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POLEMICS & EXCHANGES

On NAFTA and Detroit

In "Downsizing Detroit: Motown's Lament" (*Views*, November), Greg Kaza provides an insight into the bleak future for unskilled workers in one American city. Unskilled workers in many other American cities face that same future. The problems of the inner city, however, can only be worsened by restricting trade or by creating government-sponsored "Renaissance Zones."

Rather than being caused by free trade, Detroit's problems were actually the result of tariffs and quotas. The Big Three automakers churned out increasingly inferior products during the 1970's and early 80's while enjoying a protected market. Consumers became fed up and searched for quality, finding it in Japanese and European imports. With a relaxation in import duties came competition that Detroit was not used to facing. The Big Three had to shape up or lose the market. Today, American companies are again building quality cars. Can anyone doubt that the revitalization of the industry is a result of competition from abroad? There is no better incentive than the potential loss of a substantial market share.

Still, those who have been displaced in this process present a very real problem. But the key to improving their situation is to allow markets to work rather than creating welfare disincentives to relocate or retrain. "Renaissance Zones" or "enterprise zones" at best redistribute income from one set of individuals, the taxpayers, to another set of individuals, the politically connected, while government takes a hefty broker's fee. The only people who are "empowered" are government employees who hand out favors at public expense while patting themselves on the back for "solving" inner-city problems.

Unskilled workers face a bleak future in the inner city because of a lack of sufficient capital investment due to oppressive local government taxes and regulations. Look around any metropolitan area, and you will see government agencies sprout up virtually overnight. There is a local regulatory board for practically every activity under the sun. The government crowds out private investment, and that which isn't crowded out is often regulated out of existence. Through their

micro-management of the local economy, these local NAFTA-like agencies stifle the economic life of every American city. Since the unskilled are usually the last hired and the first fired, they feel the brunt of it.

"Motown's Lament" is heard by unskilled workers across America. Their economic future will brighten only when the welfare-regulatory schemes of government are dismantled and private capital formation and trade are allowed to flourish.

—Dan Winterrowd
Pilot Hill, CA

Mr. Kaza Replies:

Mr. Winterrowd stood for Congress in California in 1998 on the Libertarian Party ticket. Libertarians are skeptical of tax-free "enterprise" or "Renaissance" zones. But interestingly, their platform advocates "complete and unilateral withdrawal from all international trade agreements including the General Agreement on Trade and Tariffs (GATT) and the North American Free Trade Agreement (NAFTA)." They also oppose right-to-work laws.

The Libertarians propose radical economic deregulation, including abolition of all licensing and zoning laws and repeal of the minimum wage to create capital investment and job growth in depressed urban areas. Good luck, Mr. Winterrowd, getting such a program through a legislative body. Mr. Winterrowd received three percent of the vote in his congressional bid. Real-world politics is the art of the possible.

The Libertarian argument, applied to Detroit's automobile industry, is generally more sophisticated than the one presented here by Mr. Winterrowd. The Libertarians contend that the Japanese essentially received a cross-subsidy, courtesy of the U.S. taxpayer, in the post-World War II era. The U.S. government defended Japan, placing it under its nuclear umbrella, while spending up to six percent of our Gross National Product on national defense. By contrast, the Japanese spent a mere one percent on defense, which allowed them to invest capital at a higher rate into domestic industries such as auto and steel. By the late

1970's, this cross-subsidy contributed to the emergence of Japanese auto companies which could successfully compete with Detroit. Twenty years ago, the sophisticated Libertarians used this line of reasoning to advocate massive cuts in U.S. defense spending. The cleverest Libertarians have always focused on "war as the health of the state," and have applied their critique to the impact that U.S. foreign policy has had on the domestic economy. One example: The inflation generated by the Vietnam War distorted prices and capital investment in the American manufacturing sector up through the early 1980's, when deflation occurred.

Mr. Winterrowd is correct to note "the bleak future" faced by "unskilled workers" in cities like Detroit. But his argument that "the Big Three automakers churned out increasingly inferior products during the 1970's and early 80's" is less convincing. Take one product: the internal combustion engine. Vice President Al Gore may attack it, but the internal combustion engine is truly one of the great entrepreneurial achievements of the 20th century. The slant-six, built by Chrysler in metro Detroit during the period referred to by Mr. Winterrowd, is perhaps the greatest engine ever mass-produced by the American auto industry.

