

The American
Socialist

By the Editors:

**Myth of
Containment**

**The Corporation
and American Foreign Policy
1890-1958**

by William Appleman Williams

Message of the Non-Jewish Jew

by Isaac Deutscher

What the Negro Wants

by Conrad Lynn

SEPTEMBER 1958

35 CENTS

LETTERS TO THE EDITOR

Omission of Wallace Movement

Your "The Unions in Politics" [by Harry Braverman, July-August 1958] would seem to be a rough history of union labor participation or attempts to participate in the political life of the nation.

As such, I find a strange lack. Your history starts after the Civil War and continues up to 1948, skips 1948, then continues into the 1950's.

You do say that the ALP polled 300,000 votes for Roosevelt in 1936 or 1940 but strangely fail to mention that it polled 500,000 votes for Wallace in 1948.

We all remember the "clear it with Sidney" slogan of 1944, but who remembers that the candidate of Hillman and Phil Murray was then Henry Wallace and that the slogan meant that if Sidney Hillman couldn't have Wallace for Vice-President then the nominee would have to be someone acceptable to the CIO? Harry Truman, it turned out to be.

At least as important as several unions pushing LaFollette in 1924 would seem to be the fact that several major CIO unions with memberships running into the millions endorsed Wallace in 1948. And that Wallace received considerable rank-and-file support from the miners, steelworkers, and even the AFL meatcutters.

It is true that the unions whose leadership supported Wallace were then in the process of either withdrawing from or being expelled from the CIO, but this does not alter the fact.

Much is being said and written now about a possible new political alignment on the Left and about the desirability or necessity of union participation in politics.

It is quite obvious that the Wallace Progressives (not all of whom were Communists) were a headache to you personally, but please, Mr. Editor, let's not just blithely consign them to the furnace of Minitrue. None of us seem to know exactly where we are going but if we are ever to rediscover a sense of direction let us at least try to remember where we have been!

M. J. C. Baltimore

Reply

[M. J. C. is quite wrong to interpret the omission of the Wallace movement from my article as consigning it to an Orwellian oblivion, or to say it is "a headache" to me. We have written of the significance of the Wallace candidacy a number of times. In an article on "Which Way to a New American Radicalism" (April 1956), I wrote:

["The Progressive Party of 1948, widely supported by workers and progressives, was the most ambitious third-party movement of recent years. It rallied very large meetings and much enthusiasm in many major labor centers, and for a while was a con-

siderable headache to the union bureaucrats. It was favored by the backing of a number of prominent individuals with personal political followings on the national scene. Even its vote, in the face of Truman's last-minute demagoguery, was not bad."

[I do not object to the criticism, and I agree that something on the Wallace movement might well have been included in this article; the chief reason that it wasn't was that space considerations dictated stripping the article to long-run fundamentals, and the Wallace candidacy, in the main, developed outside the labor movement and was not essential to my account and analysis. But what I do not understand in this and other letters that one sometimes sees in the socialist press, is the need to make a criticism in the form of a detective hunt for criminal or shameful motives on the part of the author. Of all the things the Left needs, one of the more pressing is a spirit of tolerance and understanding.—H. B.]

Please see to it that articles by George Shoaf appear in each and every issue, and that he is allowed to write in the way that he is so intelligently able to do. After wading through the mass of prejudiced misinformation which appears in the American press, his writings appear like a gleam of sunlight in a cloudy, overcast sky. He writes straight to the point and brings out the true situation in the world as it actually is.

I. C. F. No. Dakota

Thank you for the swift dispatch of the *American Socialist* to me.

I was quite surprised at the excellence of the articles, miles above the Communist Party's *Political Affairs* which I waded through for years without ever feeling that they could arouse my countrymen.

Now the problem is, how can I get the entire set from Vol. I, No. 1 . . . ?

C. T. H. London

In my personal values, I am unwilling to label myself a socialist. For many years I used the term freely to describe myself, but now that a "Socialist" government in Hungary can legally assassinate its own political enemies, I feel that the term is not for me. If it describes Kadar, then it does not describe yours truly.

I'm certain that you've heard this theme before from many of your friends. But in spite of my hostility to the term, socialism, I continue to ask people to read your journal.

I have sent out ten subscriptions to friends, and I am curious to see how many resubscribe. My thought is that even if my friends do not resubscribe, they'll learn something from the magazine while they are getting it. I think it is the best of the Left publications in America.

A. G. San Francisco

Some time ago I came across a copy of the *American Socialist*, and since then I—and my friends, too—wish to use such an excellent publication as a tool to work with over here too. We hope so much that your staff, or your readers, may help us by letting us have your publication and any reading matter you deem important for our effort—which is a world-wide one!

H. J. West Germany

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357

MYTH OF CONTAINMENT	3
WHY THEY SPAT by Frank Tuttle	5
MESSAGE OF THE NON-JEWISH JEW by Isaac Deutscher	6
THE LARGE CORPORATION AND AMERICAN FOREIGN POLICY, 1890-1958 by William Appleman Williams	11
BOOK REVIEW	21
"A LONG SILENCE, A SHORT ANNOUNCEMENT" by Claude Roy	22

Myth of Containment

ONE redeeming feature of the prolonged crisis of our epoch is that it gives us many advance glimpses of the shape of doom. Looking back on the recent midsummer madness in the Middle East, nothing is more fitting than to say: "This is the way the world ends."

If a man were privileged to look in at his own funeral, he would improve the opportunity by inquiring discreetly among the mourners as to the cause of death, and making a careful note of the answer. Hard as these doomsday rehearsals are on the nerves, they will serve a worth-while end if mankind can learn how its own *coup de grâce* may be averted.

The Middle East crisis arose directly from our State Department's long-standing cold war policy of "containing" the Soviet bloc, and ultimately of constricting and strangling it. To that end, a network of alliances has been fabricated across the land mass of four continents, from the British Isles to Japan. To maintain so elaborate an encirclement, and to keep it tight enough to exert a slow, strangulating pressure as is the aim of its architects, would be difficult under any circumstances. In the present situation, three factors make it impossible.

First, the intended victim is not a weak or prostrate nation with no room for maneuver. Economically speaking, it has long since nullified the encirclement by becoming the second industrial power of the globe, and a foremost pioneer in all branches of science and industrial technique. Its alliances in Eastern Europe are not firm ones, but with its partner to the east, China, it makes a formidable combination which cannot be "contained," "encircled," or robbed of the power of world-wide influence. Metternich's Holy Alliance was successful for a time

only because it was set up on the body of a beaten foe; the Allied *cordon sanitaire* against Russia worked briefly while Russia was weak, famine-ridden, and preoccupied with internal problems. But with the present relationship of forces, it is a moot question whether Russia is not containing the United States just as much as the other way around.

Second, the nuclear balance of terror means that the alliance does not have the prospect of a successful war as a cement. Instead, the only prospect that can be held out is that of cold-war pressure prolonged indefinitely on the edge of an abyss. Inevitably, the allies of the containing power waver, slacken, and yearn for a neutral stance, for they can see no victorious issue to the contest, but do confront the ever-likelier prospect of their own complete destruction between the giant grindstones.

Third, and most important of all, the rocking of the boat of history, the explosion of social tensions, nationalist ambitions, urgings for progress, all militate against long-term bloc arrangements. Khrushchev, on his side, can testify to that when he looks at Hungary, Poland, Yugoslavia. On the side of the capitalist containing powers, difficulties of this kind are bound to be chronic and ineradicable, as the entire network of alliances is based upon old imperialist relations, arrangements for business exploitation, rotten feudal principalities, oil dictatorships imposed by giant corporations, and most of what is old, corrupt, worn out, and hated in the world. To preserve the world from Communism means, for the capitalist ruling classes of the West, to preserve it for continued profitable exploitation, not to set it free. This, in turn, means that the alliances of the cold-war containment ring stand

squarely athwart of progress and of the fervent hopes of the people in most of the allied nations, particularly in the three great continents of colonialism, Asia, Africa, and South America. Thus, the colonial upheavals that have been breaking out since the end of World War II tear great gaps in the containment circle.

THE issue that has been posed in the Middle East more squarely than at any other time and place since the start of the cold war is this: What happens when a nation, wearying of the Dulles dispensation, breaks out to go its own way? What happens when an internal revolt brings about the downfall of an allied government and the new regime takes a different path? How far can the cold war be made the occasion—and the pretext, we should add—for Washington to dictate the internal affairs of countries halfway around the globe?

Fortunately, we have a Secretary of State who is never at a loss for words. The policy he has outlined means, in effect, that any nation which he has once succeeded in committing to his cold war network is thereby eternally committed on pain of occupation by United States Marines. Any attempt to break with Mr. Dulles is construed, ipso facto, to mean "indirect aggression," as it is well known that no nation would do such a thing of its own free will. Less than two years ago, the Eisenhower Doctrine declared to the world that the United States would resist aggression in the Middle East "from any country controlled by international Communism." Now this has been amended to include "indirect aggression"—which Dulles has thus far only succeeded in defining as "threats" and "abusive radio broadcasts"—by Nasser's pan-Arab movement. We are therefore committed now not only to guarding the Arabs against the Russians, with whom they trade and negotiate every day, but also against themselves.

