DEBATING POLITICS, ECONOMICS AND OTHER TIMELY TOPICS WITH PAUL KRUGMAN OF THE NEW YORK TIMES

PAUL KRUGMAN

## Barbarians Inside the Gates

For some reason I've been feeling the urge to write too much the past couple of days. I just put out a monster piece on trade wars, but still have another itch to scratch, this time regarding Roman history, with relevance to current events.

That should be a red flag right there. Anyone claiming to see modern lessons in ancient history, especially Roman history, should be considered a hack until proven innocent. The economist Brad DeLong has been rightly scathing online about Niall Ferguson, who is regurgitating the plots of Cecil B. DeMille movies as if it were scholarship, declaring that luxury and orgies brought down the Roman Republic. Silly man: Doesn't he know it was bad statistics, that the true rate of inflation was 10 percent?

But I find myself thinking not about the fall of the Republic, but about the Pax Romana that came after — the two-plus centuries of stability that followed Augustus. Believe it or not, I think that era does have some lessons for us; this may be a sign of mental infirmity, but I'm going to let it all hang out.

Not long ago, I would have said that very little about the Roman Empire was relevant to anything modern. The empire may have fascinated early modern Europeans like Edward Gibbon, but in the end it was a pre-industrial society, incredibly poor by modern standards, and sharing few modern values. True, the Roman Empire was bigger than most pre-industrial empires, and lasted a lot longer. But was it really different in any important way from, say, Assyria?

But I read a lot of history in my spare time, and as best as I can tell modern scholarship teaches us that Rome really was something special.

What I learned first from the economist Peter Temin, and at greater length from the historian

Kyle Harper, was that Rome wasn't your ordinary pre-industrial economy. Of course it didn't have a technological takeoff; but peace, interregional trade and a sophisticated business and financial system made it surprisingly productive, with an overall standard of living probably not equaled again until the 17th century Dutch Republic. Harper notes that Rome was held back in some ways by the heavy burden of disease, an unintentional byproduct of urbanization and trade that a society lacking a germ theory had no way to alleviate. But still, the Romans really did achieve remarkable things on the economic

They also achieved remarkable things on the political front. The Romans were not nice guys; they weren't Edwardian gentlemen in togas. They had no qualms about slavery, were often casually cruel, and had no compunctions at all about using extreme force to put down any challenge to imperial rule. But while the threat of violence always lurked in the background, the Roman Empire wasn't held together by a reign of terror. For the most part, the Pax Romana was maintained through the willing cooperation of local elites.

How did Rome manage that? The secret, as I read the new literature, is that it actually exerted a lot of soft power. Local elites were offered a good life, with attractive Roman civic values — Amphitheaters! Bathhouses! Wine! Stuffed dormice! — and the imperial system was open enough that especially able and ambitious provincials could aspire to move to the center of things. And that thriving, interdependent economy rewarded those who adopted Roman values and assimilated into the Roman system.

Or to put it another way, Rome did so well for so long by not being too



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A view from atop the scaffolding around the Colosseum in Rome, May 6, 2014. Travelers to Italy can live the celebrated sweet —- and

greedy, by limiting short-sighted exploitation of its power in favor of long-term system building.

Obviously some people, like my own stiff-necked ancestors, refused to be assimilated and had to be put down; and, as I said, the Romans had no problem being vicious when it served their purpose. Even during the most peaceful stretches of the Pax Romana, there was always a war somewhere. But overall restraint, and a set of values that appealed to many of their subjects, pro-

duced a long run of unprecedented peace and prosperity.

You can probably see where I'm going with this. The Pax Americana, the three generations of relative peace and prosperity that followed World War II, was different in every detail from the Roman Principate. Not only are we vastly richer than Rome could have imagined, we're also a lot nicer: America has done some terrible and shameful things, but nothing like what the Romans did when they got angry.

Still, our sort-of empire, like Rome's, has been held together mainly by soft power rather than violence. Even when America was an overwhelmingly dominant economic and military power, it generally exercised restraint, getting its allies to buy in to our system rather than resorting to raw compulsion.

