The following is in response to Robert Huebscher’s article, Niall Ferguson: Four Reasons Why the U.S. is Failing, which appeared last week:

Dear Editor,

Ferguson described an interesting, but misleading, study of national institutions in which the U.S. came out poorly compared to other nation-states, yet he is hopeful that economic growth is happening. That growth, however, is due to a set of serendipitous events: demographics, energy and regionalism. None of the growth is the result of institutional reforms or positive government actions in the U.S.

Ferguson’s theory is that the U.S. may survive despite its institutions. But such a theory supports some historical models of social-economic history. Civilizations do seem to follow the "decline and fall" model (really a biological model) as Gibbons saw in Rome. But if a civilization or nation-state falls, its leftover traditions are invariably carried over in new societies and states in some form. Maybe the leftovers are of doubtful value, but here is my point: There is be a stacking of civilizations that leads to some continuity in human institutions and reforms that allow civilization to survive and flourish. The study of social institutions is worthwhile, if done properly.

If the U.S. has strong points justifying its survival, they are not those Ferguson mentioned, but technological: the application of science to industry which resulted in new goods and services (better quality and greater quantity) that in turn spurred society to move and change in ways no one planned, including and especially governments. This is where freedom to innovate and the avoidance of ossification of the administrative state became critical. It is important for a society to tolerate economic inequality and preserve the disorder of discontent that energizes an unequal society. Social energy matters greatly to survival of a society and its economy. There is something to be said for the rule of law, but not the rules and regulations of governments which are largely competition by another means.

In consulting with emerging nation-states, I devote some considerable time advising them to preserve the disorder of freedom and creativity as the ingredients of social energy, while requiring basic mandatory education of all citizens. At that point governments can build roads, dispose of waste, find or make clean water, keep the internet up and running, tax minimally, and provide for the common defense. The barebones state is the ideal nation-state for mankind. The Eastern Establishment in the U.S. is quick to create and debate policy, but slow to avoid making new policy. After all, it is a rewarding business.