Mr. Dulles, the holder of a number of diplomatic records for mileage and verbiage, is on the verge of seizing a new prize, this time for the announcement of policies at the moment of their demonstrated failure. For the balance sheet of the contest in the Middle East this summer shows how impossible the

Dulles' effort is.

The worldwide furor over the landing of American and British troops in Lebanon and Jordan has momentarily obscured the fact that neither of these two tiny principalities was the bone of contention, and that, taken together, they add up to a bare toehold on the coast of the region. The issue was being tried in Iraq, where a revolution by the army, apparently with overwhelming popular support, threw out the old dictatorial, corrupt clique and chose the policy of independence, neutrality in the cold war, and friendship for Nasser's United Arab Republic. Armed intervention in Lebanon and Jordan has done little more than bring down a storm of protest on Washington and London, intensify Arab hatreds throughout the region against the Western powers, strain the Western alliances, and make clear to the world just how reactionary and meddling our foreign policy is. But it has not touched Iraq, which was the keystone of the Baghdad Pact, and is one of the four major oil-producing nations of the region. To announce a shameful policy and display it in action to a horrified world is bad enough, but to do so ineffectually means to earn the wages of sin without any of its rewards. Mr. Dulles has demonstrated in tiny Lebanon just how degraded and imperialistic his policy can be, but at the same time he has demonstrated in Iraq that he is powerless to stop the march of progress.

ALL the pretexts have proved embarrassingly flimsy. Just before the landing in Lebanon, the United Nations observation group reported that the conflict in that country was a "civil war," and Dag Hammarskjold himself returned from a hurried trip to Beirut with the report that there was "no foundation" to charges of "massive infiltration" from neighboring Arab states. The "call for help" which was supposed to have brought American intervention soon turned out to be a secret and non-consultative appeal delivered on order by a discredited puppet politician seeking to remain in office. The landing of American Marines not only solidified the Lebanese opposition but caused a split right down the middle of the government bloc. As an incredulous world listened,

Dulles, seconded pathetically by a patient speech-reading President, sought to justify his aggression. So shaky did Washington's position become, with protests pouring in from allies as well as foes, that dissension developed within the Administration on what is perhaps a broader scale than ever before on a foreign policy issue. James Reston, the able chief of the *New York Times* Washington bureau, reported on August 4 that "some of Mr. Dulles' closest associates . . . are asking some difficult questions":

Could Mr. Dulles or President Eisenhower demonstrate before the United Nations Security Council that Moscow or Cairo was responsible for the revolution in Iraq? These officials do not think they could.

Would Mr. Dulles deny to Moscow the right to give money and guns to the friends of communism in the Middle East while insisting on Washington's right to give money and guns to the friends of the West?

How do you tell whether peoples living under despotic Middle Eastern governments are acting under incitement from Moscow and Cairo or are merely exercising the "right and duty" of rebellion claimed in our own Declaration of Independence? . . .

While the State Department shouts "Communism" as the justification for every move in the Middle East, only the most naive and thoughtless believe that the problems stem from Russia. *Business Week* summarized the situation succinctly without any reference to the Red bogey (August 16):

Basic Conflict—The West's almost insuperable problem in the Middle East is summed up this way by one experienced U.S. observer: The feverish turmoil among the Arabs is driving the Middle East rapidly to new political and business arrangements that are bound to conflict with existing Western patterns. The Western patterns are largely composed of (1) the remnants of the colonial system (largely British), which involved the use of force, and (2) the more recent system of control through private foreign investment (largely American). The Arab

nationalists are determined to wipe out both.

The Middle East's oil accounts for one-fourth of world production, all of it controlled by U.S. and West European interests. Altogether, some 70 U.S. oil companies have operations in the region, but of these, a powerful group of sixteen meets together to set oil policy and foreign policy with the State Department. On August 13, 1956, shortly after Egypt nationalized the Suez Canal, this group met in secret consultation with the top officials of the State Department. No records were released by this meeting, but, almost a year later, Senator O'Mahoney's investigating committee subpoenaed documents of the Socony-Vacuum Oil Company in another connection, and thus got possession of a memo by A. C. Ingraham of that company, which described the meeting. Secretary of State Dulles is quoted as telling the assembled oil tycoons that, in spite of the clear right of nations under international law to take over private interests with fair compensation, any move to nationalize the oil interests of the Middle East would "call for international intervention."

ON the other side, the entire Arab population has been growing restive under the existing exploitation. Arab capitalist interests have been wondering why the wealth of their lands should not belong to them; the popular masses have been roused by feelings of nationalism and resentment against their poverty and exploitation; even some feudal potentates have had their cupidity aroused by recent Japanese and Italian deals offering better profit percentages. For all these reasons, the old 50-50 split that has been pouring vast riches into the treasuries of corporations and sheiks is under challenge, and the Middle East is headed to a new setup which may go as far as nationalization of oil wells and refineries.

Although the Egyptian-Syrian unified nation does not control significant oil reserves as yet, Nasser's Bismarckian drive to unite the Arab world is recognized as the chief lever of power on the Arab side. Scattered, divided, and ground under the heel of military-feudal despotisms propped up by Anglo-

American aid and directed by Western personnel, the Arab states are weak but united and independent, they would soon become a power to reckon with, and the oil of the Arabian deserts would pass forever from Western control. These then are the two principals to the conflict: the oil corporations on one side and Arab nationalism on the other.

Because our intervention in the Middle East has been so openly imperialistic, because it has been so blatantly motivated by private oil interests, and because it stands so little chance of long-range success, there has been more opposition to this policy than any previous cold-war move in the past decade. Americans have been stirred for various reasons, but they have been stirred. Capitalists and policy planners fear that we are losing in the competition for the Middle East by turning the whole region violently against us. Thus

the *Wall Street Journal* argued cogently, in a series of editorials against Dulles' policy, that we must "ask ourselves frankly whether we have been right to cling to a policy that puts us in futile opposition to the tide that is running amongst the Arab peoples."

Senator Wayne Morse declared that "There is an old saying that water and oil will not mix. Neither will blood and oil mix. I am not in favor of spending American blood for oil. . . ." Senator William Fulbright, in the course of an extended attack on Administration foreign policy, noted that "we have cast ourselves indiscriminately in the role of the defender of the status quo," and then, reviewing the past of his own party, added: "I do not ascribe this particular weakness to the present administration. I suspect that the roots of this fearful clinging to the status quo go back at least to the collapse of Nationalist China."

From these and other indications, it is clear that a new Great Debate is shaping up over American foreign policy, which the debacle in the Middle East has done much to hasten. It is clear from the evidence that aggressive oil diplomacy against Middle East nationalism—and not Communism—is what brought us to this latest brink. If large numbers of Americans are beginning to recognize that, and if they can make their voices heard in high places, we gain immensely in our chances of survival and of avoiding a third World War. Once the hypnotism of an enforced "national unity" on all matters of foreign policy is broken, and the Dulles-oil corporation policy is put to the test of open public debate, the kind of a movement for peace, disarmament, and rational coexistence arrangements which this country so badly needs has a chance of emerging as a major force.

Why they Spat by Frank Tuttle

THE Caracas reception of the Nixons has roots that do not concern either Little Rock or Moscow.

Fifty years ago, from 1907 to 1909, I was "loading the banana boat," at least I was a checker and time keeper. I also was timekeeper on road building for the first wagon roads that took the place of pack-mule trails.

In 1908, *obrerros de la marina*, who loaded cargo from dock to barge to ship, got \$1.60 a day. Teamsters \$1.50; machete, shovel and grubhoe hands \$1.25. And a pack-mule rented for \$1.

Today, *obrerros de la marina* get \$2.04; teamsters \$1.85; the other hands get \$1.68, from United Fruit Company. This is about 28 percent raise in 50 years. But the rent of a mule has risen a lot more than the wage of a man.

The frijole, corn meal, garvanza and other basic foods cost twice as much; meat, poultry, and eggs three times as much; and manufactured American products five times as much, as in 1908.

The peons do not eat as well, as much, or as often, as in 1908. Those who had kerosene lamps and wore shoes, now keep a candle for extreme emergencies, and go barefoot. Those who called a doctor in serious illness, now wait a little longer, and call a priest.

In 1908, Latin America had a flourishing business with most of the nations of Europe. Two world wars have eliminated all but Norway, which still exchanges ship-loads of codfish for coffee, bananas and cocoanut. Families that had meat once a week, now are lucky if they have a little cod-fish gravy on their yams and plantains.

Only one buyer of coffee appears—Arbuckle. Only one buyer of fruit and cocoanut—United. Only the Big Four Packers buy cattle—and they quote identical prices. Every bank from Guatemala around the Horn and back to Guatemala, is controlled by Eugene Grace y Cia.

Grace Ship Lines control all the shipping. The Grace Banks

Frank Tuttle, pioneer auto unionist, was the first worker retired from Chrysler under the pension plan.

collect from 20 to 50 percent a year on loans, and the laws of *estafa* make all countries, except Mexico and to a certain extent Argentina, one huge peonage camp. Mexico is considered rich by Central American standards. If a quarter of a million Mexicans swim the Rio Grande in hopes of a few weeks' work at 25 cents an hour, you can imagine the poverty of Guatemala, Costa Rica, Salvador and Honduras.

