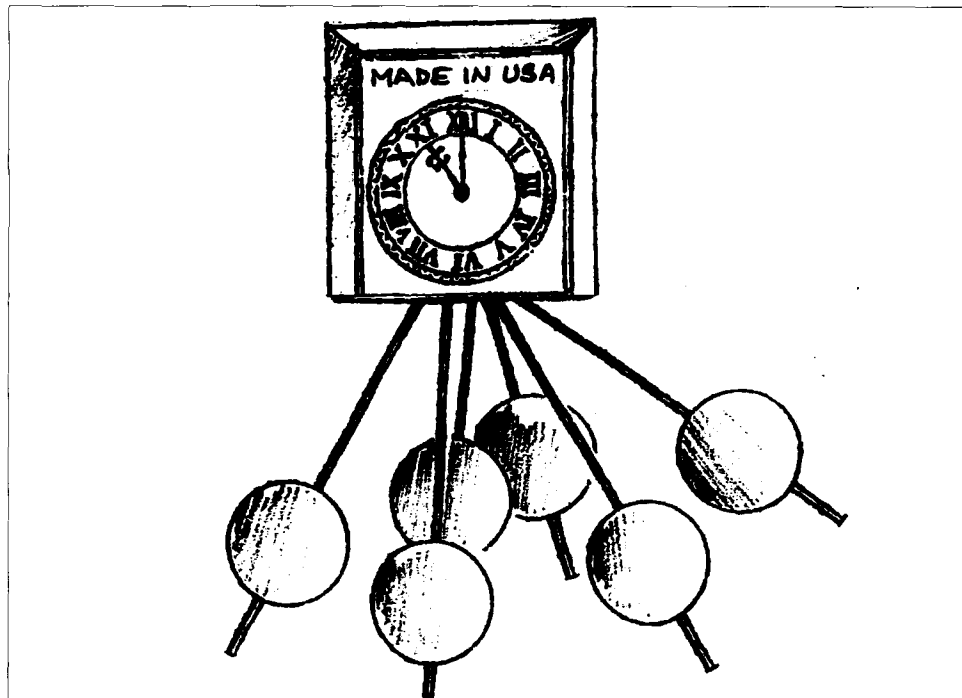


Toward One Nation, Indivisible

A Course of Action

by Patrick J. Buchanan



It is time we looked at the world from a new perspective, one of enlightened nationalism. Clichés about a “new” global economy aside, there has always been an international economy—ever since Columbus stumbled onto the Western Hemisphere while seeking new trade routes to the East, in the hire of a nation-state, Spain. The Dutch East India Company was founded in 1602 to displace the Portuguese in the lucrative Far Eastern trade; and the Dutch West India Company, in 1621, to capture the American trade.

The American economy, however, is more than simply a part of the international economy, and its purpose is not to benefit mankind but to benefit Americans first: our workers, farmers, businessmen, and manufacturers. What is good for the global economy is not automatically good for America, any more than what is good for our transnational elite is necessarily good for the United States.

A Revenue Tariff

America should declare to the world that the present global

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regime *must* be revised, that we no longer intend to make the world prosperous at the expense of our own country. A 15 percent revenue tariff on all imported manufactures and goods in competition with American-made goods would be a fitting way to declare our economic independence.

As part of the “Nixon Shock” of August 15, 1971—to jolt the world into understanding that the United States could no longer continue under the Bretton Woods agreement—a 10 percent tariff was imposed on Japan. Thus, we need not go back to the Tariff of 1816 to find a precedent for unilateral American action in defense of our economic security. Unlike Clinton’s threat of a 100 percent tariff on Lexus cars, a 15 percent tariff would not destroy American businesses set up in good faith. The tariff could be imposed in stages: five percent immediately, five percent in six months, and the final five percent a year later, giving merchants 18 months to adjust. If Ronald Reagan could impose a 50 percent tariff to save Harley-Davidson, surely we can impose a 15 percent tariff to inaugurate a new industrial age in the United States.

The revenue tariff should be high enough to generate a powerful stream of revenue, but low enough not to destroy trade. With American merchandise imports now exceeding \$700 billion a year, this 15 percent tariff would yield a cornucopia of revenue while giving American products a marginal new advantage in their home market. Every dollar in tariff revenue, in

fact, could be used to cut taxes on income, savings, and investment.

