

CATO INSTITUTE

BOOK FORUM

American Exceptionalism, Past and Future

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Moderator:

John Samples

With:

Seymour Martin Lipset, Hazel Professor of Public Policy,

George Mason University; and

Aaron L. Friedberg, Professor of Politics and

International Affairs, Princeton University

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P R O C E E D I N G S

MR. SAMPLES: Good afternoon. Welcome to the Cato Institute. My name is John Samples. I am Director of the Center for Representative Government at the Cato Institute. We would like to welcome you to our book forum this afternoon.

Let me start by saying a few words about our event today. Our guests will say a few words about their books in turn. Then you'll have the floor open to ask questions, which they will answer, about the works and the general issues raised, and when all the questions are answered we'll adjourn upstairs at the end for a reception. I'd also like to add that the books by both authors will continue to be for sale outside after the event itself.

The United States is an exceptional nation in one important sense. We are marked by great wealth and broad economic opportunities. The rest of the world also sees us as the dominant military force, the superpower without challenge at the moment. Yet, we're also exceptional in another sense, in the sense of being different.

In contrast to European nations, our political culture highly values the freedom of the individual and, with that, limited government, as well as equality under law. This unique culture, I think, has led to other differences with Europe. We

have a smaller state sector, a more flexible labor market, and lower unemployment on the whole. United States has gone its own way in many respects, and many would say to good effect.

We are pleased to have with us today two authors who explore the consequences and effects of "American Exceptionalism," this tradition of individualism and limited government.

Our first speaker will be Seymour Martin Lipset, who, along with Gary Marks has written "It Didn't Happen Here: Why Socialism Failed in the United States," which you have already seen. Any student of political science, as I was in the 1960's and seventies, will have come across Professor Lipset's work during the course of their studies.

His book "Political Man," which we were just discussing beforehand, remains in print to this day. The book was published in 1960 and is certainly one of the foundations of the field of comparative politics. Professor Lipset is Hazel Professor of Public Policy at George Mason University, a fellow at the Hoover Institution at Stamford, and a Fellow at the Woodrow Center here in Washington.

Professor Lipset.

(Applause.)

SEYMOUR MARTIN LIPSET,
HAZEL PROFESSOR OF PUBLIC POLICY,
GEORGE MASON UNIVERSITY

PROFESSOR LIPSET: Thank you very much. You know, the concept of "American Exceptionalism," which some people debate and don't like, and some like, was actually coined by Alexis de Tocqueville in his justly celebrated "Democracy," in which de Tocqueville talked about America being exceptional by which he meant "different," qualitatively different in all kinds of ways from Europe, and particularly France.

And de Tocqueville set a model for what I've tried to do in my own work and which I've assisted almost the method of social science doing comparative analysis. I sort of then see it as a dictum that a person who knows only one country knows no country. But you can only understand the country in comparative context by looking at the way in which institutions' behavior and whatnot vary, and this of course raises questions about why is it this way or that way in your country and not in others.

De Tocqueville, in fact, wrote -- it was said at one point that he never wrote a word about the United States without thinking about France. There were all sorts of illustrations of that, particularly in the book. That isn't as well known as the democracy book by George Pierson called "de Tocqueville and

Beaumont in America," in which Pierson went through the papers of de Tocqueville and reprinted or includes a lot of, in effect, his field notes, which were extremely interesting.

But this context, therefore, of looking at difference is a way to understand -- I would say almost "the" way to try to understand -- the United States and why it is or how it is exceptional, which of course is a concept that only has meaning in a comparative context.

I find when I've talked about "American Exceptionalism," or particularly about this issue of why the United States is the only industrialized democracy that has never had a significant socialist movement party or labor party, and then attribute the lack of this to certain cultural characteristics, as well as others, which I'll mention in a moment, I sometimes get objections or criticisms from two sources.

On one hand, from some conservatives I find indignation at the fact that you say there's no socialism in the United States. They would say that there's a lot of socialism here -- government ownerships, the control, taxes, and the like. On the other hand, of course, people who are inclined to favor socialism also don't like the notion of no socialism or the notion that somehow socialism couldn't have developed in the United States and won't develop in the future.

So, one leaves with a certain amount of unhappiness about this at both ends. But I would argue that there isn't socialism, at least in the sense in which the socialists projected it and, conversely, that there is no future, as well as there wasn't very much of a significant past for it.

Well, the major attributes that I think argue against socialism or statism is the fact -- and we both agree on this; his first chapter is on anti-statism -- is that this country is an anti-statist country. It is a country that is suspicious of the state, to use lawyer's language; that the state is weaker here, which again a lot of libertarians or conservatives don't like to accept.

As Mr. Samples said, our government is smaller in money terms, in terms of institutions, of controls than the governments in other countries. We have the lowest tax country in the world, which is something you might not believe if you hear some of the debates and, you know, the state here is weaker in a variety of ways. And so you get into this question of why it is that the United States is weaker.

One of the facts goes back to the American Revolution, that it's deep within our founding culture. The American Revolution was a revolution against a strong state. The Declaration of Independence is a Libertarian document. The man

who wrote it, Thomas Jefferson, once said that government governs best which governs least.

It's also interesting to note in respect to the role of Jefferson, who set down the model, together with a lot of others, of the states for the state, but Jefferson was the founder of the Democratic Party. And the Democratic Party in American history was the most anti-statist party. In fact, from its founding in Jefferson's days down to 1932, when Roosevelt ran for president, it was much more anti-statist than the conservative opposition, the Federalists, Whigs, and Republicans.

If you go back and look at what Roosevelt was doing in 1932, he was criticizing Hoover for being a statist, for spending too much money, for proposing all kinds of state interventions as ways of handling the Depression. This was in good Democratic tradition. Of course, after he took office, he changed. He changed very much. But, historically they were the more anti-statist party, and the Republicans, more than the others, were like, and they didn't go as far, but they were more like European conservatives.

We often don't realize, or forget, that in Europe "conservative" does not mean what it means in the United States. It doesn't mean Libertarian or anti-statist, it means statist. Conservatives in Britain and France and Germany and many other countries were the party that believed in noblesse oblige, that

the state, the upper classes, should seek to create a series of protections for the lower classes, that they had responsibility for them.

One often forgets that the welfare state is not a socialist innovation, that the two names associated with beginning it were Disraeli and Bismarck. And Disraeli of course was a Conservative Party prime minister, and Bismarck also was a Conservative Nationalist, and they were both in this tradition of a state that sought to protect the poorer people. And this continues. So you have a statist party on the right, you have a statist party on the left, which rose up in terms of the Social Democrats, the Marxists, and the like.