I have seen four of the largest stalks of bananas, seven "hands" or more, exchanged for a 25 pound sack of flour, while an American grocer paid the equivalent of four sacks of flour for one stalk of bananas. That proportion still exists.

Cuban sugar, on New York docks, is worth twice the 1908 price. But a pair of shoes that sold in Havana for \$2.50, now cost \$11. Half the bananas in Central America rot in the fields, while our wheat molds in elevators and obsolete Liberty ships. To exchange and eat would be socialism, says Washington. And the peons reply, "Then why not be socialists?"

Russia is willing to exchange a lot of things for bananas, coffee and cocoanut oil. But if any banana country starts such trade, an army of "patriot exiles" will suddenly appear on the border, armed with American planes and tanks. These "patriots" have been away so long that they no longer remember their Spanish language—or talk it with German, Italian, or Yankee accents.

I WAS an office worker there 50 years ago. My "typewriter" had a barrel on it, and it would write nothing but epitaphs. Around 1900 there was a man named Garibaldi—either a son or nephew of the great Italian. He had some 5,000 men that he would send to start a revolution anywhere—and he paid them \$2 a day while revolting. He could also find them places on the payrolls of American corporations between times.

Who operates there now I do not know, but Guatemala and several other countries know that the operation is still going on. Mexico and Argentina broke the stranglehold of the American monopolies, but the flight of Marines to West Indies stations the moment the Nixons were shouted at indicates that Washington does not intend that any more colonies are going to follow the precedents of Mexico and Argentina.

By virtue of his special environment and social position, the "non-Jewish Jew" from Spinoza to Freud has often made important contributions to science, culture, politics.

Message of the Non-Jewish Jew

by Isaac Deutscher

The following article by the biographer of Stalin and Trotsky, whose writings on Russia and Eastern Europe appear regularly in periodicals throughout the world, is based on a lecture delivered in London last February during Jewish Book Week to the World Jewish Congress. This text, revised and extended by the author, appeared in *Universities and Left Review*, and is reprinted here with the author's permission. A summary of the lecture had previously appeared in the *British Jewish Observer* and *Middle East Review*.

I REMEMBER that when as a child I read the *Midrash* I came across a story and a description of a scene which gripped my imagination. It was the story of Rabbi Meir, the great saint, sage, and the pillar of Mosaic orthodoxy and co-author of the *Mishna*, who took lessons in theology from a heretic Elisha ben Abiyuh, nicknamed Akher (The Stranger). Once on a Sabbath, Rabbi Meir went out on a trip with his teacher, and as usual they became engaged in deep argument. The heretic was riding a donkey, and Rabbi Meir, as he could not ride on a Sabbath, walked by his side and listened so intently to the words of wisdom falling from heretical lips, that he failed to notice that he and his teacher had reached the ritual boundary which Jews were not allowed to cross on a Sabbath. At that moment the great heretic turned to his pupil and said: "Look, we have reached the boundary—we must part now: you must not accompany me any further—go back!" Rabbi Meir went back to the Jewish community while the heretic rode on—beyond the boundaries of Jewry.

There was enough in this scene to puzzle an orthodox Jewish child. Why, I wondered, did Rabbi Meir take his lessons from the heretic? Why did he show him so much affection? Why did he defend him against other rabbis? My heart, it seems, was with the heretic. Who was he?, I asked. He appeared to be in Jewry and yet out of it. He showed a curious respect for his pupil's orthodoxy when he sent him back to the Jews on the holy Sabbath; but he himself, disregarding canon and ritual, rode beyond the boundaries. When I was thirteen or perhaps fourteen I began to write a drama on Akher and Rabbi Meir and

tried to find out more about Akher's character. What made him transcend Judaism? Was he a Gnostic? Was he the adherent of some other school of Greek or Roman philosophy? I could not find the answers, and I did not manage to go beyond the first act of my drama.

The Jewish heretic who transcends Jewry belongs to a Jewish tradition. You may, if you like, view Akher as a prototype of those great revolutionaries of modern thought about whom I am going to speak this evening—you may do so, if you necessarily wish to place them within any Jewish tradition. They all went beyond the boundaries of Jewry. They all—Spinoza, Heine, Marx, Rosa Luxemburg, Trotsky, and Freud—found Jewry too narrow, too archaic, and too constricting. They all looked for ideals and fulfilment beyond it, and they represent the sum and substance of much that is greatest in modern thought, the sum and substance of the most profound upheavals that have taken place in philosophy, sociology, economics, and politics in the last three centuries.

HAVE they anything in common with one another? Have they perhaps impressed mankind's thought so greatly because of their special "Jewish genius"? I do not believe in the exclusive genius of any race. Yet I think that in some ways they were very Jewish indeed. They had in themselves something of the quintessence of Jewish life and of the Jewish intellect. They were *a priori* exceptional in that as Jews they dwelt on the borderlines of various civilizations, religions, and national cultures. They were born and brought up on the borderlines of various epochs. Their minds matured where the most diverse cultural influences crossed and fertilized each other. They lived on the margins or in the nooks and crannies of their respective nations. They were each in society and yet not in it, of it and yet not of it. It was this that enabled them to rise in thought above their societies, above their nations, above their times and generations, and to strike out mentally into wide new horizons and far into the future.

It was, I think, an English Protestant biographer of Spinoza who said that only a Jew could carry out that upheaval in the philosophy of his age that Spinoza carried out—a Jew who was not bound by the dogmas of the Christian churches, Catholic and Protestant, nor by those of the faith in which he had been born. Neither Descartes nor Leibnitz could free themselves to the same extent from the shackles of the medieval scholastical tradition in philosophy.

Spinoza was brought up under the influences of Spain, Holland, Germany, England, and the Italy of the Renaissance—all the trends of human thought that were at work at that time shaped his mind. His native Holland was in the throes of bourgeois revolution. His ancestors, before they came to the Netherlands, had been Spanish-Portuguese *Maranim*, crypto-Jews, at heart Jews, outwardly Christians, as were many Spanish Jews on whom the Inquisition had forced the baptism. After the Spinozas had come to the Netherlands, they disclosed themselves as Jews; but, of course, neither they nor their close descendants were strangers to the intellectual climate of Christianity.

Spinoza himself, when he started out as independent

thinker and as initiator of modern Bible criticism, seized at once the cardinal contradiction in Judaism, the contradiction between the monotheistic and universal God and the setting in which that God appears in the Jewish religion—as a God attached to one people only; the contradiction between the universal God and his “chosen people.” You know what the realization of this contradiction brought upon Spinoza: banishment from the Jewish community and excommunication. He had to fight against the Jewish clergy which, having itself recently been a victim of the Inquisition, was infected with the spirit of the Inquisition. Then he had to face the hostility of the Catholic clergy and Calvinistic priests. All his life was a struggle to overcome the limitations of the religions and cultures of his time.

AMONG Jews of great intellect exposed to the corrodation of various religions and cultures some were so torn by contradictory influences and pressures that they could not find spiritual balance and broke down. One of these was Uriel Acosta, Spinoza’s elder and forerunner. Many times he rebelled against Judaism; and many times he recanted. The rabbis excommunicated him repeatedly; and repeatedly he prostrated himself before them on the floor of the Amsterdam Synagogue. Spinoza had the great intellectual happiness of being able to harmonize the conflicting influences and to create out of them a higher outlook on the world and an integrated philosophy.

Almost in every generation, whenever the Jewish intellectual, placed at the concatenation of various cultures, struggles with himself and with the problems of his time, we find someone who, like Uriel Acosta, breaks down under the burden, and someone who, like Spinoza, makes of that burden the wings of his greatness. Heine was in a sense the Uriel Acosta of a latter age. His relation to Marx, Spinoza’s intellectual grandson, is comparable to Uriel Acosta’s relation to Spinoza.

Heine was torn between Christianity and Jewry, and between France and Germany. In his native Rhineland there clashed the influences of the French Revolution and of the Napoleonic Empire with those of the old Holy Roman Empire of the German Kaisers. He grew up within the orbit of classical German philosophy and within the orbit of French Republicanism; and he saw Kant as a Robespierre and Fichte as a Napoleon in the realm of the spirit; and so he describes them in one of the most profound and moving passages of *Zur Geschichte der Religion und Philosophie in Deutschland*. In his later years he came in contact with French and German socialism and communism; and he met Marx with that apprehensive admiration and sympathy with which Acosta had met Spinoza.

Marx likewise grew up in the Rhineland. His parents having ceased to be Jews, he did not struggle with the Jewish heritage as Heine did. All the more intense was his opposition to the social and spiritual backwardness of contemporary Germany. An exile most of his life, his thought was shaped by German philosophy, French socialism, and English political economy. In no other contemporary mind did such diverse influences meet so fruitfully. Marx rose above German philosophy, French

socialism, and English political economy; he absorbed what was best in each of these trends and transcended the limitations of each.

To come nearer to our time: Rosa Luxemburg, Trotsky, and Freud—every one of them was formed amid historic cross currents. Rosa Luxemburg is a unique blend of the German, Polish, and Russian characters and of the Jewish temperament; Trotsky was the pupil of a Lutheran Russo-German gymnasium in cosmopolitan Odessa on the fringe of the Greek-Orthodox Empire of the Czars; and Freud’s mind matured in Vienna in estrangement from Jewry and in opposition to the Catholic clericalism of the Hapsburg capital. All of them had this in common, that the very conditions in which they lived and worked did not allow them to reconcile themselves to ideas which were nationally or religiously limited and induced them to strive for a universal *Weltanschauung*.