Bismarck built the German nation by shifting taxation away from incomes and onto foreign goods. In a December 15, 1878, letter to the Reichstag, the chancellor spoke of a crisis in the German middle class, similar to our own, and proposed to emulate the Americans: "Reform of the taxation . . . must begin with the revision of the tariff on as broad a basis as possible so as to benefit this class of the community. *The more money that is raised from tariffs the greater can—and must—be the relief in direct taxes.*" (Emphasis added.) High tariffs, argued Bismarck, would also give Germany leverage in "fresh negotiations with foreign countries concerning new commercial treaties."

Bismarck was an apt pupil of the economic nationalists who made America the world's greatest industrial power. Under Bismarck's policy, Germany increased its share of world production from 8.5 percent in 1880 to 14.8 percent by 1913; in 1880, Germany and the United States together had less than a fourth of world output, but by 1913 the two countries had nearly half, while free-trade Britain's share was sliced from one-fourth to one-seventh. The great unacknowledged truth of the second half of the 19th century—and of the second half of the 20th—is that the nations that followed the free trade dogma of the classical liberals lost ground to the nations that pursued the Hamiltonian policy of economic nationalism.

Reciprocity With the European Union

Europe would howl, but even under the old GATT rules a nation running a chronic trade deficit may use tariffs to end the hemorrhaging. And our response should satisfy Europe. Believing in fairness, we accept full reciprocity: a 15 percent EU tariff on all manufactured goods made in the United States.

Lincoln called the cost of ocean transport "useless labor." Much of this useless labor can be done away with if European companies that wish to sell in America produce in America, and vice versa. Ford and GM have always built cars in Europe; Europeans forced them to. When American companies feared a protectionist Common Market, they created European subsidiaries to avoid being frozen out. Turnabout is fair play. Let BMW and Mercedes make their parts and assemble their cars here in the United States if they wish to sell here on equal terms. As for those who prefer the cachet of European-made goods, they ought not be denied the freedom to buy. But a 15 percent tariff does not amount to persecution of elites who call 55 percent inheritance taxes "progressive." That new BMW can be built in South Carolina as easily as in Bavaria.

Americans may face a social crisis, a racial crisis, a crime crisis. We do not face a crisis of consumer goods. There is nothing made anywhere that we cannot make here. America-Canada and the EU are huge and self-sufficient markets, with similar laws and regulations. Their standards of living and wage rates are comparable. A reciprocal trade agreement could strengthen and solidify both blocs.

But would reduced imports cost us our technological edge? History proves otherwise. The telegraph, electric light bulb, telephone, "horseless carriage," and airplane affected society as dramatically as the computer. Yet Americans invented and exploited them as no other nation, behind a tariff wall built by Justin Morrill, Bill McKinley, and "Pig Iron" Kelley.

With the American market alone almost as large as the European Union, we can support and sustain a diversity and level

of production no other country can match. The small and medium-sized nations of Europe and Asia have no alternative but to create interdependencies. Germany is, after all, smaller than Oregon and Washington; the United Kingdom is smaller than Mississippi and Alabama; and Japan is smaller than Montana and less endowed with natural resources.

Canada and Japan

Should any country be exempt from the 15 percent tariff? Yes, Canada—if Canada adopts the same external tariffs. In NAFTA, Canada married her economy to ours, to the economic benefit of Ottawa. The United States today takes 80 percent of Canadian exports, and Canada's merchandise trade surplus with the United States in 1996 was \$23 billion.

However, Canada would have to remain inside the U.S.-Canada free trade zone and accept American tariffs, or go outside. If Canada chose to depart, the 15 percent tariff on all manufactured goods would be applied to Canadian goods as well. With the United States far and away Canada's biggest customer, and with that surplus on the line, Canada would surely choose to remain inside an American free trade zone. But Canada would have to choose.

As the United States strengthens ties to Canada, we should put an early end to our huge, chronic trade deficits with Japan. The Japanese are a proud people. It is unseemly and destructive to be hectoring them endlessly to open their markets, buy our rice, remove non-tariff barriers, adopt free trade. Japan does not practice free trade for a simple reason: Japan does not believe in free trade. Japan puts its national interest in manufacturing and technology ahead of a free trade ideology that has America in its grip. Japan is different because it prefers to be different. We should respect that. But while Japan's economic structure is no business of the United States, our trade deficits are our business. We should notify Japan that if an end to these trade deficits cannot be achieved through negotiation, it will be attained through unilateral U.S. action.