In the United States, we have conflicts between different varieties, if you will, of anti-statists compared to Europeans. H.G. Wells, who wrote a book in 1906 dealing with the absence of socialism in the U.S., called "The Future in America," pointed out that there were two parties that didn't exist in the United States that existed in Europe. The two parties were the Social Democrats and the Conservatives.

What he said was that both American political parties, if they were in England, would be branches -- the left and right wings of the Liberal Party, which then was a strong party. Because the term "liberalism" in Europe meant the anti-statist group, the business-related party that wanted weak states as

against the Conservatives who wanted a strong state on the right and the Social Democrats who wanted a strong state on the left. And that meaning still holds true in some countries.

In France, for example, the word "liberal" is still used to mean the people are strongly anti-statist. To avoid confusion, we've developed or used the term "libertarian," which Europeans would often use the term "liberal," even though the word "libertarian" in its European founding days more meant for anarchists. And when you talk about Libertarians in Europe, people think you're talking about left-wing radicals who are anarchists, not socialists.

Well, this tradition of the United States that flows from its politics was reinforced by its religious tradition and institutions, because there again America has a unique pattern. Christianity in this country is quite different from any other country. The students of religion differentiate between churches. Churches are hierarchical institutions that were state related. And the dominant groups in the United States are sects, Protestant sectarians: the Methodists, the Baptists, and the myriad others.

And of course what characterizes the sects is two things: one, they're not hierarchical. The churches have bishops, archbishops, cardinals, and so on, and are state related

with state churches, and many of them still are, and they're both supported by the state and gave support to the state.

The sects were oriented toward individualism, were congregationalists, where the members are supposed to study the Bible and decide what is moral and also hire their own pastors. De Tocqueville was struck by the strength of religion in the United States. He said religion was much stronger here than in Europe, and it was and is. There is a myriad of survey data these days to show how Americans are much more religious than Europeans. But the American religion was sectarian anti-statist.

The American's religion, the Methodists and the Baptists, the Quakers, and others, in Britain were referred to as the nonconformists, so the dissenters. They were nonconforming or dissenting from the Church of England, from the state church, and they were rebellious and they were persecuted by the state, and hence they were very much against the state. They wanted religion totally separate from the state. So that this religious tradition has been an anti-state tradition. Whereas the religious tradition in Europe, and even to a considerable degree in Canada, has been a state-related, a state-supportive religion and a religious tradition.

So, you have these two factors, the religious one on the political history and values and then institutions created by the politicalist values, all of which sustain what I call

Libertarian orientation of the United States. You know, on the political side we have the whole what we call checks and balances. All of you know this. I don't have to go into it, but you have two houses of Congress, President, Supreme Court, chosen in different ways in order to frustrate each other.

We talk about gridlock in this country because one party has the presidency, another party the Congress, but this is precisely what the Founders -- they didn't think in terms of parties then -- would have liked. In fact, repeatedly, public opinion polls ask Americans whether they would like the presidency and the houses of Congress to be controlled by the same party or different parties, and almost invariably majorities, or substantial majorities, down to today, say different parties, that they prefer the kind of situation we have, even though political scientists go wild about what this does to decisionmaking, efficiency, and the like.

But basically you can say, in a sense, they didn't want an efficient government. They wanted a government that was involved in gridlock. They may not have thought it through in these terms, but they wanted the sectors, the politicians, the political forces to check each other, to make it difficult. And the Republicans, when they captured Congress in 1994, we're talking about a revolution.

But what they never realized was they were operating under a Constitution that was deliberately designed to prevent a revolution. It was deliberately designed that if you won one election, you couldn't make the kinds of changes that they wanted. You had to win two or three elections by certain majorities. So that the difficulties that the Republicans faced were planned, were part of the system. And if the Founding Fathers came back, they would recognize it and even, perhaps, approve of it, but I'm sure there's a lot they wouldn't approve of.

Well, in this context therefore, if you want to understand why socialist parties developed in other countries and didn't develop here, it developed in countries where statism was legitimate, where both the conservatives and the left were statist. In the United States, statism was illegitimate, or at least not part of the culture, and hence the socialists were terribly disadvantaged.

One of the forces that has been involved in founding socialist parties and supporting them in other countries has been the trade union movement. Almost every socialist -- some of the parties, like the British Labor Party and others -- were founded by the trade unions. Well, in this country, the dominant trade union movement, the American Federation of Labor, opposed the

socialists. There were a lot of socialists inside the labor movement, but they never were able to get a majority of it.

And the literature on American trade unions often refers to the AFL as conservative. It wasn't conservative; it was anti-socialist. But it was militant. It was much more militant. It was willing to conduct strikes more often than European unions. It engaged in a lot more violence before World War I, dynamiting and so on, than European unions did.

What the American movement was, was syndicalist. They didn't believe in the state. They were opposed to relying on the state. They believed in workers' power. Samuel Gompers, who was president of it for 40 years, once, when asked what his politics were said, "I guess three-quarters of an anarchist." And he was right.

Now, we also had a radical labor movement, in the IWW, the Industrial Workers of the World, the Wobblies. But the Wobblies were not socialists; they were anarchical syndicalists. So that both in its radical and its moderate form, American labor was against the state.

Now, the CIO is a somewhat different story because, in the thirties, when the depths of the Depression moved, of course, the Democratic Party and Roosevelt to a statist direction and we got a lot more statism in American society than we had before, it affected the labor movement. And the CIO was sort of Social

Democratic in its orientation. But the AFL-CIO today is not, even though there have been a lot of socialist, or socialist-inclined, people in it. And so, again, American labor reflected this anti-statism of the American culture. And one can trace this in various other aspects of the United States.

Now, there are a lot of other factors that weaken the efforts to build a socialist party or labor party here. One was immigration, racial differences, the cleavages among people. As you've already heard, the wealth of the United States, the affluence compared to Europe, was obviously very important. Immigrants who poured into this country generally were better off than in other countries.

There's an interesting datum that I refer to in the book. Leon Trotsky spent three months in the United States on his way back to Russia in 1917. He'd been in Europe and, to get back to Russia, he had to come here. And during those three months he had his family along and he lived in an apartment in the East Bronx. And, in 1929, Trotsky, after he'd been thrown out by Stalin, published an autobiography. It's called "My Life," and it's very non-personal. There's very little in it about his family, his life, any personal activities.

But he has two pages in it about the East Bronx and about the apartment he lived in, in the east Bronx. And still, after having been Commander of the Red Army and Marshal and all

that kind of thing, he still writes in awe about that apartment in a worker's district and how much superior it was to the way workers lived in Austria and in France, which he knew well. He talks about having indoor plumbing, having a gas stove, and describing this thing. Well, what Trotsky was paying homage to was the fact that workers in the United States lived better than in Europe and that immigrants of course who came here did. Now, that disparity has of course declined, and Europe has become in many ways as affluent or as close to being as affluent as the U.S.