Spinoza’s ethics were no longer the Jewish ethics, but the ethics of man at large—just as his God was no longer the Jewish God: his God, merged with nature, shed his separate and distinctive divine identity. Yet, in a way, Spinoza’s God and ethics were still Jewish, only that his was the Jewish monotheism carried to its logical conclusion and the Jewish universal God thought out to the end; and once he had been thought out to the end, he ceased to be Jewish.

HEINE wrestled with Jewry all his life; his attitude towards it was characteristically ambivalent, full of love-hate or hate-love. He was in this respect inferior to Spinoza who, excommunicated by the Jews, did not become a Christian. Heine did not have Spinoza’s strength of mind and character; and he lived in a society which even in the first decades of the nineteenth century was still more backward than Dutch society had been in the seventeenth. At first he pinned his hopes on that pseudo-emancipation of Jews, the ideal of which Moses Mendelssohn had expressed in the words: “Be a Jew inside your home and a man outside.” The timidity of that German-Jewish ideal was of a piece with the paltry liberalism of the gentile German bourgeoisie: The German Liberal was a “free man” inside his home and an *allertreuester Untertane* outside. This could not satisfy Heine for long. He abandoned Jewry and surrendered to Christianity in order to obtain an “entry ticket to European culture.” At heart he was never reconciled to the abandonment and the conversion. His rejection of Jewish orthodoxy runs through the whole of his work. His Don Isaac says to the Rabbi von Bacherach: “I could not be one of you. I like your cooking much better than I like your religion. No, I could not be one of you; and I suspect that even at the best of times, under the rule of your King David, in the best of your times, I would have run away from you and gone to the temples of Assyria and Babylon which were full of the love and the joy of life.” Yet, it was a fiery and resentful Jew who had, in *An Edom*, “*gewaltig beschworen den tausendjährigen Schmerz*.”

Marx, about twenty years younger, surmounted the problem which tormented Heine. Only once did he come to grips with it, in his youthful and famous *Zur Judenfrage*. This was his unreserved rejection of Jewry. Apolo-

gists of Jewish orthodoxy and Jewish nationalism have because of it severely attacked Marx as an "anti-Semite." Yet, I think that Marx went to the very heart of the matter when he said that Jewry had survived "not in spite of history but in history and through history," that it owed its survival to the distinctive role that the Jews had played as agents of a money economy in environments which lived in a natural economy, that Judaism was essentially a theoretical epitome of market relationships and the faith of the merchant; and that Christian Europe, as it developed from feudalism to capitalism, became Jewish in a sense. Marx saw Christ as the "theorizing Jew," the Jew as a "practical Christian" and, therefore, the "practical" bourgeois Christian as a "Jew." Since he treated Judaism as the religious reflection of the bourgeois way of thought, he saw bourgeois Europe as becoming assimilated to Jewry. His ideal was not the equality of Jew and Gentile in a "Judaized" capitalist society, but the emancipation of Jew and non-Jew alike from the bourgeois way of life, or, as he put it provocatively in his somewhat over-paradoxical Young Hegelian idiom, in the "emancipation of society from Jewry." His idea was as universal as Spinoza's yet advanced in time by two hundred years—it was the idea of socialism and of the classless and stateless society.

AMONG Marx's many disciples and followers hardly any were, in spirit and temperament, as close to him as Rosa Luxemburg and Leon Trotsky. Their affinity with him shows itself in their dialectically dramatic vision of the world and of its class struggles and in that exceptional concord of thought, passion, and imagination which gives to their language and style a peculiar clarity, density, and richness. (Bernard Shaw had probably these qualities in mind when he spoke of Marx's "peculiarly Jewish literary gifts.") Like Marx, Rosa Luxemburg and Trotsky strove, together with their non-Jewish comrades, for the universal, as against the particularist, and for the internationalist, as against the nationalist, solutions to the problems of their time. Rosa Luxemburg sought to transcend the contradiction between the German reformist socialism and the Russian revolutionary Marxism. She sought to inject into German socialism something of the Russian and Polish revolutionary *élan* and idealism, something of that "revolutionary romanticism" which so great a realist as Lenin unabashingly extolled; and occasionally she tried to transplant the Western European democratic spirit and tradition into the socialist underground movements of Eastern Europe. She failed in her main purpose and paid with her life. But not only she paid for it. In her assassination Hohenzollern Germany celebrated its last triumph and Nazi Germany—its first.

Trotsky, the author of the Permanent Revolution, had before him the vision of a global upheaval transforming mankind. The leader, together with Lenin, of the Russian revolution and the founder of the Red Army, he came in conflict with the State he had helped to create when that State and its leaders put up the banner of socialism in one country. Not for him was the limitation of the vision of socialism to the boundaries of one country.

All these great revolutionaries were extremely vulner-

able. They were, as Jews, rootless, in a sense; but they were so only in some respects, for they had the deepest roots in intellectual tradition and in the noblest aspirations of their times. Yet, whenever religious intolerance or nationalist emotion was on the ascendant, whenever dogmatic narrowmindedness and fanaticism triumphed, they were the first victims. They were excommunicated by Jewish rabbis; they were persecuted by Christian priests; they were hunted down by the gendarmes of absolute rulers and by the soldateska; they were hated by pseudo-democratic philistines; and they were expelled by their own parties. Nearly all of them were exiled from their countries; and the writings of all were burned at the stake at one time or another. Spinoza's name could not be mentioned for over a century after his death—even Leibnitz, who was indebted to Spinoza for so much of his thought, did not dare to mention it. Trotsky is still under anathema in Russia today. The names of Marx, Heine, Freud, and Rosa Luxemburg were forbidden in Germany quite recently. But theirs is the ultimate victory. After a century during which Spinoza's name was covered with oblivion they put up monuments to him and acknowledged him as the greatest fructifier of the human mind. Herder once said about Goethe: "I wish Goethe read some Latin books apart from Spinoza's *Ethics*." Goethe was indeed steeped in Spinoza's thought; and Heine rightly describes him as "Spinoza who has shed the cloak of his geometrical-mathematical formulae and stands before us as a lyrical poet." Heine himself has triumphed over Hitler and Goebbels. The other revolutionaries of this line will also survive and sooner or later triumph over those who have worked hard to efface their memory.

IAM afraid I have said very little about Freud. But it is very obvious why he belongs to the same intellectual line. In his teachings, whatever their merits and demerits, he transcends the limitations of earlier psychological schools. The man whom he analyzes is not a German or an Englishman, a Russian or a Jew—it is the universal man in whom the subconscious and the conscious struggle, the man who is part of nature and part of society, the man whose desires and cravings, scruples and inhibitions, anxieties and predicaments are essentially the same no matter to what race, religion, or nation he belongs. From their viewpoint the Nazis were right when they coupled Freud's name with Marx's and burned the books of both.

All these thinkers and revolutionaries have had certain philosophical principles in common, although their philosophies vary, of course, from century to century and from generation to generation. They are all, from Spinoza to Freud, determinists. They all hold that the universe is ruled by laws inherent in it and governed by *Gesetzmässigkeiten*. They do not see reality as a jumble of accidents or history as an assemblage of caprices and whims of rulers. There is nothing fortuitous, so Freud tells us, in our dreams, follies, or even in our slips of the tongue. The laws of development, Trotsky says, "refract" themselves through accidents; and in saying this he is very close to Spinoza.

They are determinists all because having watched many



Marx



Luxemburg



Freud

societies and studied many "ways of life" at close quarters, they grasp the basic regularities of life. Their manner of thinking is dialectical, because, living on borderlines of nations and religions, they see society in a state of flux. They conceive reality as being dynamic, not static. Those who are shut in within one society, one nation, or one religion, tend to imagine that their way of life and their way of thought have absolute and unchangeable validity and that all that contradicts their standards is somehow "unnatural," inferior, or evil. Those, on the other hand, who live on the borderlines of various civilizations comprehend more clearly the great movement and the great contradictoriness of nature and society.

All these thinkers agree on the relativity of moral standards. None of them believes in absolute good or absolute evil. They all observed communities adhering to different moral standards and different ethical values. What was good to the Roman Catholic Inquisition under which Spinoza's grandparents had lived, was evil to the Jews; and what was good to the rabbis and Jewish elders of Amsterdam was evil to Spinoza himself. Heine and Marx experienced in their youth the tremendous clash between the morality of the French revolution and that of feudal Germany.

Nearly all these thinkers have yet another great philosophical idea in common—the idea that knowledge to be real must be active. This incidentally has a bearing on their views on ethics, for if knowledge is inseparable from action or *Praxis*, which is by its nature relative and self-contradictory, then morality, the knowledge of what is good and what is evil, is also inseparable from *Praxis* and is also relative and self-contradictory. It was Spinoza who said that "to be is to do and to know is to do." It was only one step from this to Marx's saying that "hitherto the philosophers have interpreted the world; henceforth the task is to change it."