Even the most virulent free trader who ignores the underlying cause of Detroit's demise would be hard-pressed to cite one Japanese engine matching the slant-six.

On the Other Lindbergh

I was pleased to see the article in the November *Chronicles* by Justin Raimondo on Charles A. Lindbergh, Sr. Lindbergh stands with William Jennings Bryan and Louis McFadden, who also made control of the money supply by private interests an issue in public debate. Bryan, Lindbergh, and McFadden are all swept under the rug by conventional economists, who prefer their pretty theories to the reality of money as an instrument of power for which men conspire, often by foul means, the same as men conspire, often by foul means, to elect presidents or to control armies.

Benjamin Franklin, Alexander Hamilton, John Calhoun, Alexander Del Mar, Pope Pius XI, and Murray Rothbard all knew about the conspiratorial reality of money. But our contemporary academics, with their heads in the clouds, still preach that money is a "technical" and "complicated" subject, much too arcane for a public discussion about its role

in the orchestration of war, famine, genocide, destruction of cultures and nations, political correctness, and the New World Order to make a few rich and powerful.

Raimondo's article mentions two of Lindbergh's books, *Why Your Country Is at War* and *The Economic Pinch*, but omits reference to his greatest work, *Banking and Currency and the Money Trust*, published as a polemic against the Federal Reserve Act of 1913. In this latter work, Lindbergh struggled without much success to state a coherent theory of paper money, but then explained the origins of the American Civil War: It was, he said, cunningly induced by domestic and international financiers to run up a huge national debt, represented by bonds which were monetized by legislation to finance the war; the design of this legislation gave them control over banking and currency in the United States, under their central reserve banks on Wall Street. The banking cartel on Wall Street was legalized in the Federal Reserve Act over Lindbergh's heroic opposition. Lindbergh's insights are neatly verified by statutes on banking and currency from 1863 to 1913, and touch the main reality of American politics since Lee's surrender at Appomattox.

—John Remington Graham
St-Agapit, Quebec

CULTURAL REVOLUTIONS

CULTURAL GENOCIDE is a legal term sometimes used to describe the planned destruction of an ethnic or religious identity. The English, in solidifying control over their islands, did their best to obliterate the historical memory of Scottish Highlanders and Irish Catholics, and the national socialists of Bill Clinton's party are doing the same thing here in the United States, not only to Southerners, whose symbols, songs, and heroes are banned in public places, but also to the whole European cultural identity whose literature and traditions are being eliminated under the guise of multiculturalism.

Most classic writers, like Shakespeare and Milton, are not banned but simply ignored. However, certain books—*Huckleberry Finn*, for example—are under direct attack. Recently, PBS aired a program, produced by WGBH (Boston), to justify the elimination of Mark Twain's masterpiece from America's memory

simply because liberals do not like to be reminded that many African-Americans were (and are) fond of calling each other "nigger." Twain was in many ways a detestable character—a perennial village atheist, provincial boor, and (as a Confederate deserter) traitor to his people—but his Jim is the first—and best—sympathetic portrayal of an American Negro. *Huckleberry Finn* may turn out to be the American classic, if only because of its themes: the tragedy of racial misunderstanding, the lure of the frontier, the search for innocence, the poison of a Puritan morality that convinces Huck he is going to hell if he refuses to betray his friend. A healthy America could survive the loss of this one novel, but this is not a healthy country: We lose Huck and Jim, and we lose ourselves.

European-Americans should not think they are being singled out. During the war over Kosovo, we argued repeatedly that Christian Serbs violated the creed of

the Clinton administration, a creed shared by the world-controllers at the Imperial Acronyms—WTO, NATO, U.N. "History is bunk," they are saying, and so are historic nations and religions. Whenever I made this argument in a speech, many opponents of the NATO bombing accused me of paranoia: People on so low an evolutionary level as the Jamies and their bosses are not scrupulous enough to have an agenda, I was told, and all they want are the usual simian necessities of sex, money to buy sex, and power to force sex. The destruction of 500-year-old monasteries in Kosovo is simply an accident to be regretted only by people foolish enough to care about religion and art.

The U.N. world-controllers in Bosnia, however, recently made my point for me when they ordered Serbian schools in the Republika Srpska to eliminate offensive texts from their schoolbooks. The proscribed lists included old folk poems de-