An horrendous imbalance in autos and auto parts is central to the American trade deficit with Japan. The United States should follow the Harley formula and impose a special tariff on imported Japanese autos and auto parts on top of the 15 percent revenue tariff. The Japan Tariff would enable the United States to recapture much of Japan's 30-percent share of the American auto market.

To avoid the tariffs, Japan could shift production of parts and the assembly of autos to the United States. These Japanese cars would be treated exactly like Fords or Chevrolets made in Michigan. Toyota, Nissan, BMW, and all foreign car makers would be welcome here, but to avoid tariffs they would have to produce here. The same would hold for GM, Chrysler, and Ford. Fords made overseas would face the same tariff as Mazdas made overseas. America would have the most competitive auto market on earth, but every company, foreign-owned or domestic, would play by the same rules, pay the same taxes, abide by the same laws, employ the same high-wage, high-quality North American labor. Jobs in the American auto industry would explode.

Japan is a great nation, and its people have wrought a great miracle. But the present unequal relationship cannot continue. Our sales to Japan in 1995, \$65 billion, were one percent of our GDP; Japan's sales to us, \$125 billion, were four percent of its GDP. With an economy twice as large as Japan's, we still

spend six times as much on defense. We remit annually to Tokyo tens of billions of dollars in interest payments on the hundreds of billions of dollars of Treasury debt that Tokyo now holds as a result of having run up decades of trade surpluses at the expense of American workers. Historians will marvel that America let this happen.

Even the American Chamber of Commerce in Japan (ACCJ) is showing signs of despair. According to the ACCJ, only 13 of 45 U.S.-Japan trade agreements since 1980 were successful in helping American businesses penetrate Japan's market. Ten were total failures. Said ACCJ President Bill Beagles:

For many years, the American view was that a trade agreement with Japan spoke for itself. . . . However, the U.S. Government and American industry came to realize that this is not the case. An apparently successful negotiation may not necessarily produce the expected market result.

This is unhealthy. As a First World nation, Japan has much in common with the United States. Our strategic interests are in harmony, and the possibility remains for a close relationship.

But it is not 1950 anymore. Reciprocity is required. If Japan can begin to harmonize her trade policies with ours, open her markets to our manufactures and agricultural products as we do for Japan's, there is no reason we cannot establish with Tokyo the same defense and trade relationship we have with Europe. There is no reason we cannot grow closer rather than drift farther apart.

Our China Problem

China is fast becoming America's number one trade problem. In its drive for dominance in Asia, Beijing has exploited slave labor, consumed all the Western credit it could extort, stolen intellectual property, and strong-armed American companies like Boeing and McDonnell Douglas to manufacture in China as the price of a deal. "Forced technology transfers" are a routine demand in dealing with China. "When you invest in China," says one auto company executive, "China assumes it owns all of your intellectual property." The Manufacturing Policy Project puts the piracy rate of U.S. intellectual property in China at 98 percent: "Three days after Microsoft introduced Windows 95 in the United States for \$89.95, copies were available throughout Asia for \$4 or less."

Following the path to power laid out by Friedrich List, China treats the United States, the world's most advanced nation, like a colony, a source of raw materials and a dumping ground for manufactures. China sends us up to 40 percent of its exports—much of it high-tech manufactured goods—but buys less than two percent of our exports. While China runs a trade surplus in manufactures with the United States of more than \$35 billion yearly, prominent among American exports to China are fertilizers, food residue and waste, ore slag and ash, wood pulp, animal and vegetable fats, meats, live animals, and cereals. The one high-tech export for which America runs a large trade surplus is aircraft; but once China masters the American technology it has extorted, Beijing will begin building its own planes. That is the way of economic nationalists.

From 1991 through 1996, China piled up \$157 billion in surpluses trading with the United States. Its 1996 surplus of \$40 billion was almost as large as the Pentagon procurement bud-

get. In October 1996, China invested \$11.8 billion of its surplus in U.S. bonds, making China the third-largest buyer of U.S. debt, after Japan and Britain. By September 1997, China had amassed more than \$130 billion in foreign currency reserves, the world's largest hoard after Japan.