Finally, all these men, from Spinoza to Freud, believed in the ultimate solidarity of men; and this was implicit in their attitudes towards Jewry. We are now looking back on these believers in humanity through the bloody fog of our times. We are looking back at them through the smoke of the gas chambers, the smoke which no wind can really disperse from our eyes. These "non-Jewish Jews" were essentially optimists; and their optimism reached heights which it is not easy to ascend in our times. They did not imagine that it would be possible for "civilized" Europe in the twentieth century to sink to a depth of barbarity at which the mere words "solidarity of men" would sound as a perverse mockery to Jewish ears. Alone among them

Heine had the poet's intuitive premonition of this when he warned Europe to beware of the coming onslaught of the old Germanic gods emerging "*aus dem teutschem Urwalde*," and when he complained that the destiny of the modern Jew is tragic beyond expression and comprehension—so tragic that "they laugh at you when you speak of it, and this is the greatest tragedy of all."

WE do not find this premonition in Spinoza or Marx. Freud in his old age reeled mentally under the blow of Nazism. To Trotsky it came as a shock that Stalin used against him the anti-Semitic innuendo. As a young man Trotsky had, in most categorical terms, repudiated the demand for Jewish "cultural autonomy" which the Bund, the Jewish Socialist Party, raised in 1903. He did it in the name of the solidarity of Jew and non-Jew in the socialist camp. Nearly a quarter of a century later, while he was engaged in an unequal struggle with Stalin and went to the party cells in Moscow to expound his views, he was met there with vicious allusions to his Jewishness and even with plain anti-Semitic insults. The allusions and insults came from members of the party which he had, together with Lenin, led in the revolution and civil war. In Trotsky's archives I have found a letter which he wrote about this to Bukharin in 1926. He described the scenes in the Moscow organization and asked: "Is it possible . . ."—and you can feel in the words and in his underscorings the anguish, the astonishment, and the horror of the man—"is it possible that *in our party, in workers' cells, here in Moscow*, people should use anti-Semitic insults with impunity? Is it possible?" With the same astonishment and anguish he asked the same question at a session of the Politbureau, where his colleagues shrugged him off and pooh-poohed the matter. After another quarter of a century, and after Auschwitz and Majdenek and Belzen, Trotsky's question had to be asked anew when once again, this time much more openly and menacingly, Stalin resorted to the anti-Semitic innuendo and insult.

It is an indubitable fact that the Nazi massacre of six million European Jews has not made any deep impression on the nations of Europe. It has not truly shocked their conscience. It has left them almost cold. Was then the optimistic belief in humanity voiced by the great Jewish revolutionaries justified? Can we still share their faith in the future of civilization? I admit that if one were to try and answer these questions from an exclusively Jewish standpoint it would be hard, perhaps impossible, to give a positive answer. As to myself, I cannot approach the issue from an exclusively Jewish standpoint; and my answer is: Yes, their faith was justified. It was justified in so far, at any rate, as the belief in the ultimate solidarity of mankind is itself one of the conditions necessary for the preservation of humanity and for the cleansing of our civilization of the dregs of barbarity that are still present in it and poison it.

Why then has the fate of the European Jews left the nations of Europe, or the gentile world at large, almost cold? Unfortunately, Marx was far more right about the place of the Jews in European society than we could realize some time ago. The major part of the Jewish tragedy has

consisted in this, that in result of a long historic development, the masses of Europe have become accustomed to identify the Jew primarily with trade and jobbing, money lending and money making. Of these the Jew had become the synonym and the symbol to the popular mind. Look up the Oxford English Dictionary and see how it gives the accepted meanings of the term "Jew": firstly, it is a "person of the Hebrew race"; secondly—this is the colloquial use—an "extortionate usurer, driver of hard bargains." "Rich as a Jew" says the proverb. Colloquially the word is also used as a transitive verb: to jew, the Oxford Dictionary tells us, means "to cheat, overreach." This is the vulgar image of the Jew and the vulgar prejudice against him, fixed in many languages, not only in English, and in many works of art, not only in the *Merchant of Venice*.

However, this is not only the vulgar image. Remember what was the occasion on which Macaulay pleaded, and the manner in which he pleaded for political equality of Jew and Gentile and for the Jew's right to sit in the House of Commons. The occasion was the admission to the House of a Rothschild, the first Jew to sit in the House, the Jew elected as a Member for the City of London. And Macaulay's argument was this: If we allow the Jew to manage our financial affairs for us, why should we not allow him to sit among us here, in Parliament, and have a say in the management of all our public affairs? This was the voice of the bourgeois Christian who took a fresh look at Shylock and hailed him as brother.

I SUGGEST that what had enabled the Jews to survive as a separate community, the fact that they had represented the market economy amidst people living in a natural economy—that this fact and its popular memories have also been responsible, at least in part, for the *Schadenfreude* or the indifference with which the populace of Europe has witnessed the holocaust of the Jews. It has been the misfortune of the Jews that, when the nations of Europe turned against capitalism they did so only very superficially, at any rate in the first half of this century. They attacked not the core of capitalism, not its productive relationships, not its organization of property and labor, but its externals and its largely archaic trappings which so often were indeed Jewish.

Had the peoples of Europe remained attached to capitalism they would not have spent their frustration and fury on the Jew, the traditional and, in the main, primitive agent of the money economy. Had they, on the other hand, risen against capitalism seriously, they would have overthrown it and would not have found scapegoats in Jewish shopkeepers and peddlers. It was because the peoples had turned against capitalism only in a half-hearted and half-witted manner that they turned against the Jews. Bebel once said that "anti-Semitism is the socialism of the fools." The masses of Europe have been socialist enough to accept the socialism of the fools but not wise enough to embrace socialism.

This is the crux of the Jewish tragedy. Marx and Rosa Luxemburg imagined that mankind would pass from capitalism to socialism before it had degenerated culturally

through remaining too long under the sway and spell of capitalism. They had imagined that mankind would make its exit from capitalism in good and civilized form. This has not happened. Decaying capitalism has overstayed its day and has morally dragged down mankind: and we, the Jews, have paid for it and may yet have to pay for it.

All this has driven the Jews to see their own State as *the* way out. Most of the great revolutionaries, whose heritage I am discussing, have seen the ultimate solution to the problems of their and our times, not in nation-states but in international society. As Jews they were the natural pioneers of this idea, for who was as well qualified to preach the international society of equals as were Jews free from all Jewish and non-Jewish orthodoxy and nationalism? However, the decay of bourgeois Europe has compelled the Jew to embrace the nation-state. This is the paradoxical consummation of the Jewish tragedy. It is paradoxical, because we live in an age when the nation-state is fast becoming an archaism—not only the nation-state of Israel but the nation-states of Russia, the United States, Great Britain, France, Germany, and others. They are all anachronisms. Do you not see it yet? Do you not see that when atomic energy daily reduces the globe in size, when man starts out on his own interplanetary journey, when a sputnik flies over the territory of a great nation-state in a minute or in seconds, that at such a time technology renders the nation-state as ridiculous and outlived as medieval little princedoms were in the age of the steam engine?

EVEN those young nation-states that have come into being as the result of a necessary and progressive struggle waged by colonial and semi-colonial peoples for emancipation—India, Burma, Ghana, and others—cannot, in my view, preserve their progressive character for long. They form a necessary stage in the history of some peoples; but it is a stage that those peoples too will have to overcome in order to find wider frameworks for their existence. In our epoch any new nation-state, soon after its constitution, begins to be affected by the general decline of this form of political organization; and this is already showing itself in the short experience of India, Ghana, and Israel. The world has compelled the Jew to embrace the nation-state and to make of it his pride and hope just at a time when there is little or no hope left in it. You cannot blame the Jews for this; you must blame the world. But Jews should at least be aware of the paradox and realize that their intense enthusiasm for "national sovereignty" is historically belated. They did not benefit from the advantages of the nation-state in those centuries when it was a medium of mankind's advance and a great revolutionary and unifying factor in history. They have taken possession of it only after it had become a factor of disunity and social disintegration.

I hope, therefore, that, together with other nations, the Jews will ultimately become aware—or regain the awareness—of the inadequacy of the nation-state and that they will find their way back to the moral and political heritage that the genius of the Jews who have gone beyond Jewry has left us—the message of universal human emancipation.

With the growth of American industrial strength in the twentieth century, the large corporations increasingly exerted an influence over foreign policy which became more insistent as their overseas trade and investments grew ever greater.

The Large Corporation and American Foreign Policy 1890-1958

by William Appleman Williams

THE large corporation is generally acknowledged to have wielded an extensive influence in American domestic affairs since 1890. While it has never dominated American society in the literal sense, clearly it has been and is an *imperium in imperio*; for throughout the century it has proposed and disposed in competition and collaboration with the government. Such power and authority also enabled the large corporation—if it so chose—to play an equally important role in the day-by-day and long term relations between the United States and the rest of the world. It did so choose, and directly and indirectly, and at home as well as overseas, it has exercised that potential in foreign affairs. There is considerable evidence to suggest, indeed, that the central features of the large corporation's conception of the world—its definition and explanation of reality—had by 1958 come to delineate crucial aspects of American foreign policy.