In fact, and I'll just stop here in one moment, the last chapter of the book is called "The End of Political Exceptions?" And what that refers to is the fact that there are no socialists anymore in the sense of Marxists or the word "socialism," that every party in Europe -- and not just most of them, but every single one of them -- has explicitly, in terms of their ideology, given up socialism. Every one of them accepts the free market as the way to organize an economy. And this is true for the Scandinavians and it's true for the Italians and the Spaniards and of course the British, the third way, and the Germans.

And one of the things that they've been doing, because most of the governments of Europe are governed by socialists or Social Democratic or Labor parties, is almost all of them are

denationalizing nationalized property, cutting back on taxes, doing away with corporate income taxes, and the like. In fact, there are a lot of policies that the European Social Democrats are pushing now that the American Democrats have still not come around to accepting and are resisting.

So, in that sense, if it weren't for the collapse of Communism, which is another story, the big political story of the last decade or two would have been the end of socialism or social-democracy in its traditional sense. Now, these parties still exist. They still try to represent the less privileged parts of the population, but their goal is no longer some kind of utopian plan, a socialist society with a high degree of government ownership.

After the last election in Britain, I happened to read -- I think it was in *The Financial Times* -- an interview with a British banker, from Warburg, in which he said, "Well, now, everything's fine. It used to be socialists versus capitalists. Now it's Democrats against Republicans."

Thank you very much.

(Applause.)

MR. SAMPLES: Our next book, in contrast to Professor Lipset's book, which looks at the internal development of the United States, looks outward in thinking about and talking about the history of "American Exceptionalism," the history of the

Libertarian political culture that we've talked about. When I first came across Professor Friedberg's work, I thought it was terribly important to do something, because I have a conviction -- and in Washington we tend to live week by week, whatever is going on at the moment -- that it was important to get some historical perspective externally about Libertarian political culture, important because we could remember exactly what the achievements are of our forms of limited government and individual freedom. And Aaron Friedberg's book, "In the Shadow of the Garrison State," gives us that.

Aaron Friedberg is Professor of Politics and International Affairs and also Director of the Research Program in International Security at Princeton University.

Professor Friedberg.

(Applause.)

AARON L. FRIEDBERG, PROFESSOR OF POLITICS AND
INTERNATIONAL AFFAIRS, PRINCETON UNIVERSITY

PROFESSOR FRIEDBERG: Thank you very much. It's an honor for me to be invited to speak here and a special privilege to appear with Professor Lipset.

Professor Lipset and I ask rather different questions but I think in the end give very similar answers. If the theme

of his most recent book is "why no socialism in America," mine is somewhat more limited. The question I would pose is, why no garrison state in America? Why, especially in the earliest and the most intense years of the Cold War didn't the United States become an armed camp, a militarized society, a political system in which all authority was ultimately concentrated at the top and in which all societal efforts and societal resources were directed toward the production of military power and preparation for total war?

These are not entirely idle or purely speculative questions. If you look back at the period, say, from roughly 1945 to the late 1950's or 1960, it's clear that there really were, I think particularly in the early years of this period, very real possibilities for movement in this direction. Indeed, there was some number of quite serious and generally well-intentioned people who believed that it might in fact be necessary for the United States to move in this direction if it were to survive in the face of the threat posed to it by the Soviet Union, armed as it was with atomic and thermonuclear weapons. And yet, as I try to show in the book, this is clearly not what happened.

The onset of the Cold War had real and substantial and undeniable effects on the size and the role of government in American life. But these effects were far more modest. They

took different forms, and they were on balance far less harmful to American society and to the American economy than what might have been, what might have happened, and again than what many people believed at the time to be necessary.

And the interesting question, then, in my view is, why? And the answer, to cut to the chase, is again American anti-statism, strong, deeply rooted, characteristically American, suspicion of and resistance to excessive concentrations of governmental power, which I would argue exerted a restraining, countervailing influence and helped to see the United States safely through its nearly half-century-long Cold War confrontation with the Soviet Union. Indeed, if you're looking for an illustration of the long-term consequences of unrestrained statism, you need to look no further than the rubble of the former Soviet Union.

So, in the next few minutes I want to try briefly to expand on and also to illustrate this argument, and then say just a very few words at the end about what seemed to me to be the larger implications.

The subject of my book is really the creation of military power -- how do states create military power. Well, they extract societal resources, principally money and manpower, and they try to direct the flow of those societal resources toward activities that are intended to enhance immediate and

long-term military capabilities: the manufacture of arms, the production of materiel essential to making arms and fighting wars, and the conduct of what is believed to be strategically significant scientific research.

So, the conduct of these activities requires the construction of certain mechanisms that, if you like, mediate between the state and society: tax systems for collecting money, regular arrangements for recruiting military manpower, what we would now call military-industrial complexes, for the design, manufacture, and operation of weapons. These are what might be referred to as institutions of power creation.

The sociologist Charles Tilly has summed up the political evolution of the West with the pithy phrase, "War made the state and the state made war." And what he means is that, at least in modern Europe, over the course of 400 or 500 years, continual rivalry and conflict forced political entities, what would evolve eventually into nation-states, to build power-creating institutions and the bureaucracies necessary to operate and control them. If they didn't do this, they ultimately didn't survive and were absorbed by other political entities.

Now, for most of its history, down through the middle of the 20th century, the United States did not have a permanent, highly developed institutional capacity for performing these

power-creating functions. Indeed, in many respects, it didn't have much of a central state at all. And this was not, as Professor Lipset has indicated, an accident. It was, rather, a product of deliberate design, in part, and I would suggest also that this design has to be understood in the particular fortunate geopolitical context in which the United States found itself.

Creating military power involves extensive intrusions and interventions by the state into society and the economy. And the Founders were intent on limiting the capacity of government to impose precisely these kinds of burdens on its citizens. So they created a system in which, by European standards, the state and the institutions of power creation were greatly underdeveloped, and in which it would be difficult, although not necessarily impossible, to build new and more powerful ones.

And they did this, again as Professor Lipset has indicated, by constructing certain kinds of governmental institutions, institutions in which authority and decisionmaking power were widely dispersed, and also by promulgating a particular ideology, a set of beliefs in the virtue of equality, liberty, individualism, constitutionalism, and democracy. And these beliefs, as many have pointed out, in certain respects, had contradictory implications. But as Samuel Huntington, for example, has argued, they were, as he says, "...united in imposing limits on power and on the institutions of government."