For a century Americans have been transfixed by the great "China market"; it was one of the reasons business groups urged McKinley to annex the Philippines. But the China market proved a mirage then, and it is a mirage now, a corporate illusion. If China vanished, the American economy would not feel a breeze. Our sales to China in 1996 (\$11.9 billion) were one-fifth of one percent of our GDP. We sold more to Singapore. But China's sales to the United States—\$52 billion worth of toys, textiles, shoes, bikes, computers, etc., in 1996—were a crucial share of its entire economy and were the primary source of China's hard currency reserves.

The United States has the whip hand in this relationship, and it is time we used it. China is not only a trade problem, it is a national security problem. China is using the hard currency from its trade surpluses and international bank loans to buy submarines, destroyers, anti-ship missiles, and fighter aircraft from Russia, and to build long-range missiles to reach the West Coast of the United States. Yet we permit China to launch American satellites on Long March rockets, thus subsidizing the development of the Chinese strategic missile force.

America is taking a terrible risk feeding a regime whose character may be seen in its treatment of dissidents, Tibetans, Christians, and women pregnant in violation of China's barbaric one-child policy. While America should seek no confrontation with China, we should treat Beijing as the great power it has become.

We cannot practice true free trade with a nation that has no independent judiciary, where labor is conscripted, corruption is endemic, American goods face a 17 percent value-added tax and a 23 percent tariff, and many of whose corporations are government fronts. The United States should cancel China's Most Favored Nation status and negotiate a reciprocal trade agreement that recognizes our different societies and conflicting interests.

What About Mexico?

Mexico is another special case. We share a 2,000-mile border, ten million Americans trace their ancestry to Mexico, and our destinies are not separable. But NAFTA is not sustainable. NAFTA puts blue-collar workers from America into competition with Mexican workers who earn ten percent as much. American farm labor, paid a minimum wage near five dollars an hour, competes with Mexican farm labor paid 50 cents an hour. American employers now hang over the heads of their workers this constant threat: accept reduced pay, or we go to Mexico!

What makes the threat credible is that hundreds of companies have already done so. Under the *maquiladora* program, tax concessions are offered to American companies that place factories in Mexico to ship products back to the United States. New plants are opening at the rate of two a day. From San Diego to Brownsville, the Mexican side of the border is littered with signs of Fortune 500 corporations. Xerox, Zenith, Chrysler, GM, Ford, IBM, Rockwell, Samsonite, and GE have all opened plants south of the Rio Grande. By moving to Mexico, they evade American laws on child labor, worker safety,

minimum wages, and health and pollution standards, as well as U.S. taxes; their products come back to undercut those made in factories that stayed in America and obeyed the laws of the United States.

The Japanese are also exploiting NAFTA. Matsushita, Hitachi, Sony, and Sanyo have assembly plants in Tijuana. Toshiba's plant is in Ciudad Juárez. Japanese and Korean companies are building auto plants. This Japanese investment in Mexico represents a shift of capital away from the United States. The CEO of the Japanese Chamber of Commerce in Mexico describes how it works: "Japanese investments reaching Mexico do not come directly from Japan. It is the United States [subsidiaries], the son, who is investing in Mexico, the grandson, of the main office."

President Clinton points with pride to the growth of American exports to Mexico. But prominent among those exports are parts for assembly into products for shipment back to the United States and capital equipment for factories being built in Mexico. Such "exports" destroy American jobs.

NAFTA must be renegotiated, or America's new Sun Belt will be south of the Rio Grande, and the consequences will be social and political as well as economic. Export the future of our working young, and those whose dreams have been destroyed will be heard from. America's merchandise trade deficit, an all-time record of \$191 billion in 1996, is a cancer. Either we cut it out, or it will kill America. History teaches that when a nation's manufacturing sector has entered a period of relative decline, that nation will decline.

Our forefathers broke all ties with the mother country and risked their lives to achieve the economic independence we are piddling away. We need less of the gauzy spirit of globalism and more of the patriotic spirit of old George Meany:

Practically every country in the world . . . has some type of restriction, some type of barrier, some type of subsidization for their own people, that gives their own manufacturers and workers an unfair advantage over the American worker. . . . When have we ever retaliated against the unfair barriers put up by these other countries which go back many, many years? And if we are to have a trade war, if that's the only answer, I imagine if we had an all-out trade war we would do quite well for one simple fact: We have the market. We have the greatest market in the world right in this country.