The extent to which that correlation exists, and hence the relevance of fundamental questions which it raises, can most effectively be gauged by examining various facets of the relationship between the large corporation and foreign policy. These may be outlined as follows:

1) Though the concept of the large corporation as used herein includes financial as well as industrial institutions, the study is not concerned directly with the long and learned discussion about the precise number of such firms and the decimal percentages of their concentrated power. Those calculations and related investigations make it clear that the large corporation, in its fundamental role as the organizer of a disorganized nineteenth century capitalism, in its supplementary function as architect of a vast network of subcontracting, marketing, and servicing connections, and through its influence and participation in local and

Professor Williams teaches history at the University of Wisconsin. His writings on American foreign relations have attracted wide attention. This article required 65 footnotes for source documentation, and it was impossible to spare the space that would have been required to print them. Readers who wish to check, or pursue their studies relative to, any of the materials in the article may have the desired references by writing to the editors.



national government, has exerted a predominant influence in the American political economy since the crisis of the 1890's.

2) The large corporation exercises several kinds of influence on foreign policy: direct and indirect, and economic and intellectual. In each of those ways, moreover, the large corporation's power can be used either to initiate, delay or veto foreign policy proposals. Some of its most important influence has been of a negative character, as when it postponed, emasculated, or killed other programs.

Viewed collectively as an institution, for example, the large corporation is the dynamic and crucial private element in the American economic system. Its economic decisions and actions affect political and social developments as well as economic affairs. And since it is crucial to the economy *per se*, government investment and spending are also undertaken to an extensive degree through the large corporation. A specific corporation, on the other hand, can and does function as a special economic interest in the conduct of foreign affairs. A good example of such action, which also illustrates the negative side of corporation influence, is offered by the corporations which resisted President Franklin Delano Roosevelt's efforts to send more aid to the Allies prior to Pearl Harbor.

ALL of those economic and other influences appear as facts to intellectuals and politicians attempting to formulate a coherent overview of American society or an appropriate foreign policy. Finally, the leaders of the large corporation function as intellectuals (a category which includes some academics but is not defined thereby) in their work of knowing, systematizing, interpreting, and acting

upon the reality about them. Their conception of the world takes on dramatic importance when they enter the government.

3) The rise of the large corporation in the 1890's confronted the labor movement with the problem of choosing and implementing a basic response to the new structure of American industry. In theory, at any rate, labor had a number of options. It could have deployed its power to destroy the corporation and substitute a system of co-operative enterprises, to socialize the corporation and thereby the system, to break it up and reestablish the world of the individual entrepreneur, to regulate it through the government, or to organize labor itself within the new framework established by the corporation. If all of its efforts are considered, it can be argued that at least some segment of labor tried each of those solutions. But labor's basic approach was to organize labor on the terms specified by the large corporation: first in segments paralleling management's division of labor, and finally according to the system itself.

The decision to organize within the existing corporation reinforced the influence of the corporation on foreign policy. Since it did not demand a share in investment decisions, labor's policy served to extend and consolidate the position and power of the corporation in the American political economy. The *net* result was to help business organize business. That basic situation was not seriously altered even when labor turned to the government as a tool for regulating such a corporate economy. Not only was the corporation equally influential in politics, but labor's objectives did not challenge—let alone threaten—the key role of the corporation in the economy. In all essentials, therefore, as well as in most particulars, labor foreign policy was (and is) corporation foreign policy. As with the corporation, labor sometimes divided within itself, but it never proposed or fought militantly for a fundamentally different foreign policy.

4) In terms of the extent and character of its interest and influence, the foreign affairs role of the large corporation has developed as a process. There have been conflicts over foreign policy between industrial and financial corporations, and even within some of them; and the institution itself exercised less influence in 1890 than it did in 1900, 1926, or 1957.

Because they have an important bearing on the problem of analysis and interpretation, it also seems wise to review key aspects of the relationship between overseas economic expansion and foreign policy. An apt illustration of the existing confusion on this issue is provided by the recent assertion that the United States would have to export and invest, on a *pro rata* basis, as much as Great Britain did at the apex of its empire before such overseas economic expansion could be considered crucial to the American economy. Such an analysis may or may not be useful for purposes of personal or public persuasion, but when examined on its own terms it is neither very relevant nor very helpful to an understanding of the political economy of American foreign policy. To consider only the most obvious aspect, it is extremely difficult to establish a valid basis for comparing the two nations. And if, to make an effort to do so, America's industrial regions are treated as the "mother

country," then much of what is usually considered domestic commerce and investment has to be classed as foreign or colonial enterprise.

EVEN in its more moderate versions, that kind of commentary on overseas economic activity is wide of the mark. There are two broad questions at issue with regard to the statistics of overseas economic expansion, and they cannot be mixed up without confusing the analysis and the interpretation. One concerns the overall importance of such expansion to the national economy. The answer to that depends less upon gross percentages than upon the role in the American economy of the industries which do depend in significant ways (including raw materials as well as markets) on foreign operations. Measured against total national product, for example, the export of American cars and trucks seems a minor matter. But it is not possible at one and the same time to call the automobile business the key industry in the economy and then dismiss the fact that approximately 15 percent of its total sales between 1921 and 1931 were made in foreign markets.

The other major point concerns the role of such foreign enterprises and markets in the making of American foreign policy. That effect can be direct in terms of domestic political and economic pressures, or indirect through the results of overseas American economic activity on the foreign policy of another nation. Even in the early part of the century, from 1897 to 1914, the overseas economic expansion of the United States was more impressive than many people realize. Loans totaled over a billion dollars. Direct investments amounted to \$2,652,300,000 by 1914. While it is true that the nation also owed money abroad during that period, that point is not too important to an understanding of American foreign affairs. For the loans and investments had a bearing on American foreign policy even though balance of payment computations reduce the net figure. Businessmen with interests in Mexico or Manchuria, for example, did not stop trying to influence American policy (or cease affecting Mexican or Asian attitudes) just because their investments or loans or sales were theoretically and arithmetically cancelled out by the debts other Americans incurred in France or Germany.

Another misleading approach emphasizes the point that America's overseas economic expansion amounted to no more than ten or twelve percent of its national production during those years. But ten percent of any economic operation is a significant proportion; without it the enterprise may stagnate or slide into bankruptcy. In that connection, the most recent studies by economists reveal that exports did indeed spark recovery from the depression of the 1890's. In any event, businessmen, other economic groups, and many intellectuals *thought* the ten percent made a crucial difference, and most of them concluded that they could get it only by overseas expansion.

All other considerations aside, that reason would make the figure important if it were only one percent. Or, to make the point even clearer (and historically relevant), it would still be significant if all an entrepreneur did was to pressure the government to support an effort that failed. In that case the economic indicators would be negative but the relevance to foreign policy might be very high.

Such was precisely the case, for example, with the American-China Development Company. It ultimately disappeared from the scene, but before it died it exerted an extensive influence on American policy in Asia.

IN another way, overseas economic operations which seem small on paper may mean the difference between survival and failure to a given firm or industry. Faced by the near monopoly control over key raw materials exercised by the United States Steel Corporation after 1903, Charles Schwab had to go to Chile to get the ore supplies that were necessary to sustain the Bethlehem Steel Company. Schwab's investment was only 35 million, but it played a vital role in his affairs and exercised a significant influence on Chilean-American relations. Or, to reverse the example, economic activity which seems incidental judged by American standards is often fundamental to a weaker economy. That aspect of the problem can be illustrated by the situation in Manchuria between 1897 and 1904, where approximately one-tenth of one percent of America's national product gave the Americans who were involved a major role in the economic life of that region. And that, in turn, led to crucial decisions in American foreign policy.

It is impossible, in short, to judge the bearing of overseas economic expansion upon American diplomacy in terms of gross statistics. The important factors are the relative significance of the activity and the way it is interpreted and acted upon by people and groups who are at best only symbolized by abstract aggregate figures. And by those criteria there is no question about the great relevance to its foreign policy of America's proposed and actual overseas economic expansion since 1890.

Viewed from those various perspectives, it is possible to discern four overlapping eras, or phases, in the developing role of the large corporation in American foreign affairs: I) The Consciousness of Maturity and the Specters of Stagnation and Revolution: 1890-1903. II) The Great Debate over Loans or Exports: 1895-1914. III) The Triumph of the Corporation and the Internationalization of Business: 1912-1940. IV) The Era of Integration with the State: 1933-1958. That framework offers a useful guide for the more detailed examination of the ideas, actions, and influence of the large corporation in connection with American foreign policy since 1890.

I

THE crisis of the 1890's was a major turning point in American history. It closed out the Age of Jacksonian Laissez Faire and unfrocked the individual entrepreneur as the dynamic leader of American economic life. At the same time, it was the cultural coming-out party of a new corporate system based on the large corporation and similar highly organized groups throughout American society. Initiated in the late 1880's by the Standard Oil Company, the massive centralizing and consolidating movement of the 1890's was undertaken to reorganize, rationalize, and supplant the system of individualistic capitalism which had been dying throughout the long-wave depression touched off by the Panic of 1873. In one sense, therefore, the merger mania of the decade was prompted by the drive



to lower production costs. But almost immediately the large corporation leaders and the giant bankers became aware of the disturbing fact that they had more efficiency than they knew what to do with. Implicitly or explicitly, therefore, they became equally concerned with markets for their respective goods and services. At the same time, they were challenged on the political front by other Americans who sought either to restore the old system or reform and regulate the new one.

