

South Carolina—is divided into 27 small states, each of which has more sovereignty than any American state. As population grew, American states should have been divided either internally into smaller states, as Switzerland was, or by secession. The latter strategy was followed at first: Kentucky split from Virginia, Vermont from New York, and Maine from Massachusetts.

Critics argue that more states would make the U.S. Senate unwieldy. The same argument is given to retain the law that fixes the number of members of the House of Representatives at 435. That number was fixed in 1910, when there were 90 million Americans. Today, however, there are some 290 million, yielding a ratio of about one representative to every 660,000. This ratio makes a mockery of the idea of the consent of the governed. And what will we say when the population rises to 435 million, yielding one representative for every one million souls? Will we still talk—without breaking into laughter—about our “republican” form of government and of the people giving “consent” through their “representatives” to laws and regulations that bind them and drain the lifeblood out of their cultural inheritance? Or will we, in an attempt to be more “democratic,” increase the number of “representatives,” thereby pushing the House beyond the human scale needed for deliberation? Or will we finally conclude that the Union itself has become too unwieldy?

George Kennan is right: The Union is already too large and, in time, must be dissolved. The containment policy he authored for managing the Cold War required patience and long-term commitment. For the last 40 years or so, America has been engaged in a cultural Cold War with itself. By sucking political life—and civic virtue—out of the states and local communities, the central government has created a mass society. But the Union is incapable of managing the social destruction it has largely caused, and it may well have to fall back on war as the only means of maintaining its utility and legitimacy. Even now, the global gamesterism of the Union threatens to suck its citizens and their resources into protracted wars. The only way to contain the runaway centralization of the Union is to divide and duplicate it. A centralized plan to decentralize would mean, at best, a mere respite in centralization and, at worst, more centralization in the name of downsizing. This was Jefferson’s poli-

cy: to contain the central government by binding it with “the chains of the Constitution.” But experience has shown that the chains cannot hold.

As with the containment policy for the Soviet Union, this new containment policy for the American Union requires a long-term commitment as well as much education, discussion, and patience. As Kennan has insisted, any division of the Union, if it is to be other than a tragic failure, must reflect the desire of Americans, expressed through conventions of the people of the states. Kennan’s containment policy took over 40 years. The new containment policy in this cultural Cold War could take longer. Some Hispanic academics and political leaders predict the emergence of an independent Hispanic state—called “Atzlan”—in the Southwest in about 50 years. They may be right. U.S. immigration policy, the inability of the federal government to enforce its immigration laws, and birthrates are all on their side. Only 30 years ago, California was over 80 percent European. Today, it is only 47 percent. By 2030, California is expected to be less than 20 percent European. So Atzlan might well come to pass, and I, for one, will wish it well. In the meantime, a few of Ambassador Kennan’s unions will probably have made their appearance—one of which might even be Dr. Naylor’s Atlantic Republic.

Donald W. Livingston is a professor of philosophy at Emory University, author of Philosophical Melancholy and Delirium (University of Chicago Press), and president of the Abbeville Institute.

What’s Good for General Motors . . .

by David Hartman

How did big corporations become the prevailing form of enterprise in the United States? The standard answer is that bigger is better. Concentrated industry, we are told, allows managerial efficiency, huge economies of scale, and the ability to undertake bold research and development and apply it to better products and increasingly efficient process technology. But the reality is that the big corporate world primarily evolved from mergers and conglomerations, not excel-

lence in the market.

General Motors is, perhaps, the best example. By 1955, General Motors controlled over half of the automotive market in the United States. Was this the result of superior technology and managerial ability? No: It was the result of the conglomeration of Chevrolet, Pontiac, Buick, Oldsmobile, and Cadillac—all formerly independent corporations. Unsatisfied with this hegemony, General Motors “back integrated” some of its most vital suppliers. General Motors also excluded other automaker’s vehicles from the dealerships where its automobiles were sold, eliminating competition. The result was the demise of Packard, then Hudson, then Studebaker. One by one, the grand old names of the automotive industry closed their doors.