Amen. Let us emulate our greatest leaders and use our control of that national market to achieve our national aims. After the Revolution, the War of 1812, the Civil War, and World War I, tariff revenue helped erase America's deficits and pay off America's debt. The alternative is more years of receding wages and rising tempers among American workers until the social fabric is torn irreparably, the bonds of patriotism no longer hold, our vitality vanishes, and our economic divisions manifest themselves in class conflict between Industrial America and Third Wave America. We have nothing to lose by trying, except those policies that have put us on the slippery slope to national decline.

What About the WTO?

The World Trade Organization was erected on ideas American patriots must reject. It subordinates everything to the demands

of trade. It exercises a supranational authority in conflict with our forefathers' vision of an America forever sovereign and independent. Its dispute-resolution procedures shift to Geneva decisions that ought to be made in Washington. And if we refuse to abide by the WTO's edicts, America can be chastised and fined.

Run by nameless, faceless, foreign bureaucrats, the WTO is the embryonic trade ministry of a world government. There is no place for such an institution in a world where free nations negotiate their trade agreements in good faith and oversee the execution of those agreements themselves. The WTO is a monument to the one-world vision of Wilson and FDR. Our withdrawal—after the required six months' notice—would be an unmistakable signal that America is back and that this nation is again the independent self-reliant republic which the Founding Fathers intended it to be.

Keeping Capital at Home

In a 1952 address to the University Club of Milwaukee, Ludwig von Mises declared that the "essence of Keynesianism is its complete failure to conceive the role that saving and capital accumulation play in the improvement of economic conditions." He admonished Americans to appreciate the role that capital had played in creating their unrivaled prosperity:

The average standard of living is in this country higher than in any other country of the world, not because the American statesmen and politicians are superior to the foreign statesmen and politicians, but because the per-head quota of capital invested is in America higher than in other countries . . .

Do the American voters know that the unprecedented improvements in their standard of living that the last hundred years brought was the result of the steady rise in the per-head quota of capital invested? Do they realize that every measure leading to capital decumulation jeopardizes their prosperity?

Mises, a free trade libertarian, is toasting a century in which the United States was the most protectionist nation on earth. Hamilton was right: protectionism went hand-in-hand with record capital accumulation. A primary reason that America's growth rates have been anemic in recent decades, and our recoveries not as robust as they once were, is the \$2 trillion in trade deficits this generation has run up. Too much of the seed corn of the American economy is now being exported all over the world. As Sir James Goldsmith warned:

Today, capital is being transferred to the developing world in massively increasing amounts. In the period 1989-1992, the average capital transferred per year to emerging countries was 116 billion dollars. In 1993, the figure was 213 billion dollars and in 1994 it was an estimated 227 billion dollars. East Asia leads the field, with a rise in the annual rate of direct investment between 1984 and 1994 of 1100 percent.

How can the United States halt the hemorrhaging of capital? First, consider how America's capital goes abroad. There are several primary vehicles for the "decumulation" of American capital: imports (\$2 trillion in trade deficits in 20 years); U.S.

private bank loans; foreign investments by corporations, pension funds, etc.; foreign aid (perhaps \$1 trillion in the Cold War) and IMF, World Bank, and international bank loans; U.S. overseas defense expenditures; illicit trade (drugs); illicit wealth transfers to evade taxes. Each of these problems can be dealt with by strong action.

IMPORTS: A 15 percent tariff on all products that compete with American-produced goods and a wage-equalization tariff on manufactures from low-wage countries would rapidly erase American merchandise trade deficits. Instead of capital going abroad to build plants for the assembly of goods to be sent back to the United States, capital would come home to expand our domestic industries and create American jobs. The deep tax cuts on investment and savings that the new customs revenue would finance would make America the most attractive investment site of all the industrial democracies.

PRIVATE BANK LOANS: Although America cannot and ought not impose controls on the foreign loans or investments of America's big banks, all investment banks, mutual funds, and pension funds should be put on notice: the next time there is another default, another Mexico, another meltdown in Asia, those who made the profits take the loss. This is neither harsh nor punitive. Private banks and overseas investors must begin to realize that there is no global bankruptcy court to bail them out. Once they know their investments are no longer risk-free, the market will solve this problem.

FOREIGN INVESTMENT AND FOREIGN LENDING: Again, the tariffs, which would wipe out the admission-free access that foreign countries now have to the American market, would have a chilling effect on the plans of transnational corporations to invest abroad or to move factories abroad. Comparative advantage would come home.