For many years, the domestic side of the resulting debate over the condition and prospects of the political economy was usually described as a struggle between the Progressives and the Conservatives; and the foreign policy side of the conflict was analyzed by transposing those categories as Anti-Imperialists and Imperialists. Recent investigations have challenged that historiography by suggesting that many of the Progressives were themselves Imperialists. Though helpful in some respects, the revisionist interpretation does not really clarify the basic issues. It is true that the imperialist and anti-imperialist nomenclature has some relevance for a short period of 18 months when the question of what to do with Cuba and the Philippines was hotly debated. But that approach offers very little insight into the period prior to the outbreak of the Spanish-American War, and still less into the resolution of the brief fight over imperialism.

One of the main sources of the confusion is the habit of equating colonialism and imperialism, an approach which tends to hide the fact that a nation can follow a policy of anti-colonialism and still remain the head of a large economic empire. Colonialism is defined by the large scale emigration of *people* from the mother country to the foreign region. Imperialism is characterized by the *economic* expansion of the mother country, and may or may not involve the establishment of a small colony of administrative and military personnel from the empire country in the weaker area. Furthermore, no more than a soapbox full of Americans advocated colonialism in the true and historic meaning of the institution. The debate about Cuba and the Philippines was an argument over whether or not to adopt the pattern of imperialism developed by Britain after the Indian Mutiny of 1857; and if that system were not followed, what kind of an American program of expansion was to be substituted.

Perhaps another consideration is even more important to a fuller understanding of the debate between the Imperialists and the Anti-Imperialists. Only a tiny and in-

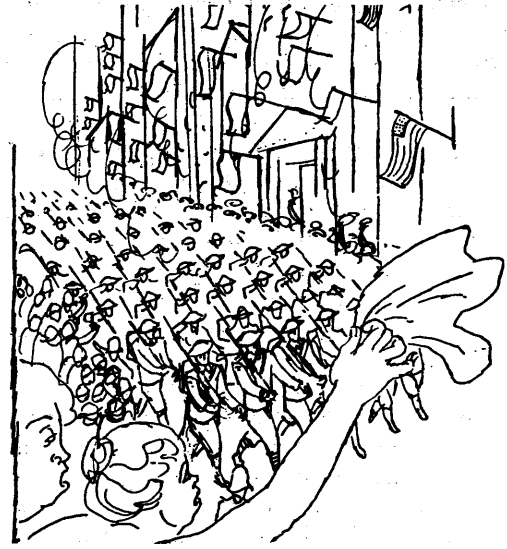
significant handful of Americans were against any and all kinds of expansion. The fact is that such men as Grover Cleveland and William Jennings Bryan, who are usually thought of as Anti-Imperialists, actually advocated the expansion of America's economic system and political influence. Bryan favored the kind of imperial anti-colonialism that the British practiced throughout the nineteenth century in such countries as Argentina, and which English historians have recently characterized by the phrases "informal empire" and "the imperialism of free trade."

IN essence, therefore, Bryan deserves as much credit as Theodore Roosevelt for launching America's empire. Roosevelt at first favored the traditional imperial policy of establishing formal administrative and military colonies within the subject society, but he ultimately adopted Bryan's approach which was based on extending the Monroe Doctrine to cover the foreign country. That policy, which served as the basis of the Open Door Notes, was in turn founded on the assumption that America's economic and moral power would control the development of the weaker region. Direct military intervention might be necessary to establish American authority (in the case of the Philippines, Bryan called it "restoring order"), and to sustain it in an emergency, but preponderant economic power was the key to such imperial anti-colonialism.

For several reasons, the large corporation played a crucial role in resolving the original conflict between the Imperialists and the Anti-Imperialists. First, it was the source of the overweening economic power which made it possible to bypass traditional imperialism. Second, it advocated and took the lead (through such organizations as the National Association of Manufacturers and the American Asiatic Association) in popularizing the idea that foreign markets provided the solution to the domestic economic crisis and the dangers of political and social upheaval. Shared or adopted by every other special economic group in the country, including the Bryan agrarians, the Gompers labor movement, and the small businessmen, that proposal mushroomed into a widely accepted panacea by 1897.

Jerry Simpson, a sometimes radical farmer from Kansas, exemplified agrarian agreement in his anguished cry of 1897: "We are driven from the markets of the world!" Other Populists reacted by voting for a big Navy. Speaking in the same year as president of the NAM, Theodore C. Search provided a candid summary of business thinking: "Many of our manufacturers have outgrown or are outgrowing their home markets and the expansion of our foreign trade is their only promise of relief." Senator Albert J. Beveridge phrased it more majestically: "American factories are making more than the American people can use; American soil is producing more than they can consume. Fate has written our policy for us; the trade of the world must and shall be ours."

Businessman F. L. Stetson voiced the fears of many others of getting hemmed in with his warning that "we are on the eve of a very dark night unless a return of commercial prosperity relieves popular discontent." Others argued that such overseas economic expansion was the only program that would enable them to eke out a profit



under the staggering load of welfare legislation. Charles A. Conant, one of the first corporation intellectuals, provided a comprehensive overview: "New markets and new opportunities for investment must be found if surplus capital is to be profitably employed . . . if the entire fabric of the present economic order is not to be shaken by a social revolution."

THEN, just as that combined analysis and program for action seemed to be verified by the dramatic jump in agricultural and steel exports during the late summer of 1897, it appeared to be threatened by European counteraction throughout the world. The resulting drive among Americans for militant diplomacy in Latin America and Asia had far more to do with the coming of the Spanish-American War than most historians have allowed. It was the crucial factor in the changing attitude of the large corporation leaders who were hesitant about military intervention in Cuba prior to the summer of 1897. Beginning in May 1897, and becoming very rapid and apparent through the winter of 1897-98, key economic spokesmen shifted their position.

That movement was further accelerated by their growing distrust of the Cuban rebels, who appeared increasingly unreliable and generally unsatisfactory as allies, and by the new disposition among Cuban conservatives to accept American overlordship. As a result, a majority of American economic leaders were ready for war by mid-March 1898; some in terms of Cuba as the key to Latin America, perhaps even more with Asia in mind. President William McKinley may have given way to overwhelming pressure for war; but not only was that pressure as much economic as ideological, much of the ideology was counter-revolutionary and characterized by an economic definition of the world.

A third influence exercised by the large corporation on the foreign policy of the 1890's was more indirect. Its attitude, policy proposals, and action served as data for influential intellectuals such as Brooks Adams who were driven by the same fear of economic stagnation and social revolution. The same factors reinforced the implicit and

explicit conclusions that were drawn from the theory advanced by Frederick Jackson Turner, who explained America's past greatness as the result of such expansion. His frontier thesis stated that prosperity and democracy depended upon expansion; and Turner added a bit later that he was sure Americans would continue the process. Still others, such as the more conservative followers of Herbert Spencer led by William Graham Sumner, advanced theories that defined such expansion as a natural right (and a natural law) under the principles of *laissez faire*.

Those demands of the corporation community and other economic groups were synthesized with the theories of the intellectuals and the ideas of Roosevelt and Bryan by Secretary of State John Hay in his famous Open Door Notes of 1899 and 1900. Hay's policy was designed to secure equal opportunity for American economic power in such areas as China, and to prevent other advanced nations from carving up such regions into new colonies and spheres of influence. It is currently fashionable to dismiss the Open Door Notes as a naive failure, but that approach is seriously misleading in two vital respects.

First, the Open Door Notes ended the debate between the Imperialists and the Anti-Imperialists by subsuming the great majority of both groups in enthusiastic support for the idea that America's preponderant economic power would cast the world in a pro-American mold. A small group of Anti-Imperialists carried on their battle against a foreign policy of expansion for several years, but the issue itself was resolved by the Open Door Notes. The editors of the London *Times* immediately caught that significance of the notes: "Even protectionist organs are for free trade in China, where freedom is for the benefit of American manufacturers. Even anti-Imperialists welcome an Imperial policy which contemplates no conquests but those of commerce." Seven lean years before, in the first shock of the Panic of 1893, the editors of *Harper's* had advocated the same policy in even blunter terms. "The United States will hold the key, unlocking the gates to the commerce of the world, and closing them to war. If we have fighting to do, it will be fighting to keep the peace."

The second important point about the Open Door Policy is that it became the strategy and tactics of America's expansion and security for the next two generations. If it be judged a failure, the verdict has to be cast in the subtle form of the failure of success. For the mid-century crisis of American diplomacy is in large measure defined by the fact that the Open Door Policy built an empire which is confronted by the specter of general and specific revolt. It may be useful, therefore, to trace the role of the large corporation in the implementation of the Open Door Policy.

II

THE large industrial corporation was the most important economic institution in foreign affairs until Theodore Roosevelt failed (during the Russo-Japanese War) in his effort to open the door to all of Asia in one grand gesture by manipulating Japan and Russia into exhaustion. It received most of the legislative attention, as in such matters

as reform of the consular service and reciprocity treaties, and also was favored by the executive, as in Manchuria and Latin America. Roosevelt's classic blunder hurt the industrial corporation most in Asia, but it was challenged there and elsewhere by the large bankers for the next decade.