And Huntington goes on to say that "Opposition to power and suspicion of government as the most dangerous embodiment of power were to become the central themes of American political thought."

Or, as Professor Lipset himself has written, "The Founders bequeath to their descendants a chronic antagonism to the state." The circumstances of the founding created a regime in which the state was weak at the outset and in which, I think more importantly, there were powerful, deeply ingrained institutional and ideological sources of resistance to enhancements in its power.

So, to borrow a metaphor from modern biology, you might say that an anti-statist strain was encoded at birth into the new nation's political DNA, and that that strain continued and has continued to reproduce itself across the generations. Now, American anti-statism obviously hasn't entirely prevented the growth in the size and power of the American state, but it has constrained it; it has periodically rolled it back; and it has, in general, shaped the direction, the extent, and the manner in which it has gone forward over time.

Now, the rather peculiar, again by European standards, and seemingly puny creature that the Founders built was able to survive and to grow to maturity in large part because it lacked powerful neighbors. By the early 19th century, there was no immediate threat to the new republic over land, none really over

water as long as the United States and Britain got along tolerably well, and of course at this point there was no possibility of threat through the air. And the absence of threat made it possible for the new nation to forego the acquisition on any substantial scale of power-creating institutions. And so, as de Tocqueville would observe in "Democracy in America":

"The Americans do not have any neighbors and, consequently no great wars, no financial crisis, and neither ravages nor conquests of fear. They need neither heavy taxes, nor numerous armies, nor great generals."

So, over the next hundred years or so, the United States of course did periodically expand its armed forces and its capacities for creating military power, particularly during the Civil War and the First World War. And although some residues of those efforts remained, the power-creating mechanisms were, for the most part, rapidly disassembled after these conflicts had ended. Now, all of that brings us very quickly to 1945.

The situation after the end of the Second World War appeared markedly different than that that had existed after previous wars. America's European allies were seriously weakened and so there was no buffer, no one, as there had been in 1914 or 1939, to absorb the first rush of an enemy's aggression and give the United States time, in effect, to build itself a more powerful state.

Moreover, technological change, long-range aircraft, ballistic missiles, atomic weapons, and so on, made things seem even worse. The continental United States itself was now, or would be soon, directly vulnerable to attack. And these political and technological changes appeared to increase the need for large permanent standing military forces and for the establishment and maintenance of substantial and possibly permanent power-creating mechanisms to support those forces.

In a sense, the United States, at the end of the Second World War, found itself in a strategic position more akin to that of a continental European nation than the one to which it had been accustomed for most of its previous history. The perceived presence of immediate substantial threats to its security seemed to point inescapably toward the need for expansion in the powers and the power-creating capabilities of the American state.

I think that the history of the early Cold War period can best be understood as involving a collision between these new externally induced pressures for expansion and an opposing set of anti-statist forces. So, what was the result of this collision?

There is, I think, a prevailing answer to that question, at least in much of the scholarly literature, and it would be something like this. Well, there may have been a collision. It was, in a sense, a collision between a Mack truck and a Miata or an MG or something small. I mean it was something

big and powerful and something little and puny. And in this view, the American people, the American political system, had been softened up by the Great Depression and by the New Deal and then radically altered by the experience of World War II.

So, however important they may have been in the past, in this view, by 1945, anti-statist influences were substantially diminished if not entirely eliminated. And so the result is that the onset of the Cold War led quickly to the creation of what has variously been referred to as a national security state or a garrison state, a big powerful permanent central state apparatus with extensive power-creating capabilities.

Now, this view, I hasten to say, is not entirely false. Certainly the American state was bigger, stronger by any measure, in the 1950's than it was in the 1930's. But I think this view also mischaracterizes the outcome of the early post-war period, in large part because it fails to consider the full range of alternative outcomes -- what might have happened -- and also because it understates the persistence and power of American anti-statist influences, especially, I would argue, in the first critical early decade of the Cold War.

In 1945, although admittedly much had changed, the fundamental structure of the American government had not, and neither had the essential content of the underlying American ideology. Moreover, beginning almost immediately, there was a

specific counter-reaction against the successive expansions in the size and power of the Federal Government that had been associated with the New Deal and with the war.

Now, this was in part a matter of partisan politics, Republicans seeking to roll back the New Deal, regain control of the White House. It was in part a reflection of popular attitudes, a rejection of statist solutions and rekindling of familiar fears of excessive governmental power. In this sense, I think it was intensified. It began really in the 1930's. It was intensified by the Second World War. It was in part the result of direct experience with higher taxes, wages, and price controls, and so on.

Business interests at the end of the war were also very eager to shed war-time controls and to blunt what was perceived as the regulatory reforming impulse associated with the New Deal. And, last but not least, post-war anti-statism was rooted in broader intellectual trends. The experience of the 1930's and 1940's was widely interpreted as evidence of the ultimate superiority of a liberal capitalist democracy and of dangers posed by unchecked expansions in the power of the state.

So, whether of the left or the right wing variety, statism, it was widely believed, could lead all too easily to totalitarianism. It was at the end of World War II, after all, that Hayek's book "The Road to Serfdom" became a best seller and

was even, I discovered somewhat to my surprise, published in a condensed form in the Reader's Digest.

Most of what I've written is devoted to an analysis of these debates and of their outcomes, debates over what kind of military strategy to adopt, what kind of power-creating institutions to put into place. And what you see when you look at these debates is a recurrent pattern. It's an initial push in what, for lack of a better term, I'll call a strongly statist direction, which has been opposed. And the eventual outcome is a resultant of these colliding factors, and in every case, much more modest than what was originally intended.

And, if I have time, let me just give you two brief examples. Universal military training, the notion that in order to provide manpower that would be necessary to cope with the enormous destructiveness of a future war, in particular a war that involved atomic weapons, in order to do this it was necessary to train every man and, conceivably, in some schemes, every woman as well, for military service, and to do this in a mandatory way. It was strongly favored by military planners even before the end of World War II and by top civilian officials.

It was opposed ultimately by an assortment of groups in American society, motivated by various mixes of obvious self-interest and also underlying principle, who deployed what turned out to be a decisive argument, which was this idea that

the state ought to have the power to reach into every home and to demand military service of every person and, by the way, also to expose conscripts to political indoctrination, as was intended in at least some of the universal military training plans, that this notion was un-American.

Congress, in response to these pressures, repeatedly side-stepped a decision and opted instead to impose what was intended to be a temporary expedient of a limited draft. And, indeed, if you look back on it, even that would have been impossible if not for the outbreak of the Korean War. The emergency authority to extend the draft lapsed two or three days before the Korean War began, and but for the Korean War, even a limited draft would have been impossible.