And it worked really well. Not perfectly, of course, but we gave the world, and ourselves, an era that was incredibly benign compared with the modern Thirty Years War

that came before.

But now a barbarian invasion seems likely to tear it all down. And the sad thing is that the barbarians rejecting the values that made America truly great aren't at the gates — they're inside the gates, in fact in the Oval Office, because they're basically homegrown (with an assist from Russia, of course).

It's a terrible story. We built something wonderful, and we're throwing it all away for no good

BACKSTORY

## Trade War Rhetoric Escalates

Earlier this month, the White House announced that it would proceed with tariffs on up to \$50 billion worth of Chinese goods starting in early July.

In response, the Chinese government announced it would place tariffs on an equal amount in American exports to its country. Then, following China's announcement, President Donald Trump announced that he had directed the American trade representative to identify \$200 billion worth of Chinese imports that could be subject to additional tariffs.

The escalation over tariffs came after several weeks in which the United States and China seemed to be making progress on trade negotiations and relations with North Korea. But during talks between the two countries the Trump administration took issue with the trade deficit that the United States runs with China, arguing that to reach an agreement China must begin buying a significantly higher amount in Ameri-

can-made goods.

On June 15, an editorial published in The New York Times noted that: "As any number of Nobel economists have tried to explain, a trade deficit by itself is neither good nor bad. American citizens benefit from being able to buy competitively priced Mexican produce, Japanese cars and Canadian steel. And foreign countries use the earnings from those sales to invest in American stocks, bonds and industries. Our currency stays strong without our making our export products too expensive. Japan ran trade surpluses for 30 consecutive years, until 2011, but that did not prevent its economy from sputtering."

In an interview with Bloomberg earlier this month, Andrew Polk, the co-founder of the research company Trivium China, said the Chinese government likely thinks it can outlast the United States in this trade conflict. "They don't have to worry about an election in November," Mr. Polk wrote, "let alone two years from now."

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## 'Pax Americana' Is Not a Pretty Place

Rome and ancient Greece were models for the creation of the United States. Their very intention of the Founding Fathers was to protect the Republic from the barbarians within. I would like to think that the U.S. can still win that battle, like in the November midterm elections.

- CONSTANCE KONOLD, FRANCE

I hardly think that the Roman exploitation of the Mediterranean world was an example of "soft power." An empire that had ended a slave rebellion with 6,000 crucifixions was still pretty brutal during the post-Republic Pax Romana.

ost-Republic Pax Romar
— NEALE ADAMS, CANADA

Pax Americana was not pretty. Books were written in the late 1960s criticizing American imperialism in foreign policy. Of course, this was because of

Vietnam. With hindsight we can see that Pax Americana was the bulwark against the Soviets, and to a lesser extent China, in the Cold War. With the fall of the Soviet Union, American hegemony was complete.

But Vladimir Putin finds this unacceptable and seeks to restore Russia to its former

Mr. Krugman, I must disagree. Vietnam eclipsed all the actions of the entire Roman Empire in terms of the unnecesary murder of innocent. Roman legions might have killed a lot of people, but they never killed millions — there just weren't that many people back then.

Whatever America does now, it is against a backdrop of the worst barbarism and cruelty that human civilization has seen.

Mr. Krugman is right that the Pax Americana is drawing to a close. Having abandoned responsibility as a policy, the Pax Americana is now going to be replaced by the era of China — and whatever that means.

— COLIN MCKERLIE, AUSTRALIA

Rome fell apart for a variety of reasons, all of which led to its eventual downfall at the hands of foreign invad-

ers. But Rome crumbled from the inside. It was corrupt, politically, personally and economically. It took centuries to accomplish

We are going through the same process. The election of President Donald Trump isn't the reason we're failing. This has been over a hundred years in the making, involving Democrats and Republicans alike. And we have this nasty habit of trying to impose our values, government and way of life in parts of the world that are not ready to ac-

cept it.

- NAME WITHHELD, NORTH CAROLINA

The Pax Americana may be wobbling but it is not yet down for the count. If Americans can look at themselves in the mirror honestly, I believe the vein of innate goodness we have shared can be

ONLINE: COMMENTS

Comments have been edited for clarity and length. For Paul Krugman's latest thoughts and to join the debate online, visit his blog at krugman.blogs. nytimes.com.