FOREIGN AID: Annual wealth transfers to foreign regimes like Egypt (\$18 billion in cash reserves), Israel (a median income above \$16,000), Greece, Turkey, Russia, and Pakistan make little sense. The Cold War is over; it is time for relics like foreign aid to be entombed. We cannot bribe nations to embrace free enterprise, and we ought not to pay nations not to fight one another. Far more serious is backdoor foreign aid, the tens of billions of dollars funneled yearly to foreign regimes through the IMF, World Bank, Asian Development Bank, etc. These relics of our "Marshall Plan mentality" have become global-socialist centers for the redistribution of American wealth. Why should American taxpayers guarantee loans to India or China, the leading beneficiaries of the World Bank? If these governments have worthwhile projects, let them finance the projects themselves, like we did when we were a developing nation. American-taxpayer guarantees for World Bank and IMF loans reward nations whose policies rarely merit such rewards.

OVERSEAS DEFENSE EXPENDITURES: John Foster Dulles once said that a day was coming when the United States would have to conduct an "agonizing reappraisal" of commitments to defend nations that refused to bear their fair share of the cost of their own defense. With the Cold War over, that reappraisal is long overdue. NATO should not be expanded; new nations should not be added to the roster of those we are already committed to defending. And Europe should begin to bear the full economic cost of its own defense. While the United States retains a vital interest in preventing a hostile regime—that of a Hitler or Stalin—from overrunning Europe, that threat has never been more remote: England and France have nucle-

ar deterrents; Germany is united and democratic; Russia is smaller than it was in the days of Peter the Great. No threat to any vital American interest remotely exists in Europe. It is time to bring American troops home and revise NATO so that America is no longer committed to go to war because some ancient border has been breached or because a forgotten trip wire has been activated in some forsaken corner of the old continent. The proper role of America in Europe is not to be a front-line fighting state but to be the "strategic reserve" of the West. America must restore to itself full constitutional freedom to decide when, where, and whether to involve itself in Europe's 21st-century wars.

The new relationship of America with Europe should be modeled on our *military* relationship with Israel. Where the Israelis provide the troops to maintain their own defense, the United States provides access to advanced weapons. Israel gives us no veto over what it does in its own interests, and we give Israel no ironclad guarantee that any war that Israel decides to fight will be our war as well.

In Asia, the great threat to stability and security is almost certain to come from China. But Beijing is already contained by geography: Islam to the west; a nuclear-armed Russia to the north; India and Vietnam to the south; Korea, Japan, and the American fleet to the east. Any Chinese military move would trigger an arms race across East Asia. Here, again, the United States should play the role of the arsenal of democracy and sell to the nations of Asia the modern weapons they need to resist intimidation or defend against Beijing's encroachments—while those nations provide the troops themselves. No more Koreas, no more Vietnams.

When the nations of Europe and Asia understand that they, not we, are primarily responsible for their security, they will cease acting like dependencies and begin acting like independent nations. It is past time for prosperous allies to begin paying the cost of their own defense. Defense of the West can thus begin to enhance, rather than drain, America's vitality.

ILLICIT DRUGS: Seventy to eighty percent of the marijuana and cocaine entering the United States, to destroy the soul of America's young, passes through Mexico. To secure our southern border from this deadly traffic, we should cancel that provision of NAFTA which permits Mexican trucks on America's highways. Second, we should expand the U.S. Border Patrol. Third, we should lengthen the triple fence already built at San Diego, which has begun to cut back illegal immigration and complicate life for drug smugglers. Fourth, we should demand of Mexico greater cooperation in running down narcotics traffickers, and greater freedom and protection for American agents operating in Mexico. Finally, though the U.S. military does not belong in a policing role, American troops brought home from abroad should be moved to a southern border that is certain to be a crisis area in the 21st century.

ILLICIT WEALTH TRANSFERS TO EVADE TAXES: The scores of billions of dollars in tariff revenue should be used to eliminate taxes on savings, capital gains, and inheritances. With taxes on capital at zero in the United States, departed capital would come running home and new capital would come pouring in. Finally, the Republican Party should heed Mises' advice:

No party platform is to be considered as satisfactory that does not contain the following point: As the prosperity of the nation and the height of wage rates depend on a con-

tinual increase in the capital invested in its plants, mines and farms, it is one of the foremost tasks of good government to remove all obstacles that hinder the accumulation and investment of new capital.