That same year, 1955, General Motors was hauled before the U.S. Senate to explain how it had become the largest corporation in both the United States and the world and how its investors were able to enjoy twice the average manufacturing return on investment. The Senate wanted to know: “Wouldn’t America be better off if General Motors reduced the price of a Chevrolet substantially to make it more affordable for the workingman?” G.M.’s executives responded that, if they reduced the price of a Chevy as much as they could, they would run their competitors out of business. This clearly indicated that G.M. had amassed enough power over the automotive market that it would have been appropriate for the federal government to order the breakup of General Motors into three corporations, require it to dispose of its acquired part suppliers, and force it to allow normal retailing of its products alongside those of its competitors. Had this occurred, there is little doubt in my mind that more than 90 percent of the cars we drive today would be American-made.

Half a century ago, the American people were told that they could not do without the economies of scale at General Motors. How was it, then, that Toyota and Honda—companies a fraction of the size of General Motors at the time—were able to cross the Pacific and secure a sizeable market share by selling better cars at lower prices? Remember “planned obsolescence,” three-year styling cycles, and five years to rusted-out hulks? Superior disk brakes that were not adopted by G.M. until decades after they were commonplace in Europe? Or Detroit’s refusal to make quality compacts until for-

eign cars had secured 20 percent of U.S. market share? At those Senate hearings in 1955, Charlie Wilson, the chairman of General Motors, summed up G.M.'s philosophy: "What's good for General Motors is good for the rest of America."

International Business Machine, Inc., provides another good example of the way in which restraint of trade has enabled the dominance of major corporations. IBM was considered to be light-years ahead of its competitors. Were it not for the emergence of Apple's personal computer, IBM mainframes would still dominate the computer industry.

Neither IBM's superior technology nor patents formed the basis of its monopoly. Big Blue prevented competitors from emerging by frustrating the attempts of developers to create software that was compatible with their systems.

Microsoft was given the keys to the kingdom when it was hired by IBM to produce an operating system that would allow IBM to catch up to Apple in the innovative PC market. IBM adopted open architecture, the opposite of their former "mainframe" policy. Now, IBM personal computers would be designed to be compatible with products offered by their competitors. As networked PC's replaced mainframe systems, Microsoft turned the tables on IBM, and Microsoft's continued control over connectivity has been the basis of its current monopoly over PC software.

Bill Gates is, without a doubt, the consummate monopolist. Ask any company that bought Microsoft Windows 98 in 1999, only to be told that it will not be serviced next year. They have to buy Windows XP, not because of its innovative features, but because planned obsolescence is Microsoft's right and privilege as a monopolist. Windows 98 will not run the company's new printers. Those who play ball with Microsoft are granted connectivity, while those who compete are out of luck.

"Think tanks" put out articles on Microsoft that do not refer to antitrust law and do not detail what Microsoft has been doing. They just offer sympathy for "poor little old Microsoft, which is being picked on by the government." This sounds suspiciously like "opinions for sale." Now, after being found guilty of monopolistic practices in federal court, Microsoft is going to be let off with a slap on the wrist. Is justice for sale through corporate "soft money" political contributions?

The Man in the Gray Flannel Suit called into question the emerging corporate lifestyle and its effect on families, which greatly influenced the perspective of a generation of entrepreneurs. But the most radical alteration was the transformation of the power elite. The corporate executive and the chamber of commerce replaced the old guard in the community; the new class sat in judgment of the politics of the city, its environs, and its state, and rubberstamped such cultural revolutions as the socializing of American schools. One consequence was the demise of locality, as power was centralized into regional financial centers.

In most cases, the corporate representatives neither intended nor understood their roles and effects. They were basically being used as shills by the people who were engineering the changing of our society. The plight of real people did not cross their minds. Passing through town on three-year jaunts from one corporate assignment to another, they unwittingly played the role of Pontius Pilate, washing their hands as the localized centers of American society were dismembered by the new corporate state.

