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In a Debate About the American Future, America Wins

Immigration and innovation will enable America to maintain its position as a superpower, experts say, despite policy mistakes made along the way.

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Are America's best days behind it? Or should the world continue to bet on its future as a global superpower?

That was the subject of a spirited, four-person debate this week in New York City at the Kaufman Music Center, the 100th in a series called [Intelligence Squared](#). Over the past decade, the debate event, sponsored by the public policy and education organization Rosenkranz Foundation, has featured a variety of experts weighing in on pressing topics of the day, such as the U.S.'s Middle East policy, genetically modified food, and the ethics of fracking, among other things.

Certainly the question of the nation's future is a big one that has occupied the attention of leading [economists](#), politicians, writers, and President Obama, who most recently addressed a similar theme in his [State of the Union](#) address in January.

The matter should also be critical to you, as your ability to provide jobs for workers and put food on the table at home surely hangs in the balance. Put succinctly by the debaters, does democratic capitalism, which has evolved as the predominant economic system in the West over the past 100 years, still work for business owners and everyone else--besides the top 1 percent?

Participating panelists arguing in favor of the future of the U.S. were Josef Joffe, a senior fellow at Stanford University and publisher of the German weekly paper *Die Zeit*, and Peter Zeihan, a geopolitical strategist, author of *The Accidental Superpower*, and a co-founder of the global intelligence firm Stratfor.

Arguing against the future of American supremacy were Chrystia Freeland, a member of parliament in Canada, and James Rickards, an investment banker and the chief global strategist for West Shore Funds.

"America as a 'has-been' is the oldest story in the book," Joffe said at the outset of the debate, adding that the country has been written off at least four times in the past, including as early as the Revolutionary War against Great Britain. Yet time and again, it always reemerges as a dominant force. The endless source of rejuvenation for the U.S. is its immigrant population and [immigrant entrepreneurs](#), Joffe said. He added that the strategy has kept the country young and brimming with new ideas. And that's helped the U.S. keep its spot at the top of the heap globally.

Holding America Back

For Freeland, who said she was arguing as a friend, warning of serious flaws in the U.S. that could lead to the diminishment of its worldwide leadership role, it was all about the disappearance of the middle class, and a standard of living that's steadily dried up for the past 30 years.

"Wages have stagnated, and wealth has stagnated or declined while the people at the very top have seen their incomes and wealth skyrocket," Freeland said. "That is a huge problem for the United States."

Other significant problems that could cause our ultimate downfall, noted by Freeland and Rickards, are perpetual political gridlock, which short-circuits needed leadership on subjects like immigration reform and fiscal policy, and the unabated concentration of power in the hands of the wealthy.

"In the city of New York, a few miles away, you have the most corrupt enterprise in history called J.P. Morgan and its fellow banks Citibank, [Goldman Sachs](#), Morgan Stanley," Rickards said. "Not one single executive of any of these banks has gone to jail. Not one has even been indicted." While it's true no one has gone to jail for his or her role in the 2008 financial crisis, Fabrice Tourre, a Goldman Sachs vice president, was found guilty in 2013 of defrauding investors in a mortgage portfolio deal that cost investors \$1 billion. He was fined \$825,000 in 2014.

For his part, Zeihan suggested that America always tends to get it right, after much handwringing and frequent false starts. To illustrate that point, he spoke about the space race between Russia and the United States in the 1950s, where the then-Soviet Union succeeded in launching Sputnik a year before our own Vanguard orbiter, despite our native advantages in metallurgy and electronics. Whereas Sputnik has long-since plummeted to earth, Vanguard is still operating in space, Zeihan noted.

"We are reliably our own worst enemy, but we are also reliably our own best motivators," Zeihan said.

And as it turns out, the audience, which voted using electronic keypads at their seats, agreed. They sided with the debaters betting on America too.