

Brent Nelson has written extensively on immigration-related issues including *Assimilation: The Ideal and the Reality*. Dr. Nelson's latest book, *America Balkanized: Immigration's Challenge to Government*, is on press.

Downsizing the American Dream

A Book Review by Brent Nelson

THE ENDANGERED AMERICAN DREAM:
HOW TO STOP THE UNITED STATES FROM
BECOMING A THIRD WORLD COUNTRY
AND HOW TO WIN

THE GEO-ECONOMIC STRUGGLE
FOR INDUSTRIAL SUPREMACY

By Edward N. Luttwak
New York: Simon & Schuster, 1993
365 pages, \$24.00

The following thought-provoking paragraph from Edward Luttwak's *The Endangered American Dream* defines the dream, tells why it is endangered, and warns of the consequences of its endangerment:

To hope is human, but to expect a fair share in an ever increasing prosperity is distinctly American. If that ambition is relentlessly denied, the political consequences can hardly fail to be catastrophic. After all, Americans have no shared national culture to unite them as the French or Italians have — there are many different cultures in our pluralist society. Nor can Americans rely on ethnic solidarity alone, as the Japanese say they can — we have many different ethnic origins. What Americans have in common are their shared beliefs, above all in equality of opportunity in the pursuit of affluence. It would be too much to expect that democratic governance would long survive the impoverishment of all Americans except for a minority of fortunate inheritors, talented professionals, brilliant or merely lucky business people, 700,000 often rapacious lawyers, and a few cunning financial manipulators.

It should be noted that the American dream is not fading for all. The richest one percent of the population is growing richer, while the next highest 19 percent maintains its position, but immiseration is the future faced by 80 percent of the population. Salaries and wages earned by the 80 percent of economically active Americans who are nonsupervisory employees have been in decline for over two decades, a decline that will accelerate. This is the most striking statistic which Luttwak has culled from a mass of statistics. The politically explosive conclusion must be, based on current and long-established trends, that First World America will survive for a minority, but the great mass of Americans will become, at least in their living

standards, part of the Third World.

Luttwak devotes the first third of his book to an explanation of the "downsizing" of the American dream, giving most attention to the success enjoyed by Japan. He cites the examples of Japan's FSX project and the European Community's Airbus Industry as evidence that a "national economic policy" can work even when it violates the precepts of free market theorists. Japan and Europe provide evidence that "culture" can "defeat" "economic logic." He concludes that the U.S. has much to learn from the example of Japan's Ministry of Inter-national Trade and Industry. In fact, "if forced to argue on one leg, the case for industrial policy can be reduced to one word: Japan."

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Nonetheless, neither Japan nor the European Community is to be blamed for America's decline. Instead, Luttwak cites, and examines in the remainder of the book, a "long list of self-inflicted wounds that are directly causing the Third-Worldization of America." Among these are "limitless deficits," a lack of both "patient capital" and "diligent labor," the sacrifice of educational standards to "multiculturalism," "a grotesque legalism," and "our spectacularly antisocial 'social' programs."

Little attention is given to other factors which also seem to be exerting a downward pull on living standards. Among these are population pressures, causing increases in housing costs; environmental degradation, eventually undermining the source of the nation's relatively inexpensive agricultural produce, which has perhaps always been its greatest blessing for working people; and robotics and computerization, steadily reducing employment opportunities for both blue collar and white collar workers. Obviously, none of these factors militate against Luttwak's thesis that the lower four-fifths of the nation is "going south."

"Luttwak predicts ... a continuing decline of living standards for the four-fifths of Americans who are least politically active."

Many readers of this book will choose to focus their attention on the particular chapter which exposes what they see as the gravest of these ills. Thus, those who believe that regulation is the sole cause of national economic decline may seize upon Luttwak's striking example of how product liability law has destroyed the U.S. general aviation industry. Other readers, who see in a nation's decline only the evidence of some collective moral failing, may give inordinate attention to Luttwak's chapter on "the savings gap." Luttwak himself sees the gap's origin in a deficit of "Calvinist self-restraint," but offers no theory to explain why the American people are now more improvident than they were in the past.

Luttwak, however, does not yield to the temptation to blame the victims (the U.S. working population), who suffer from policies not of their making. Among these policies are free trade and uncontrolled immigration. He concisely and cogently explains why the free trade agreement with Mexico can only further lower U.S. wages and salaries: "If the profuse abundance of Mexican labor and the meager quantities of Mexican capital are both added to American labor and capital within a common economic zone, the total supply of labor will have increased much more than the total supply of capital." Luttwak does not suggest that there is any bad faith in the governing elite's promotion of free trade, but he does take that stance with regard to uncontrolled immigration, concluding that "in reality, it cannot be said that the United States government is seriously or even half-seriously trying to stop illegal immigration from Mexico."

Although the constituency that would benefit from Luttwak's proposed national economic policy encompasses a majority of the nation, it may be difficult to build a political coalition dedicated to putting it into practice. Luttwak's "geo-economic" strategy has too much nationalism to be acceptable to many liberals, and too much governmental intervention into the economy to please most conservatives. The polarities of left and right neglect the nation's vital center, where most Americans are to be found, but it is those polarities which mobilize political forces while the center too often remains a relatively inert "middle mass."

It is likely that many people who should read this book will not, unjustly dismissing it as yet another example of the genre of works which announce an imminent economic collapse. What Luttwak predicts, however, is not a collapse, but a continuing decline of

living standards for the four-fifths of Americans who are least politically active. The relative inactivity of the lower four-fifths and the gradualness of their immiseration may enable an uncaring elite to muddle through for a few more decades with only a few notable mishaps.

Obviously, those members of the American elite who continue to support the nationally erosive policies of free trade and uncontrolled immigration do not share Luttwak's fear of catastrophic political consequences. Like Mr. Micawber, they know that "something will turn up" to dispel all such visions of doom. However, what national cohesion will remain if, in the post-Cold War age, the American dream is the only source of national unity? If most Americans cease to believe in that dream, a kind of societal entropy may develop which, in itself, even in the absence of any violence or catastrophe, may cause America to "self-destruct." When the great masses of a nation-state no longer feel that they have a stake in the system, the sheer weight of their sullen unconcern can be enough to bring it tumbling down. ■