Wal-Marts and K-marts dried up local retailers; independent banks became branches of money-center banks; and franchises replaced independent businesses. Good citizenship was replaced by the welfare state. Sending American jobs and dollars abroad, redistributing income, and converting education to social conditioning all contributed to government's beggaring and marginalizing of the family and the voluntary community.

Today, we worship at the altar of technological progress, which we attribute to Fortune 500 corporations, when in fact most innovation comes from small corporations, as does all of net new employment. During the past decade, we have been sold the lie that we have entered a new era of productivity. While the U.S. economy has had a high rate of productivity in such high-tech fields as computers and telecommunications, the old economy's rate of growth of productivity has not deviated from the long-term norm. The rate of growth of productivity in the 1960's was 50 percent higher than what it was in the 90's.

Part of this productivity myth could be called "Gross National Garbage" statistics. You drive Mom out of the home, so the family eats out, because Mom is not cooking anymore; the tax collector accounts for more Gross National Product,

and the government collects more taxes. The car Mom drives to work, the extra clothes she needs, and the daycare center that rears her children—all are tallied on the cash register and the Gross National Product goes up even more. Has anyone ever subtracted the loss of real life and community and seen what the *net* looks like?

A process of continual economic concentration is taking place through Wall Street, both at home and abroad. And we can look forward to enjoying less choice under cartels than we would if we had competition. The shaky foundations of the new international economic order are increasingly exposed. The United States is currently running a \$400-billion trade deficit, the largest run by any country in history. But we are told by libertarians, "Do not worry, foreigners are reinvesting their gains here in the United States." Didn't we learn that the smart guy in the Manhattan Island deal was Peter Minuit, who took a few trunkloads of trinkets and traded it for Manhattan Island? Now, we are supposed to believe that the trinkets were the good deal and that trading factories and farms and real estate for foreign-made consumer goods bought on credit is good for Americans.

How do we recover our nerve and engage the battle for America? First of all, we must turn off the federal spigot. We need to stop soft-money donations by corporations and unions. Only individuals should be allowed to give to political parties or candidates. We need to end corporate welfare. The federal government dispenses \$100 billion of handouts to corporations annually.

We need to restore competition. We need a real antitrust policy. The presumption of this country's economy is that free enterprise and competition are the order of business. When an industry gets to the point where one company dominates the playing field, it is time to restore a competitive structure to that industry.

Bigger is not better. The way of the New Corporate State is the road to fascism. Traditional America was made up of free and locally rooted people, religiously moral and law-abiding families primarily engaged in local enterprise. What's good for General Motors is *not* what made America the envy of the rest of the world.

David Hartman is the chairman of The Rockford Institute's board of directors.

by George McCartney

Belief Suspended

I first read H.G. Wells' *The Time Machine* when I was 12 years old. At the time, I had no way of knowing I was turning the pages of a socialist's sour allegory of Darwinian capitalism and its unintended consequences. I only knew I had to find out how the story ended. When I got to the last page, however, I discovered something odd. There was no ending. Instead, the hero known only as the Time Traveler, having come back from one voyage into the future, disappeared on another. What was this? I wasn't disappointed, just mildly shocked. It was, I think, the first time a book had asked me what would happen next. Such respect for the reader was new to me. It was also my first intimation that stories could have consequences for life beyond their covers, that they might point outward from imagination to deeds, expecting readers to act on their own authority. Later, I would discover Wells had written a warning to his own time. Like most good science fiction, his tale concerned the present under the guise of the future. This, oddly, is just what Simon Wells' new screen adaptation of the novel does not do, even though director Wells is the great-grandson of novelist Wells. So much for ancestral reverence.

