

# Will America Defeat Itself? Ideas and National Power

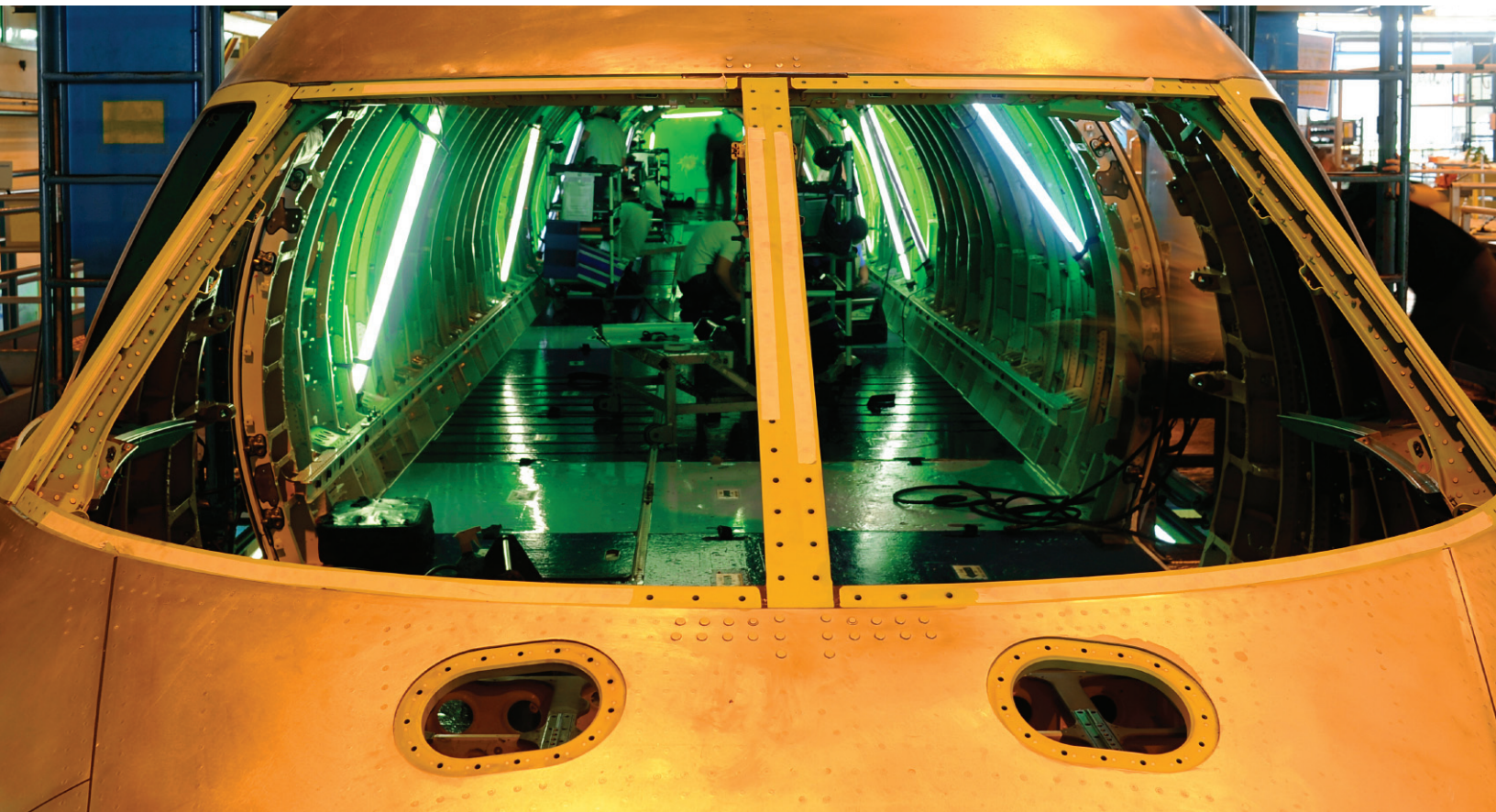
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*James A. Lewis*

America was not a great power in the late nineteenth century. It was rich and thought highly of itself, but it had little international influence or respect. The line attributed to Bismarck, that God protects children, drunks, and the United States of America, was not meant as a compliment. Learn this line, because as a country we are on a path to return to our nineteenth-century status.