Strategic Independence

At the end of World War II, the United States had a nearly autarkic industrial base; we produced everything needed for our national defense. That day is gone. In 1982, we began to run manufacturing trade deficits; by 1986, deficits in the trade of high-technology goods. American dependence on foreign sources for items critical to our advanced weapons systems has created a vulnerability unknown since doughboys had to use French artillery and tanks, British machine guns, and Allied planes—even though our own Wright brothers had invented the airplane. A decade ago, Admiral James Lyons, commander of the U.S. Pacific forces, warned, “All of the critical components of our modern weapons systems, which involve our F-16s and F/A 18s, our M-1 tanks, our military computers—and I could go on and on—come from East Asian industries. . . . Some day, we might view that with concern and rightly so.” Lyons was echoed five years later by a former chairman of the Joint Chiefs of Staff, Admiral William Crowe, Jr.:

The Gulf War was unique because America enjoyed the unanimous support of all its allies. Even so, cooperation was difficult. . . . The U.S. defense industrial base is already in danger of becoming too dependent upon foreign sources for strategic supplies. What if the next time we are called upon to respond, our allies decide it is in their best interest to sit it out?

Former Commerce official Erik R. Pages writes of the difficulties to which Crowe alluded:

The Bush Administration was forced to intervene with foreign governments on over thirty occasions to guarantee delivery of critical military parts. As one high-level administration official commented, “If the foreign governments were neutral or were not disposed to help us out, we could have run into some real problems. We were sweating bullets over it and the military was sweating bullets too.”

Peacetime America may ignore such concerns; but it is a dangerous vulnerability when technology is vital to national power, crucial to military victory, and essential to saving the lives of Americans sent into combat. (We got a glimpse of what might happen during Vietnam, when Japan withheld the transfer of Sony TV cameras for missile guidance.) Foreigners today control the American companies responsible for the heat shield of the D-5 Trident missile and the flight controls of the B-2 bomber, the F-117 Stealth, and the F-22—the backbone of the 21st-century Air Force.

Overseas factories are far more vulnerable to espionage, labor problems, sabotage, political dictation, and attack by enemy or terrorist forces. There is no guarantee that American secrets are safe abroad. A clear and present danger exists when corporations with allegiance to no country gain virtual monopolies over items critical to American security. During World War II, Stalin’s spies and our own homegrown traitors looted vi-

tal defense secrets, including those related to the atom bomb. Given this experience, for us to allow technology indispensable to our security to be kept outside the United States, vulnerable to theft or denial, is foolhardy. The time to end foreign military dependence is when new weapons systems are in the design stage. America should guarantee that no foreign dependency is built into any future generations of weapons. When it comes to technology vital to national defense, “Buy American” and “Made in the USA” are the rules that should apply.

The world is a dynamic place. No nation can ground its security in existing technological superiority. Superpowers that rest on their laurels invite the fate of the first global powers of the modern era: Holland and Spain. When former Treasury Secretary Richard Darman blurted, “Why do we want a semiconductor industry? We don’t want some kind of industrial policy in this country. If our guys can’t hack it, let ‘em go,” his was the smug voice of the elites of numerous nations that are no longer counted as great.

Unfortunately, President Clinton subscribes to the Darman view. His administration is outsourcing to foreign producers more components of American weapons systems than ever before. This penny-wise, pound-foolish policy strikes at the heart of American security and independence and ignores a truth taught by Adam Smith: “The great object of the political economy of every country is to increase the wealth and the power of that country.”