Another example is defense industrial policy. There was, in the early Cold War period, a very widely held view that preparations for the next war required extensive, intrusive industrial planning on the part of the Federal Government, government action to shape the composition and even, and in particular, the geographical distribution of the American industrial base, to reduce its vulnerability to atomic air attack and to increase its readiness for a rapid transition to total war production.

Again, there were initial steps taken in this direction, but they were ultimately derailed by opposition from

industry, from cities that feared, in some cases, that the government was going to encourage dispersal of industry out of cities to rural areas from States in parts of the country that believed that this government was going to move industry away from them because they were potentially vulnerable to air attack because they were closer geographically to the Soviet Union, and so on. And the whole idea was effectively abandoned by the mid-1950's despite the fact that there was, I think, a quite rational and even compelling strategic argument to be made in its favor.

Now, by way of comparison, the Soviets, for their part, persisted with a costly and very inefficient program of industrial relocation well into the 1960's -- indeed, they may have continued into the 1970's -- and they retained a burdensome and very unpopular system of universal conscription down to the end of the Cold War.

These very different choices, and others that I haven't talked about associated with them -- the United States decision to rely on private industry versus state arsenals to design and build weapons; the decentralization of the American research and development system; the comparatively low levels of taxation and defense spending -- these differences, if you compare the United States and the Soviet Union over the course of the Cold War, reflected, I think, fundamental differences in the character of

the American and Soviet political systems, and in particular reflected, I think, the absence in the Soviet case of any constraints, ideological or institutional, on the power of the state.

And the differences in the character of the two systems, I think, further, had a decisive impact on the eventual outcome of the Cold War. The constrained American approach, whatever its burdens and costs, permitted this country to persist and, more than that, over time, to prosper even while conducting this Cold War competition against the Soviets. And on the other hand, the absence of any constraints opened the way for a strategically stimulated metastasis in the power of the Soviet state, which eventually sapped its economy, militarized its society, and brought it ultimately to the brink of collapse and dissolution.

A final thought. In retrospect, the Cold War, I think, may appear as one in perhaps a 300-year series of contests between increasingly liberal, increasingly democratic states, and a succession of monarchical autocratic authoritarian, ultimately totalitarian, rivals -- elimination rounds. And future historians may date the beginning of this process to England's glorious revolution of 1688, which, by diminishing the authority of the king and giving the Parliament the power of the purse, actually increased the state's revenue-raising capacity and

permitted a sustained naval buildup and cleared the way for England's emergence as the world's preponderant power.

And perhaps, if we're lucky, these future historians will look back on 1989, the fall of the Berlin Wall, as the end of this process of competition and political evolution. But that is a subject for another talk and I hope another book.

Thank you.

(Applause.)

MR. SAMPLES: We're going to shortly start the question-and-answer session. I, in fact, would like to start by using the power of the chair to ask the first question.

We have talked a lot today, Professor Lipset primarily, about de Tocqueville, and one thinks here also of Madison and the Founders, Montesquieu, who were aware of the importance of having a sense of republican virtue among voters and the kind of political culture we've been talking about that values individual freedom and limited government. These people -- Madison and so on -- were also aware, however, that cultures like that come into existence and can decay.

The question I want to raise at this point is the current American election that we're going through at this point is in fact some indication of evidence of the decay of "American Exceptionalism." I think specifically about one of the big issue conflicts in this current election is about a prescription drug

benefit that has been estimated to cost something in the range of \$500 billion. Estimates vary.

However, that cost will be met by the state essentially redistributing money, probably mostly from the top quintile to, in large measure, the bottom quintile and perhaps some to the middle class. We're not talking about public ownership here, of course, but does that provide some evidence that democracy itself in a way is, in a sense, eating away at the edges of the "American Exceptionalism" that we've always had in the United States?

PROFESSOR LIPSET: Well, I'd say yes and no. On the no side, or the thing that made it possible -- you know, de Tocqueville, to use him as the model of a mentor, said unfortunately he was wrong in the larger context but right in the media thing -- that once the idea of equality came into the world, that private property was finished. And what he meant by that was there were more poor people than rich people. This was the perception. And the idea of equality, of the poor getting more, was something that would be too attractive for the poor, who were a majority, to not support.

And, hence, the combination of this idea of equality and democracy would lead to a system in which the poor would take away from the more well-to-do their property and their advantages. Well, I'd say he was obviously wrong in the larger

context because the poor did not vote for parties that would do this in the gross, in taking away and destroying property and the like, for a variety of reasons. But, on the other hand, he was right in that there is this desire of transvaluation, of remedying problems that affect poorer people by taking away from the rich, and that in a democracy where you can appeal to the majority who will gain by such things, this will happen.

So, there is this inherent tendency, which is weaker than you think it ought to be or that de Tocqueville thought it might --

[End Side A. Begin Side B.]

PROFESSOR LIPSET: -- is still there. And one of the things that has been happening in the U.S., and it's happened much more extensively in other countries, is that health has become a public good. And we take it for granted that the fire department or the police or the school system is handled publicly and that it is supported by taxes, and taxes that become more, in terms of proportions of what they contribute, for the more well-to-do than the others. And then the question is, why should it be? Why should schools be public?

Now, there are of course all sorts of efforts now to increase the private sector within education. But nobody would challenge the notion that you want to educate every child, and to educate every child the government and the public sector has to

do it. And what's happened, of course, is the notion that health, the right to life, the right to extend life, is something that shouldn't be rationed in terms of people's income or position in the class structure.

And that idea is, I think, gradually taking over everywhere. It's already taken over in other places. And it's one that is hard to resist, that people should not be able to take advantage of drugs or whatever it is that will enable them to prolong their life or live better. And I think it's one that, in the long run or short run, is hard. But it is the state that does it, and in that sense there is more statism. And I think it's a kind of thing that isn't a fundamental change of one's reaction to the state but really a change in terms of entitlements or public good benefits.

MR. SAMPLES: Thank you. I'd like to start questions from the floor. Please identify yourself and your affiliation, and wait for the microphone.

MR. GUTTERMAN: My name is Stanley Gutterman. I have a question for Professor Lipset.

You alluded in passing to the fact that even the European Social Democratic parties no longer believe in statism, that they're committed to the free market. How would you explain that?

PROFESSOR LIPSET: Well, I think basically by the fact that they've seen that their system doesn't deliver as compared to other places. Partly, there's the American example of American success, which Europeans and others have seen. The most socialist party in Europe, the party that's retained statism, which it was generally agreed was the French. And the reason for the French, actually, I think is simple. France is the most statist country. These French conservatives are statist. The French conservatives and nationalized property recently.

