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On 'Banding'

"Banding" as a successor to race-norming (Cultural Revolutions, January 1993) is even more pernicious than Robert G. Holland suggests. Proponents of banding make it sound benign enough. Rather than pretend we can rate people within 100 gradations, we use fewer grades. Schools frequently use letters "A" through "D" for grading, movie reviewers award up to four stars, and men in singles bars rate women on a scale of one to ten.

What the banders don't want us to know is that they borrow from the grade inflation endemic during the Vietnam War that kept men in school and safe from the draft. In this case they hyper-

inflate grades so that almost any minority test-taker can get a high score. This system was actually used in an examination for police officers in New York City, supposedly to satisfy the state constitution's requirement that the merit system determine civil service eligibility. Prior to this the city had spent over \$100,000 to develop a test that was "culturally unbiased." The results of that test were no more favorable to minorities than the old "biased" variety. One high-ranking civil service official was fired for having testified before the city counsel that even illiterates could pass the test.

—David Kahn
 New York, NY

CULTURAL REVOLUTIONS

RON BROWN was recently blasted by an organ that is usually quite friendly to Democrats, the *New York Times*. Its editorial page blasted Brown's confirmation hearing for Commerce Secretary as a "bipartisan disgrace," claiming it "amounted to an open declaration that companies with strong Democratic connections reserve the right to continue the attitude of greed that prevails in Washington." The key issue was Brown's and other appointees' business ties to Japanese corporations. Clinton's economic team has the duty to promote American business interests, even though many of its members have made their fortunes doing just the opposite.

Republican members of the committee might have grilled Brown to strengthen the ethical standards of the new administration or to at least score partisan points. But they didn't. The Reagan and Bush administrations had been shot through with the same kind of foreign connections. Though the two parties may not be able to agree on the color of the sky, their leaders all know the color of the money that saturates the capital.

This is not the first time American

leaders have been under heavy foreign influence. During the Revolutionary War, the Continental Congress was under the thumb of the French ambassador. The Chevalier de la Luzerne supplemented his persuasive skills with lavish parties, gifts, and loans. Congress was mesmerized into granting France the right to negotiate the peace terms with England. As the eminent diplomatic historian Samuel Flagg Bemis put it, "Never in history had one people more trustingly or innocently submitted its fate to the disposal of a foreign power." Congress did not realize that America's ally was willing to sacrifice the United States for its own interests.

Had negotiators John Adams and John Jay not suspected the danger and ignored their instructions from Congress, the French might have gotten away with penning the United States behind the Allegheny Mountains. Instead, Adams and Jay focused on the country's needs, took matters into their own hands, and thus gained a line on the Mississippi River, opening the entire continent to eventual American expansion. Theirs was one of the greatest triumphs of American diplomacy,

though today they would probably be targets of a special prosecutor.

Economics, according to the followers of classical liberalism, is not supposed to be part of the high politics of international relations like territory or alliances. The doctrine of "free trade" forms the basis of their lack of concern for the role of foreign money in American society, a blind spot they maintain even when the money is directly linked to politics and national policymaking. Yet the original classical liberal economists were writing at the dawn of the Industrial Revolution and could not see its implications. However, it might have occurred to them that this was a development that would greatly accelerate trends already apparent from the commercial and military revolutions of the 16th and 17th centuries. Of those liberals who did see this trend, the response was not that of visionaries, but rather of reactionaries, harking back to a premodern era already two centuries past when religious and dynastic concerns dominated high politics and economics were too underdeveloped to have much bearing on events. They hoped economics could continue to be isolated from other concerns. Their intellectual heirs still drag these dead notions around, displaying a tenacity for irrelevance unmatched except perhaps among the Marxists.

While economic issues per se have not caused many wars, the strength of national economies has made the difference between victory and defeat in those major conflicts that have determined the balance of power in the world. Thus wise statesmen have never been able to ignore the economic trends that could undermine the ability of their nation to control its own fate. Unfortunately, statesmen are at a premium in a system that so lavishly rewards political opportunists.