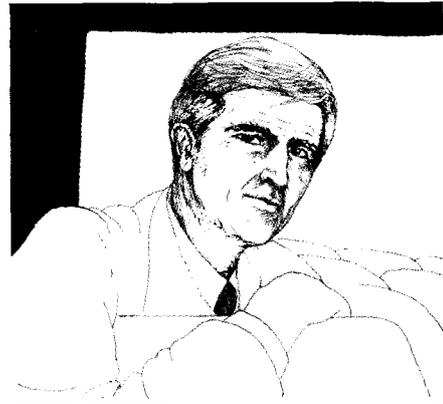
In the distant future of H.G. Wells' narrative, the Time Traveler discovers a grotesque parody of 19th-century class conflict. The human race has evolved into two decadent subspecies: the gentle, delicate Eloi, who live for beauty and music in a world that has become a permanent garden; and the Morlocks, who live in stygian caverns where they labor tirelessly at the machinery that makes possible the indolent comfort of their cousins above. On one side are the heirs to the Oxbridge twits of Wells' acquaintance, now even more effete and irresponsible than their 1895 forebears; on the other, the vast, beastly progeny of the workers transformed by millennia of dimly lit toil into little hairy beings of great physical quickness and technical dexterity. At first, the Traveler reasons that these descendants of the privileged and the exploited have at last achieved social harmony. Since neither species is capable of sustained critical thought, the Eloi do not

feel guilty about their ease, and the Morlocks do not complain of their labor.

On closer inspection, however, the Traveler discovers this new balance in human affairs has come at a grisly cost. The Morlocks have made the Eloi their cattle. They periodically round up the more appetizing specimens and slaughter them for their dinner tables. This is Swift's "Modest Proposal" turned upside down. Seeking to shame his British readers, Swift had recommended they take the next logical step in their economic cannibalism of Ireland and put baked Hibernian infant on their dinner menus. Trading disgust for terror, Wells decided to threaten his upper-class readers. Mend your ways, or be devoured by your lessers. In effect, he was trying to head off the Bolshevik Revolution.

Together with its political agenda, Wells' narrative is filled with mysteries, adventures, and even a love story of sorts—all material that would seem ideal for a screen adaptation. But filmmakers have been unable or unwilling to do it justice. George Pal adapted the book in 1960, and while his film has some charm, it reduces the Eloi-Morlock division to the stock sci-fi explanation of the day: a genetic mutation caused by atomic radiation. In 1979, Nicholas Meyer trivialized the book's conceit in *Time After Time* by making Wells himself the Time Traveler pursuing Jack the Ripper from 19th-century London to 1970's America. Simon Wells has not improved on either effort. Despite Guy Pearce's convincing performance as the abstracted Traveler and some sparkling special effects, Wells' film is a mess of undigested ideas—none of them in concert with his great-grandfather's interests.

Irrelevancies abound throughout the film. In a textually unwarranted interpolation, the Traveler builds his machine so he can go back into the past to prevent his fiancée's untimely death. When it seems he will not succeed, he asks obsessively, "Why can't I change the past?" Having given this opening episode so much dramatic space and urgency, Wells drops it altogether in second half of the film. Why? Stopping in the year 2037, the Traveler discovers the moon is shattering



The Time Machine

Produced and distributed
by DreamWorks and Warner Bros.
Directed by Simon Wells
Screenplay by John Logan
from a novel by H.G. Wells

Monster's Ball

Produced by Lee Daniels
and Mark Uрман
Directed by Marc Forster
Screenplay by Milo Addica
and Will Rokos
Released by Lions Gate Films

into fragments. Why? We never learn. Arriving in the year 802,701, the Traveler meets the Eloi who, instead of the novel's hapless weaklings, turn out to be an athletic collection of multicultural fashion models sporting tribal garb. They look so remarkably healthy and muscular that you can't help wondering why they don't put up a fight when the Morlocks come to get their next meal. As for the Morlocks, instead of lemur-like techies, they are a disappointing crew of brawny actors in hairy bodysuits and oversized yellow-eyed masks. With the help of special effects, they leap and skitter about as though they have lost their place in Macy's Thanksgiving Day Parade.

By departing from the novel's premise, the film not only violates the original story's logic but sacrifices its distinctive vision. It is all too apparent that Simon Wells has no genuine interest in his great-grandfather's novel beyond the commercial value of its well-known title. Deeming the story's subtext irrelevant to its plot, the filmmakers have discarded it entirely, freeing themselves to embroider and invent at the leaden whim of their