In fact, as somebody put it, it's very hard for the French socialists to be at the right of the French conservatives, to go into a heavy privatization thing. And that would be true.

Well, recently, I think it was within the last six or eight months, Lionel Jospin, who is the socialist premiere of France, was in the United States for a week. And he apparently came over not so much to see Clinton, although I guess he did, but to really look at the country. And one of the things he said when he got back was that we've been tricked by the left. They've told us, "We know the American economy is doing better than we are and that it's created many more jobs."

The U.S. created millions of jobs in the post-war era when the European Community didn't. But he says, "We've been told that these are bad jobs," McDonald's. And he says it's not true. He went over to look at the situation, to study the

situation. And he says the vast bulk of the jobs created by American expansion have been good jobs, and that the American system works and these people have just not told us the truth.

Well, there's a certain extent to which reality has pressure to affect people's decisions. And the whole tax structure, they have found that the cost of things is too much. There is a problem with work motivation, of controls, that have held back opportunities. And this has served to lead the European Social Democrats to feel that the market system does better than the system that they have had.

MR. MILIKAN: Al Milikan, Washington Independent Writers.

I'd be interested in both of you saying what role do you see the CIA playing in what you're writing about? I'm particularly interested in knowing -- particularly in the Cold War period -- the influence that they attempted to have on academic, artistic, and cultural elites. Do you see that playing a role in this?

PROFESSOR FRIEDBERG: Well, playing a role in what? I'm not quite sure.

The question that I perhaps was expecting you to ask, because I think it's a real and serious one also, has more to do with internal security than external. The activities of the CIA, for the most part, with some exceptions, in the period before the

mid-1970's, were outward directed -- gathering intelligence, carrying out covert operations, and so on, and not, I think, particularly surprising in light of the nature of the competition between the United States and the Soviet Union, whatever one may think about them.

The other side of that is efforts by government agencies, or by the Congress, to restrict individual liberties at home as part of the conduct of that Cold War competition. And I think that's a serious issue. I think that that's probably the side of this that has received the greatest attention from people who have been interested in the domestic aspects of the Cold War. And I wouldn't want to deny its reality or its seriousness, but I would just make a couple of observations about it.

One is, what is striking about at least the initial manifestations of that is that they were anti-statist. They were investigations by committees of Congress into the alleged nefarious activities of representatives of the executive branch. They were not expressions of the supreme power of the state to control the activities of citizens, but manifestation of the power of Congress to make trouble for the executive branch, which, "only in America."

I guess the second thing to note is that the period of time in which, if it were true, that the government or the climate of opinion was such that it was not possible for people

to express alternative views -- first of all, I'm not sure of the extent to which it was really true, that people couldn't do that -- but the period of time in which it was most the case was relatively brief. And when you consider, again, the nature of the confrontation at the time between the United States and the Soviet Union, to me, in looking back, what's most surprising is that there wasn't even more.

I would say that's particularly the case, given what we now know about the actual extent of Soviet espionage and so on in the United States, which turns out to have been much more extensive than many people believed at that time or than many scholars have written since. But that's a short answer to, I think, what is a big and important question.

MR. SAMPLES: Would you like to say anything?

PROFESSOR LIPSET: Well, two things. One, in relation to what's been said. You know, one forgets. Well, if you take McCarthyism, the period known as McCarthyism, when Joe McCarthy was at his high point, for four years, 1950 to 1954 -- and I won't ask you as I do sometimes when I talk about this what happened in 1950 and 1954 other than McCarthy -- those were the years of the Korean War. McCarthyism was a form of wartime hysteria.

Every time we go to war -- and it varies; Vietnam was much less -- there have been efforts to repress the anti-war

people, the people linked to the foreign foe. And we were at war with a Communist country so you had movements or efforts to deal with the Communists, and I won't go into that. But on the other thing, of the CIA, the CIA did fund a lot of activities of Americans and other intellectuals abroad. And this was done in an interesting way. In fact, as it happens I was on something called the Board of Foreign Scholarships in the sixties, which is the board that runs the Fulbright program, and others.

And when a lot of the activities of the CIA were exposed, one of the things they were doing -- and it was turned over this Board of Foreign Scholarships to do it openly -- and you know what they were doing? They were sending the Harlem Globe Trotters to Europe. They were sending the Philadelphia Orchestra and the Cleveland Orchestra to Europe. They were sending exhibits of artists, of paintings. And the question is, what was the purpose of this?

The purpose wasn't that these people were agents, were doing things. The Harlem Globe Trotters clearly weren't sent over to look around while they were playing basketball. But it was somehow a notion that we want to make people in other countries understand or appreciate American culture in its various forms. And you couldn't get Congress and the administrations that did this felt -- you know what they were doing? They were tricking the Congress. They thought you

couldn't get Congress to pay for intellectuals, for artists, for symphony orchestras. So you had to do it secretly.

So how do you do it secretly? You have the CIA do it. And their budget was not open to anybody, so the Congress was never told that we were supporting painters and symphony orchestras and the like. But the purpose, as I say, was to sell American culture as a way of selling the fact that we had a better system than the Communists did.

MR. SAMPLES: Ed Hutchins?

MR. HUTCHINS: Thanks. Ed Hutchins, Cato Institute.

I want to follow up on Professor Friedberg's final point, that we have, in a sense, had a 300-year struggle, from 1688 to 1989, of essentially centralized authoritarian monarchical systems versus a republican system. It seems that we may still be very seriously infected with what you might call a new feudalism. Specifically, while politicians might acknowledge, in Europe and over here, that the era of big government is over, as Bill Clinton says, in fact, politicians and elected officials have every intention of holding on to their power, which is the source of their income privileges, et cetera, as long as they can.

One of the ways they do this is they can continue to hand out benefits, special favors, et cetera, to the populace. And the public choice dilemma comes in here. And that is

concentrated benefits and dispersed costs; that, in fact, nobody sees the two dollars here, three dollars there and all the little things, but it basically adds up to an addiction to the state. So why we might acknowledge that, yes, freedom works better than any other system, to what extent are we still struggling with this dilemma of politicians and addicted citizens who are getting their handouts, special privileges and just not willing to forego them, and, in fact, demand even more occasionally?

PROFESSOR FRIEDBERG: Well, I think that's always going to be an issue. I think, in the American context, the question always is, where on sort of a continuum are we going to reside? It's not the case that we're going to be at one extreme or the other. We are never going to, I would suspect, go back to circumstances as they were, say, in the 1920's, when the role of the Federal Government was much smaller, before social security, Medicare, Medicaid, and all of that which came later. But I think it's very unlikely that all of that is going to go backward, whether it's because people have become too addicted to this -- I suppose that's one way of putting it -- whether it's because people have become convinced that this is a responsibility of the government in some sense; or whether they simply are convinced that this works and it's practical.