America's Founding Fathers counted more than their share of statesmen among them. They learned that allies may have common enemies, but not common goals. The same holds true with regard to Japan today. It should not be surprising that new challenges can come from old allies. Though the Soviet Union presented a grave military threat, communism was never a serious rival to capitalism. Only another capitalist power can pose an economic threat.

The Japanese are strongly nationalis-

tic. They have had to struggle for everything they have. Japan was "opened" by American warships, and its people were thrown into world affairs as the industrial West carved a sphere of influence in Asia. Japan's leaders converted their land from potential prey to Great Power predator in record time. As the noted scholar of Asian philosophies Tom Cleary has written, "There is no practical way to overlook the military rule and martial culture that have dominated Japan for many centuries, virtually up to the present day." The basic symbol of the sword may now mean computer chips rather than battleships, but the desire for victory has not diminished.

"The way of the warrior" came to Japan from ancient China. At the end of the Ming Dynasty an unknown author distilled the essence of this philosophy in a set of mnemonic phrases known as *The Thirty-Six Stratagems*. Several pertain to the current situation and are taken from Cleary's 1992 book *The Japanese Art of War: Understanding the Culture of Strategy*.

"Hide a sword in a smile. You ingratiate yourself with enemies, inducing them to trust you. When you have their confidence, you can move against them in secret." Alliances can be used to cover subversion.

"Let them climb the roof, then take away the ladder. You maneuver enemies into a point of no return by baiting them with what look like advantages and opportunities." Tokyo has used the sophistry of "free trade" well in this regard, playing on the shortsightedness of Americans to penetrate deeply into key industries. Our continued trade and budget deficits merely strengthen the leverage of Japanese financiers.

"To capture the brigands, capture their kind. When confronted with a massive opposition, you take aim at its central leadership." This can certainly be seen in Washington, where Japan's financial net has been thrown wide to ensnare as much of the American political establishment as possible. Since the United States is inherently stronger, Tokyo must prevent a concerted American effort to regain global predominance.

The Japanese have contributed large sums to politicians and policy groups that promote "free trade" ideology, just as the old Soviet Union gave money to American communists. The only difference is that Japan wants others to be-

lieve in an ideology it rejects for itself. Otherwise, it's the same old story. When foreigners dump money into the policymaking process, it is to promote their interests, not ours.

—William R. Hawkins

NAFTA—the North American Free Trade Agreement—is not unlike the notorious star chamber, where the king and counsellors of medieval England secretly meted out justice without concern for precedent. If Congress approves NAFTA, George Bush's proudest diplomatic achievement, Americans can expect a heavy dose of star-chamber-style justice in the 21st century.

For the average citizen, NAFTA is a formidable document. It extends some two thousand pages and reads with all the elegance of a mortgage contract. Behind the cumbersome sentences and passive verbs lie revolutionary concepts cloaked in innocuous words. At first glance, Article 20 (relating to dispute-settlement procedures) appears a harmless monument to the drafting skills of disciplined international lawyers. But a closer reading reveals the mischievous fingerprints of incremental internationalists, the modern-day gnomes of Switzerland who sit around Geneva drafting codes for the New World Economic Order. Indeed, the spirit of Geneva runs rampant at the U.S. Trade Representative's Office in Washington. To write NAFTA, the gnomes of USTR drew heavily on dispute-resolution proposals advanced in the Uruguay Round deliberations of the General Agreement on Tariffs and Trade. Eager to rationalize and harmonize international trading practices, they have done the legal equivalent of reinventing the wheel. They have revived the medieval star chamber.

Instead of relying on an independent and impartial judicial system based on established law, NAFTA's Article 20 gives extraordinary latitude to ad hoc dispute-settlement panels. NAFTA panels have authority to conduct hearings away from the glare of public opinion. Hearings, deliberations, and reports will all remain confidential, except to governments. Indeed, final panel reports need not be published. The five-member panels are not composed of experienced and independent justices insulated from popular passions and politics, like United States courts. Instead, the