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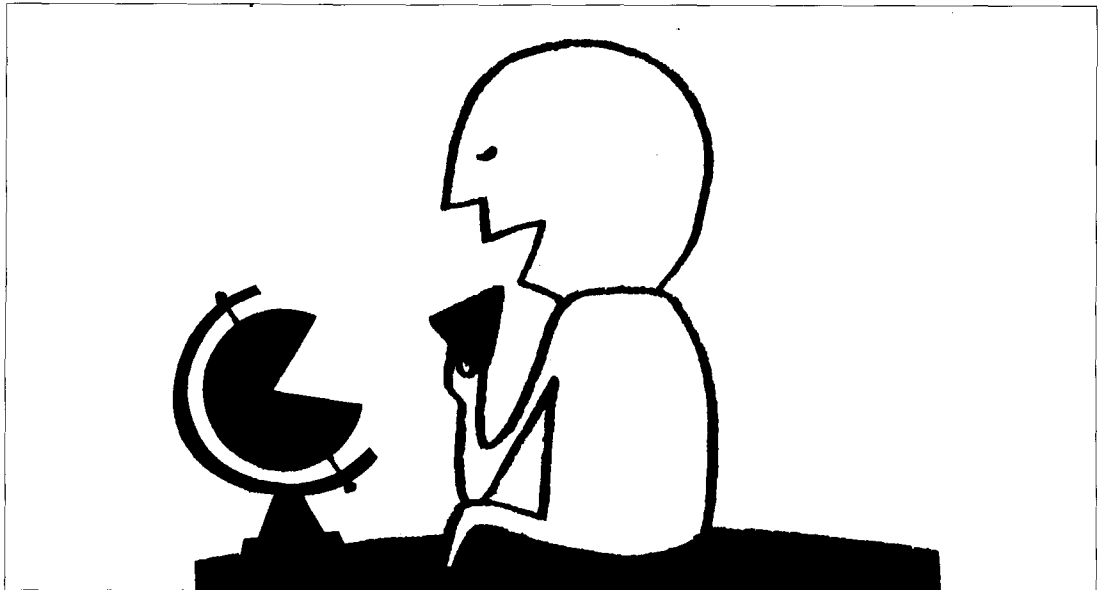
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American Nationalism and Western Civilization

The Limits of Buchananism

by John O'Sullivan



Any exploration of American nationalism must begin with the National Question: "Is there such a thing as the American people? And if so, what is it?" Most people do not ask such questions. A Frenchman does not wonder if he is French, nor the Pole if he is Polish, nor—notoriously—the Serb if he is Serbian. He knows very well that he is what he is, and he has little or no difficulty in distinguishing himself from somebody else with a different national identity.

Such questions of identity typically signal a conflict—whether a conflict within the individual soul or an actual donnybrook in the streets. When an Ulsterman declares defiantly that he is British, it is probably in response to the assertion of Irish nationalists that to be an Ulsterman signifies not a national identity different from the Irish one but merely a cultural or regional "tradition" within it. Similarly, when a Canadian intellectual describes his national identity as consisting of the landscape and extensive social services—what might be called soil and bloodlessness—it is because he is papering over a conflict between two real national identities, the French Quebecer and the English Canadian. And when someone describes himself as a European, it means either that he is in Asia or Africa at the time, or that he is an employee of the European Commission in Brussels.

These three cases are, of course, very different. The Ulsterman is resisting an identity that is being thrust upon him; the Canadian intellectual has lost an identity and is looking for a replacement, preferably one without any embarrassingly "patriotic" or provincial overtones; and the "European" has invented a new one and is trying to impose it on other people. But all three

cases illustrate that a national identity, however real and deeply rooted, can suddenly find itself up against a question mark. It can go from the realm of necessity into that of freedom—in everyday language, it can cease to seem natural and taken for granted and come to seem artificial and a matter of choice.

When it does so, the result will be inner doubt and unhappiness and social, political, legal, and constitutional conflict. Existing institutions that were props of the old national identity will be criticized as the *ancien régime*, and new institutions will be brought into being to express the new identities that are being shaped and perhaps pressed upon people. Something very like this is now happening in the United Kingdom with the proposals for a Scottish parliament, for judicial review on the American model, and for the subordination of Parliament to a European legal system being introduced by Mr. Blair's Labour government. Indeed, Britain's serviceable unwritten constitution is now routinely dismissed as the *ancien régime*, and Mr. Blair boasts that Britain is being "re-branded" internationally as "Cool Britannia." All of which suggests that the British are being transformed from a nation of shopkeepers into one of advertising copywriters.

The national question in the United States is now very evidently on the political agenda—though no politician will admit it openly. We can tell this easily enough by reading the newspapers or watching television. Let me take a few examples, chosen at random:

- 1) A rally in Los Angeles opposing Proposition 187 four years ago featured thousands of people waving Mexican flags. Proposition 187 nonetheless passed by a large majority. It was then held up until last December by a federal judge who first refused to rule upon it at all—which meant that her ruling could not be reversed on appeal—

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