But then the question is: Well, how far are you going to go in that direction? And there I think that there are likely

to be real limitations. I don't see prospects for enormous expansion in government programs, with a few exceptions. And those expansions that occur I think are likely to take a particular form, as I think what you are referring to in your question.

They are much more likely, I think, to take the form, effectively, of transfer payments than they are of massive government bureaucracies and agencies and so on that really look to people like a powerful centralized government, a strong state. So there may be a particularly American kind of statism, just as there is a unique American kind of anti-statism, and it will have certain kinds of characteristics and be less likely to have others.

MR. SAMPLES: Right here.

QUESTION: I was going to ask Dr. Lipset about the evolution of the health care policy, noting that we first started debating health care with Harry Truman back during his administration, but I'll focus more broadly and ask it slightly from a different perspective from the other gentleman, which is:

Do you see a different attitude taking shape in the public's attitude toward government? In other words, thinking that there are areas where the private sector either is not or cannot address, such as health care and others, that obviously, again, as Mr. Samples referred to, are being discussed during

this current election campaign, and what are your thoughts on that?

PROFESSOR FRIEDBERG: I think what you're suggesting is true, and that's what I was saying earlier, that there is an expansion, if you will, of public feeling of what entitlements or things that should be broadly spread out as an entitlement among the public, and that one of these things is in the area of health.

Another that we are debating in different ways is in the area of education and how to handle that. And while there are various proposals that obviously go away from the state in education, these involve the government paying for it. And that I think will continue. There is a view that the community should pay for a lot of things. Then the question is: How do you do it?

Do you necessarily increase state support or not, or do you do it with weakening -- not weakening the state, but without intensifying it, by giving scholarships and fellowships? As you know, California is now proposing to pay for higher education for a lot of people, but not by necessarily enlarging the private sector but by vouchers, in effect, to people to go to institutions of higher education. And I think that tendency will continue, or it depends on how many other things people will see in this area.

I happen to have a doctor in Washington who is about as right-wing a Republican as you can get. Before Buchanan took his latest turn to whatever he has done, this fellow was a great admirer and supporter of Pat Buchanan. Well, one day he told me, You'd be surprised to know that I and all the doctors in my office, and the majority of the doctors in the Washington Medical Society, are now in favor of the single-payer system, as in Canada. And he said, The reason is not that we've become socialists but that with the HMO's, you know, we've been crippled. We no longer control medicine. We no longer can deal with our patients. Patients can't pick the doctors they want. But in Canada they can.

The single-payer system in Canada, the way it works is like Medicare. They call it Medicare, except for everybody. You go to any doctor you want. He can send you to any specialist you want or any hospital. You don't ask permission from anybody. And the role of the government is to pay the bill, but not to impose controls.

And this fellow, who is a right-wing Republican, thinks this is much superior to HMO's, and we are the insurance company. You know, everything that was predicted would be the negative consequences of socialized medicine we now have, only through insurance companies. So, how do we get out of that? Well, he said the only way we can get out of it -- we can't go back, as he

put it, whether we can or not -- is really to go to the system of letting people do what they want and let government pay the bill.

Well, I don't know whether that will happen here -- I doubt it, in terms of American attitudes -- but it's an example of sort of changes, which you can say, will this be more statism if we do it, or less? There are less controls and less administration in that system.

PROFESSOR FRIEDBERG: A couple of questions have had a similar underlying issue at their heart. And it seems to me that if you look at the evolution of American politics, this anti-statist strain is not constant. These factors are present, but they're stronger in some periods than others. So there's an ebb and flow. And so we probably go through cycles. And where we are now in a cycle I wouldn't pretend to know.

I guess if I had to guess I would say, well, we've been through a cycle where the arguments against a strong government -- taxation, deficit spending, and so on -- were strong and were politically potent, probably beginning in the late 1970's. And, for a variety of reasons, that period may be coming to an end. So there is going to be perhaps some weakening of that sentiment, although it will probably come back. It probably comes back most after you've had a period of governmental expansion. That seems to be the historical pattern that you see.

MR. SAMPLES: If Cato has anything to say about it, it will come back.

PROFESSOR FRIEDBERG: You may have to wait a while, though.

MR. SAMPLES: We can wait.

(Laughter.)

MR. HILL: Richard Hill, Georgetown University.

I'd like to ask both participants the same question. Both of you seem to have been saying that the rise of the state goes hand in hand with the rise of the military. Mr. Friedberg, you said that I think explicitly. Dr. Lipset, you said that conservatives, militarists, on the one hand, favor it, and an increased state on the other. So the rise of militarism and the rise of statism go hand in hand. Correct me if I'm wrong. That's the first question.

The second question is: If that's true, for quite some time now, I think you would agree, the U.S. has had one of the largest military establishments in the world, while at the same time having one of the smallest states in the world. Do you see that as a contradiction to the assumption that I first put forward?

PROFFESOR LIPSET: Well, first, talking about conservative statism, I wasn't talking about military things, but that the conservatives in Europe would much more likely be

statist than the "Liberals," or the libertarians, who are the other political force, and that the term "Conservative" meant a different thing on this side of the ocean from there. But the point that militarism, or stronger military budgets and all that, gives the state more power and changes things seriously, I think it's true.

But Norman Thomas, the leader of the socialists but who also was very much against the war, against World War II and World War I, he was predicting fascism would be the outcome of America getting into a war because of the amount of strength that one gave to the state and to the military, and the like. And, of course, it didn't happen.

And we have moved back. We have cut the military budget drastically. It's still larger than in many other countries. And we've taken on all sorts of international responsibilities for ourselves that cost money that other countries haven't. And this does mean a larger state and a lot more people working for the government, and more of the budget going to the government. But I think Americans are not that enamored of the state or even of a greater military budget.

One of the problems that the advocates of this have faced is that you have to justify doing this to the American people or anybody else. And I think the big problem is that Americans -- you know, we won two wars -- and they are not very

clear as to who the enemy is that we need this sizeable military budget for. And I think that's really the problem that the advocates of military expansion or maintaining a big military force have been facing. They have not really been able to convince Americans or educate them that there is an enemy out there that we have to keep up this force for, but we have got a much bigger one than we ever have had before.

The Civil War was the greatest war in history up to the time it was fought. And we had this tremendous army under arms and the casualties and the like. And the Canadians and the British were terribly worried that we'd have to do something with it and that we would therefore move up to take over British North America. In fact, Canada unified, and various colonies up there, unified into a dominion because of this fear that the American Army would move up there. But it didn't.

