a world-wide perception that Americans were good people. When I lived in communist Romania in 1970, and traveled around communist Eastern Europe, I was repeatedly struck by how, despite all its flaws, Americans were respected, liked, and admired. Years of communist propaganda attacking the United States for its flaws (not always wrongly, as in matters of racial prejudices) had not caught on. After Vietnam this general perception of the United States (except to some degree in Latin American countries that had been bullied by the United States for generations) helped us to recover our reputation.

Much of that was damaged by the reckless behavior of the United States in the Middle East after 9/11. The invasion of Iraq was deemed foolish by the Europeans, and the United Kingdom's role as our sole major ally there destroyed Tony Blair's political career.

After Barack Obama became president, he was given a Nobel Peace Prize. Republicans mocked this. What he done to deserve it? They were perfectly right, nothing other than to offer promises. But that missed the point entirely. The prize was given because it was a plea by Europe to the United States. We so much hope, the prize really said, that you Americans will return to what you were, sane, loyal allies, protecting all of us and no longer engaging in damaging adventures while demeaning those of us who wisely counseled you against the invasion of Iraq. You were loyal friends as we stood together to outlive the Soviet Union. You are the hope of democracy and peace. Please be that again instead of boastful, militaristic fools who do not know who your real friends are. Be like Truman, or Eisenhower, even like Nixon, like Reagan, or like George H.W. Bush, in your international dealings. Seek allies, control your bullying, work cooperatively with those willing to do that. And Obama delivered.

This administration has completely undone years of work in a few short years. It has tried to break up the European Union. Its demise would badly weaken those countries whose democratic values we most closely are supposed to share.

Europe should contribute more to its own defenses, but diminishing NATO and antagonizing both elite and public opinion throughout Europe is not going to help the United States. Whether in matters of trade or security matters, the United States needs loyal allies to confront growing threats from China, from Russia, and from Islamic terrorists whose influence is growing throughout large parts of Africa right now.

With the crisis caused by the COVID-19 pandemic, the need for international cooperation is all the greater. With strong allies and wiser diplomacy it would even be possible to improve relations with China. Blustering alone, demonstrating incompetence, and pretending that our best friends are nasty dictators like Kim Jung-en of North Korea, Mohammed bin Salman of Saudi Arabia, or Abdel Fattah el-Sisi of Egypt (who, I am sure, mock Trump as a naïve fool behind his back) will not help.

How easy will it be one day to regain the confidence of those who should matter most as allies? Having shown how irresponsible and selfish it can become, the United States will not be able at any time soon, if ever, to regain the trust that it had built up over past generations.

#### IV. CONCLUSION: REBUILDING COMPETENCE, TRUST, AND CONSENSUS

The State Department is a wreck. Attacked by the President, demeaned by the Secretary of State unwilling to defend its experts, and unable to keep a lot of its most talented officials or to recruit good young ones properly, it barely functions at all. Fixing this would, at best, take many years. Strangely for a political party that claims to be concerned with security, Republicans have allowed the same thing to happen, bit by bit, to the CIA and other intelligence agencies. It isn't that they were perfect, but they did have some important analytic capacities that are slipping away because they aren't being listened to, but instead are relentlessly attacked by the President and his underlings.

The list of government institutions under attack by our own government is long, and just as it will take time to rebuild the State Department and some key intelligence agencies, tackling the demoralization, growing incompetence, and lack of qualified high officials in many other branches of the government will also be difficult. Allowing the present trend to continue for another presidential term will erode competence and trust so much more that rebuilding would take a generation or more. During that time, any crisis, and there are always unexpected ones that come along, will be badly handled and could lead to further catastrophes.

Meanwhile, rebuilding international trust will be a hopeless task until the United States reforms itself and changes direction.

The late Charles Kindleberger, one of the best economic historians of recent times, explained the Great Depression with a pithy saying. The world economic system in the late nineteenth century and early twentieth was held together by British banking and the British Pound. After World War I the British could no longer do it. The United States was perfectly able to take that role with its huge, strong economy and stable

Dollar, but it chose not to. So, Kindleberger said, the United Kingdom couldn't and the United States wouldn't. After World War II the United States did not make that mistake.

And now? Without the Americans Europe can't, especially as it is itself threatened with dissolution, pushed to self-destruct by both the United States and Russia. Russia? It has turned itself into a purely destructive power with a weak economy that thinks that it can succeed only by sowing chaos. (Why Vladimir Putin thinks that will help Russia revive its economy is another mystery for me, but that is for another lecture, not this one.) Can China step in to replace the United States? It claims it could. I doubt it.

As yet there is no replacement for the American Dollar as the most vital reserve world currency. There is no replacement for the international economic institutions set up with American help after World War II. So American incompetence and selfishness pose a grave problem for the rest of the world.

If things go on this way for more years we will drift from crisis to crisis until something truly catastrophic occurs, as happened to the world in the late 1930s and early 1940s, and then, who knows? I don't.

To close it would be a good idea to go back to the one section of this talk that is more optimistic. A recent piece by Stephen Walt in the online FP (Foreign Policy) daily magazine spells it out nicely. He would agree with most of what I have said, but also has some hope. The United States is still an open, resilient society. It has a lot of decent people and good political activists. The US Dollar is still strong, and the US economy will certainly remain large, productive, and innovative. China is more brittle than we realize. Its closed, increasingly totalitarian political system is more prone to serious error than the United States because it stifles dissent.

The conclusion is that we should all be aware of the dangers facing us, and the harm that has been done so far. It certainly could get worse. But it could also get better, and there is no reason to give up. Instead, people, especially young ones, should become more politically active and work at the grass roots. Do that. Good luck.