There are happy books about the world America made that provide the comforting illusion of the once and future superpower. It is true that in terms of resources, population, military strength, and wealth, the United States ranks among the leading nations of the world. However, our ideas have changed and they are failing us. We inherited a powerful ship of state built by those who won the Cold War, but we have no idea how to maintain it.

In the 1970s, just like today, America had suffered military defeat, was in recession, and worried about energy. America's leaders were bedeviled by political turmoil. The Soviets, looking on the chaos and weakness from a distance, pronounced that "the correlation of forces has shifted irrevocably



to the socialist camp.” They were wrong, and a resurgent America overcame its political disputes to win the Cold War and launch 20 years of growth. Perhaps this will happen again, and our potential opponents should not discount the ability of American democracy to reconceptualize itself (after exhausting all other alternatives).

But parallels with the 1970s are not exact. Our competitors now are not the lethargic Soviets. Our allies are feeble and fractious. More importantly, our thinking on how to build national power has changed in damaging ways. Despite routine assertions to the contrary, there is no substitute for government’s ability to aggregate resources and direct them toward strategic ends.

Perhaps America’s failure of ideas is the inevitable result of an ideological contest that lasted for decades. The Soviets sought an all-pervasive state. America stood for individual liberties. We created a strong counter-ideology to defeat authoritarianism, but the trajectory of these ideas has continued far beyond what is pragmatic and into the realm of slogan and self-defeat. Like a driver who overcorrects in a skid, we are headed into a ditch.

Understanding why this is so requires looking at how America transformed itself into a global power. Beginning in 1940, the United States used science and technology to gain military advantage in a global war. It was unafraid to go into debt to build factories—entire industries—that laid the foundation for industrial and military strength.

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In the 1950s, America institutionalized this approach and established dynamic organizations like the Defense Advanced Research Projects Agency (DARPA). Federal investment created strategic technologies: semiconductors, software, and aerospace, the industries that are the core of America’s high-tech exports today. Most importantly, through the National Defense Education Act, federal investment created the human capital (engineers and scientists) that made America a high-tech economy. The last of that generation are reaching retirement age, and as they leave the workforce they are not being replaced. The great creative burst that began with Sputnik has ended.

We will not rekindle it until we abandon anti-government ideology and admit that there are certain strategic tasks—including investment and innovation—that only the federal government can perform.

Two examples highlight the problem. Federal spending, not private investment, built the superhighways that connect America and opened our economy. Federal spending, not private investment, created the Internet’s core technologies. To these we can add a long list of technologies that would not exist without federal investment. President Dwight Eisenhower, taught by his wartime experience, did not suffer from confusion or doubt about the respective roles of government and the private sector in building American power. It is an open question, after Solyndra, if the United States still has the ability to make strategic investments, but if we have lost this skill, decline is inevitable.

How America ended up with an ideology that puts its global influence at risk is a strange political tale. The belief that government is inefficient and that crucial tasks should be left to the private sector, first mumbled in the 1980s, is now pervasive, even among Democrats (the strange, 30-year metamorphosis of Progressivism into a cluster of boutique issues is a story for another day). Suspicion of big government, always present on the far right, was reinforced on the left by the reaction to Vietnam. A reasonable critique of Keynesian economic intervention was hijacked by anti-tax zealots. The result is steady decline in our ability to take collective action to advance America's strategic interests.

There is more than a modicum of dishonesty in the public debate today. The right problems have been identified, but the ideas floated to fix them are nostrums. Government spending needs to be cut, but cuts should be in entitlements, which are gobbling the federal budget, not in the discretionary programs that provide America's muscle. Regulation needs to be trimmed, but we should have no illusions that the pre-regulatory America of the nineteenth century was safe or pleasant for most citizens. Finding a middle path on regulation, taxes, and fiscal matters would strengthen America, yet there seems to be no appetite for a pragmatic approach to reform.

Like the Soviets and their myths of heroic workers, we have created a heroic mythoholy of brave entrepreneurs and businessmen that distorts our perception of which policies actually work, and which are merely self-justification. Self-interest has its place, and the market (which is the aggregation of the self-interest of many individuals) provides the best solution for most business problems—but not for national security or public safety. If anti-government rhetoric made sense, we would not be telling ourselves comforting tales about how decline is temporary or an illusion. We can cut taxes and regulation back to nineteenth-century levels, but we should not pretend this does not also guarantee a return to nineteenth-century levels of American power. This outcome is certain if we do not change our ideas. It will not be a better world if America makes itself weak. ■