PAUL KRUGMAN

## The American Bully

The U.S. government is, as a matter of policy, literally ripping children from the arms of their parents and putting them in fenced enclosures (which officials insist aren't cages, oh no). The U.S. president is demanding that law enforcement stop investigating his associates and go after his political enemies

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The New York Times

instead. He has been insulting democratic allies while praising murderous dictators. And a global trade war seems increasingly likely.

What do these stories have in common? Obviously they're all tied to the character of the man occupying the White House, surely the worst human being ever to hold his position. But there's also a larger context, and it's not just about Donald Trump. What we're witnessing is a systematic rejection of longstanding American values — the values that actually made America great.

America has long been a powerful nation. In particular, we emerged from World War II with a level of both economic and military dominance not seen since the heyday of ancient Rome. But our role in the world was always about more than money and guns. It was also about ideals: America stood for something larger than itself, for freedom, human rights and the rule of law as universal principles.

Of course, we often fell short of those ideals. But the ideals were real, and mattered. Many nations have pursued racist policies; but when the Swedish economist Gunnar Myrdal wrote his 1944 book about our "Negro problem," he called it "An American Dilemma," because he viewed us as a nation whose civilization had a "flavor of enlightenment" and whose citizens were aware at some level that our treatment of blacks was at odds with our principles.

And his belief that there was a core of decency, maybe even goodness, to America was eventually vindicated by the rise and the success, incomplete as it was, of the civil rights movement.

But what does American goodness—a paradigm all too often ignored, but still real—have to do with American power, let alone world trade? The answer is that for 70 years, American goodness and American greatness went hand in hand. Our ideals, and the fact that other countries knew we held those ideals, made us a different kind of great power, one that inspired trust.

Think about it. By the end of World War II, along with our British allies, we had in effect conquered a large part of the world. We could have become permanent occupiers, and/or installed subservient puppet governments, the way the Soviet Union did in Eastern Europe. And yes, we did do that in some developing coun-



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tries; our history with, say, Iran is not at all pretty.

But what we mainly did instead was to help our defeated enemies get back on their feet, establishing democratic regimes that shared our core values, and became our allies in protecting those values.

The Pax Americana was a sort of empire; certainly America was for a long time very much first among equals. But it was by historical standards a remarkably benign one, held together by soft power and respect rather than force. (There are actually some parallels with the ancient Pax Romana, but that's another

And while you might be tempted to view international trade deals, which Mr. Trump says have turned

us into a "piggy bank that everyone else is robbing," as a completely separate story, they are anything but. Trade agreements were meant to (and did) make America richer, but they were also, from the beginning,

about more than dollars and cents.

In fact, the world's modern trading system was largely the brainchild not of economists or business interests, but of Cordell Hull, Franklin D. Roosevelt's long-serving secretary of state, who believed that "prosperous trade among nations" was an essential element in building an "enduring peace." So you want to think of the postwar creation of the General Agreement on Tariffs and Trade as part of the same strategy that more or less simultaneously gave rise to the Marshall Plan and

the creation of NATO.

So all of the things happening now are of a piece. Committing atrocities at the border, attacking the domestic rule of law, insulting democratic leaders while praising thugs, and breaking up trade agreements are all about ending American exceptionalism, and turning our back on the ideals that made us different from other powerful nations.

And rejecting our ideals won't make us stronger; it will make us weaker. We were the leader of the free world, a moral as well as financial and military force. But we're throwing all that away.

What's more, it won't even serve our self-interest. America isn't nearly as dominant a power as it was 70 years ago; Mr. Trump is delusional if he thinks other countries will back down in the face of his threats. And if we are heading for a full-blown trade war, which seems increasingly likely, both he and those who voted for him will be shocked at how it goes: Some industries will gain, but mil-

lions of workers will be displaced.
So Mr. Trump isn't making
America great again; he's trashing
the things that made us great, turning us into just another bully — one
whose bullying will be far less effective than he imagines.

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