And nobody even really seriously thought of this, which they thought that somehow the Americans would use this power. And we did away with it. And we did away with it after World War I. We started doing away with it. We dissolved the Army and so on after the Second World War, but then came the Soviet threat, and it was a real threat and it required this expansion.

Now, there is an effort, I think, by people who think we have to maintain our situation as the strongest power, to kind of look for the way they can demonstrate that there are enemies

and potential enemies and the seriousness of the enemy. It all depends on how you look at it. But I don't think that this has changed the country fundamentally.

PROFFESOR FRIEDBERG: A couple of points. Yes, it's true, I think, that generally and historically a rise in military growth and military power has tended to be associated with the growth of a stronger state. It has not been the only driving force since the latter part of the 19th century, and into the 20th century. Of course, the other side of this warfare state has been the growth of the welfare state. In the United States, that was rather slow in getting started. It really is only, I believe, into the mid-1960's when Federal spending on social welfare programs overtakes Federal spending on military programs and now dwarfs them.

A second point. There are more and less statist ways of creating military power. That's part of what I've been talking about. And you can say that perhaps this is a matter of definition or splitting hairs. I think it's actually more significant than that. There is a big difference between a system in which the means of production are owned by the state, if you have arsenals building and designing weapons, and a system in which you have contracts between the government and private actors to do that.

I think there is also a difference between the system that conscripts and a system that tries to gather volunteers. And in the American case, generally, the tendency has been, certainly in the period since the end of the Second World War, to try to find the less statist ways of performing these functions.

Finally, it's an interesting question about defense spending after the Cold War and about all the apparatus that goes with that money. I suppose you might ask, why hasn't defense spending diminished more? Of course, it has gone down quite a bit, and that's now become a topic of some contention. It may be that it's in part a function of inertia. You have these institutions. They kind of go on. They have a life of their own. It has got to do partly with changes in beliefs, I think, about the American role in the world and the necessity of having a strong military.

But I think it also probably reflects the fact that the burden is relatively light. And that is not an accident. That is a result of decisions that were made when this permanent military apparatus was first created in the period of the early Cold War. If you had had a much more burdensome, centralized, larger, intrusive, extractive system, you probably would have had, at the end of the Cold War, a much greater reaction against it than in fact you've had.

QUESTION: Let me get back to a remark by Professor Lipset about European Social Democratic parties moving toward the American model and a market economy. That's certainly true. The process started a long time ago, in the fifties, with German Social Democrats and then of course the British model. That's very true. But there is one difference that I would still see. In that respect as you described the process, we are all alike, Americans and Europeans, no Exceptionalism; we're on the same boat.

But there is one tradition that I wanted to ask you about, corporatism. Isn't that a tradition, a principle, still very much alive in Europe, and maybe less in the United States? Or, is there possibly some new phenomena that we didn't notice enough maybe here in the United States that would create similar circumstances as in Europe, namely a very active form of corporatism, corporatist -- there's a difference between corporate and corporatist, of course -- that we need to take into account?

But I wanted to ask you: Where do you see corporatism in your line of thinking, namely, the movement away of the government from the state? That's all true. Where does corporatism stand here? Is it a state phenomenon or is it a societal phenomenon that we should accept, that we should maybe realize and look into a little more? How similar is corporatism

in Europe, or how different is it, from life here in the United States?

PROFESSOR LIPSET: That's a very good question, but before I deal directly with it I'll just mention on this business of moving in the same direction. As you know, the European countries, even if they've given up a commitment to what I will call socialism, they are still much more committed to a much larger welfare state, a much larger state in which you spend a much larger proportion of the GNP on transferring payments down and the like, so that the welfare state is still much greater.

And, Americans, if you look at public opinion polls, Americans differ still differ very much from Europe about what they think the government should do or can do to equalize, say, economic relationships, and the like. So you have more social-democracy in Europe even if the larger framework isn't.

On the question of corporatism, there is a difference which I think reflects the greater degree of class consciousness or class awareness in many European countries which still remains. Europe is post-feudal, or much of it is. Feudalism was a very class-organized society, and post-feudal societies remain much more class aware on every level, not just the working class, the business class strata and other groups. So the recognition of dealings by different groups, by the workers, by the business interests, by the farmers, in group-organized ways is still much

stronger in much of Europe, not all of Europe, than it is in the United States.

My impression is, but I've not really studied this, that these corporatist tendencies are declining. They are still very strong and they still predominate in the countries where you have business, labor, and government meeting to decide things for the next year or two -- the programs or wages, economic policies -- that still goes on and certainly will probably continue to go on for some time to come. But I think it's getting weaker.

And on the other side of it, I don't see that arising in the U.S. There was a push in that direction under the New Deal. The NRA, Roosevelt was really pushing, as one of his policies, was pushing in the corporatist direction. And most of these, as far as legislation was concerned, were tossed out by the Supreme Court and never really reenacted in other forms. And the British are not corporatists, and certainly the Dominions, Canada is not. But I don't think corporatism is growing, but it will remain. I think it's getting weaker.

MR. ELIE: Burt Elie.

This is a question for Professor Lipset. It has some similarity to the previous one. And that's the difference in the legal systems, between the civil law of continental Europe and the Anglo Saxon Common Law of this country. My sense has been that some of these institutional differences do reflect the

difference in legal systems. And I also sense, maybe in part because of the law and economics movement, that even in Europe there is possibly a slow shift toward more of a Common Law type of legal system. I would be interested in your observations on that.

PROFESSOR LIPSET: Well, the rights orientation -- you know, we have a Bill of Rights, which is the heart of really both economic and political liberties, and the Constitution. And most European countries didn't have a constitution. You could pass any law you want without appealing it or you could take away property.

One of the interesting things right now with the Internet is that a number of racists groups in Germany and Canada and elsewhere have set up shop in the United States, not to influence Americans but to send stuff back home. German racists -- it's illegal in Germany. There are no First Amendment rights operating. So what they do is do it from the United States.

Canadian racists operate from the United States, because, we're the freeist country. And that freedom is now, through the Internet, being extended to other places. But one thing that has been happening now with the European Union is the Union has been setting up, in effect, constitutional rights in both the economic and political arenas, which introduce kind of a

rights culture into Europe. And that, of course, is a more American kind of orientation.

MR. SAMPLES: I think that will be our last question. I'd like to, first of all, thank both our authors, who have written fine books that we recommend to you. I'd also like to thank everyone for coming today and invite you upstairs for a reception.

(Applause.)

(End of Book Forum.)