As with the standard interpretation of the debate between the Imperialists and the Anti-Imperialists, there is some—and probably more—value in the broadly accepted idea that the years after 1895 were characterized by the phenomenon of finance capitalism. Even so, the facts are by no means as clear as suggested by the stereotype. Rather does the evidence point toward a relatively short, vigorous struggle in which the bankers won and then lost the initiative in foreign affairs, though their subsequent actions affected American policy in many ways.

Basically, of course, the financiers were dependent upon the industrial corporation. The industrialists produced the goods which made the profits; and even the life insurance companies, which supplied the bankers with vast funds in the earlier period, collected their premiums from people with jobs. By 1923, at the very latest, the industrial corporation had asserted its economic primacy. Secondly, while the Open Door Policy could have been implemented by working through Japan or Russia, as well as in China directly, its object was to structure and control the development of weaker economies. Fundamentally, therefore, if not immediately, the policy defined the bankers as a tool to help the industrial corporation.

For their part, the bankers naturally stressed operations which would provide them with a steady return on investment. Ideally, and for that reason, they favored direct ties with foreign governments in preference to subordinate collaboration with industrial corporations. Until the Great Depression, therefore, they seldom cooperated directly in the program of overseas industrial expansion. But the crash forced them to accept such an approach, and after the mid-thirties they worked ever more closely with the industrialists, and with the government which pushed an industrial policy.

FOR those reasons, the struggle between the bankers and the industrialists was a complex and continuing process. In Latin America, Canada, Europe, and most underdeveloped regions, the industrial corporation established and maintained an early predominance: In those areas the bankers succeeded only as they functioned as a means to an industrial end. But the situation in Asia was not that clear. Until his death in September 1909, Edward A. Harriman led the industrialists and outmaneuvered the bankers dominated by the House of Morgan. But none of Harriman's immediate successors (save perhaps John Hays Hammond) were willing to sustain the policy of working through the Russians. Hence the only option was to fall back on the less satisfactory alternative of working through the already entrenched Japanese while at the same time trying to extend America's position in China itself. Even if ultimately successful, that was a slow process because influence had first to be established in Japan. But that approach did give the House of Morgan, which stressed its connections in Tokyo, a kind of *de facto* control of the

Open Door Policy in Asia unless and until the industrial corporations or the government committed themselves to a major effort in China proper.

President Woodrow Wilson did get the bankers to finance his chosen White Russians in the battle to overthrow the Bolshevik Revolution and simultaneously open the door into Siberia and Manchuria, but the House of Morgan remained adamant about a clear rupture with the Japanese. Herbert Hoover and Charles Evans Hughes also failed in their later efforts to break the veto wielded by the bankers. For one thing, the industrial corporation was heavily involved at home and elsewhere in the world during the 1920's, and could not undertake a large program in China. For another, China was in the throes of a revolution influenced by the Soviet Union, and that upheaval could be controlled only with the help of Japan. Probably most important of all, however, was the ideological dilemma faced by Hoover and Hughes. For while they wanted to exercise control over the operations of the bankers, and in that way push the Open Door Policy more vigorously in Asia and elsewhere, they did not want to set a precedent of the government defining and limiting property rights to that extensive degree. Expansion itself, after all, was designed primarily to sustain and rationalize the existing system. Forced to choose, they reluctantly acquiesced in Thomas Lamont's financial ties with Tokyo.

Thus there would appear to be four long-term characteristics of the struggle between the industrial and the financial corporation. First, the industrial corporation soon established its leadership in every area except Asia. In those regions the bankers succeeded only as they accepted their subordinate position. Second, the bankers made one major effort, in Latin America, to use foreign loans to strengthen themselves against the industrialists at home. That maneuver not only failed; it no doubt accelerated the bankers' domestic decline. Third, the House of Morgan's pro-Japanese policy became the *de facto* policy of the government in Asia for the next two decades, and was seriously considered as late as 1941. Fourth, the industrial corporation and the government ultimately took over financing the expansion of the Open Door system, and in that fashion settled the conflict in favor of the industrial corporation.

III

EXCEPT in Asia, however, the industrial corporation was the key element in the political economy of American foreign policy after 1895—and even there the Open Door Policy was ultimately interpreted from their point of view. A preview of that final emphasis on China proper came in 1913, when Wilson refused to support the bankers in a multi-national consortium loan to the Chinese Government. Usually interpreted as a noble retreat from dollar diplomacy, the move was in fact nothing of the sort. The Wilson Administration opposed the loan for two reasons. First, and in the words of Secretary of State Bryan, because the United States would “not have a controlling voice” in it. Second, Wilson thought exports more important than loans to American prosperity and democracy.

Even more revealing, perhaps, was the relationship between the Wilson Administration and the National Council

of Foreign Trade. Secretary of State Bryan and Secretary of Commerce William Redfield were the major speakers during the first day of the Council's national convention convened on May 27, 1914. That date is significant, for it specifies the policy of the Wilson Administration at a time when it was clear that America was suffering a serious economic downturn, yet at an hour prior to the outbreak of World War I. Secretary Redfield, who had been president of the American Manufacturers Export Association and a vigorous advocate of overseas expansion before Wilson called him to the crusade for the New Freedom, led off with a broad outline of government policy. He assured the corporation leaders that “because we are strong, we are going out, you and I, into the markets of the world to get our share.” Secretary of State Bryan spoke next. First he reminded the audience that President Wilson had already made it clear that it was official policy to “open the doors of all the weaker countries to an invasion of American capital and enterprise.” Having made that point, Bryan concluded by telling the corporation leaders that “my Department is your department.”

On the next day the convention left its downtown quarters for a special meeting in the East Room of the White House. President Wilson, who interpreted the frontier thesis and the crises of the 1890's and 1913-14 as proof of the necessity of overseas economic expansion, had seen fit to take time from his more official duties to address the delegates. His purpose was to assure them that he gave full and active support to a mutual campaign to effect “the righteous conquest of foreign markets.” Perhaps it was because some in his audience seemed startled by that candid statement of policy, but in any event Wilson went on to emphasize the point by remarking that such an objective was “one of the things we hold nearest to our heart.” Though the war intervened to delay the program, the Wilson Administration carried through on such rhetoric with the Webb-Pomerene Law and the Edge Act, both designed to facilitate corporate expansion overseas, and with vigorous diplomacy to check opposition in Latin America and Asia.

THAT quiet gathering in the White House symbolized a vital integration of corporation and government thinking on the nature and role of overseas economic expansion. Accelerated and extended by the war itself (which also freed the industrial corporation from the last vestiges of banker control), that consensus asserted the thesis that such expansion was necessary for American prosperity. As was the case in the 1890's, the question of whether or not American leaders were driven by personal economic motives is rather beside the point. Clearly enough, the businessmen *qua* businessmen were, and it is less than helpful to gingerbread the obvious as the complex. As for the corporation leaders who went into the government, the intellectuals, or the more narrowly defined political leaders, they also entertained and acted upon an economic definition of reality. Overseas economic expansion was for them *the* solution for America's problems—be they social, political, or economic.

Of vital importance, therefore, was the concept of trade that had matured since the turn of the century. Far from

being defined in the classical sense as the exchange of commodities and services between independent producers meeting in an open market, trade had come to be characterized as the control of markets for American exports and similar authority over raw materials for the production of those exports. In terms of personalities, the consensus was dramatically illustrated by the close and extensive collaboration between Wilson and Herbert Hoover, a corporation leader turned public servant during the war. In Hoover's words, he and Wilson "were always able to find a path ahead upon which to travel successfully together." They agreed upon the crucial importance of economic expansion through the policy of the Open Door, and also shared a preference for securing American objectives through the manipulation of food supplies and by other economic means.

Throughout the 1920's, moreover, American foreign policy was dominated by two corporation men: Hoover and Charles Evans Hughes. Hoover's approach was indicated by his transformation of the Department of Commerce from an organization concerned primarily with domestic affairs into an agency oriented toward overseas expansion; and by his curiously neglected thesis that "the hope of our commerce lies in the establishment of American firms abroad, distributing American goods under American direction; in the building of direct American financing and, above all, in the installation of American technology in Russian industries."

In his efforts to implement the crucial phase of that policy, Hoover tried to shinny on both sides of the street. He refused to let the bankers accept Russian gold but encouraged the large industrialists to take charge of Russia's industrial development. The tactics appear to have been less than successful. For one thing, the Russians were quite aware of Hoover's counter-revolutionary objective and interpreted it as verification of Marx's prophecy. For another, the Great Depression made many key industrialists (such as machine tool manufacturers) dependent upon the Russian market and prompted them to pressure Hoover to begin the recognition of the Soviet Union. Finally, and most ironic of all, American economic assistance did a great deal to strengthen the very government that Hoover wished to undermine. Neither Hoover nor his successors thought seriously of taking advantage of the pro-American orientation of one segment of Soviet leadership in order to develop and extend that early collaboration.

Hughes revealed his outlook in several ways. He extended the Open Door Policy to all European colonies and Eastern Europe (where such industrialists as W. Averell Harriman became very active). He developed the technique of selecting one large corporation within each industry (as with the Standard Oil Company) as the chosen instrument of such expansion. He initiated, with the vigorous promptings and assistance of the businessmen, a revision of the practice of military intervention in Latin America. Economic leaders favored a more moderate policy because, having established themselves in the region, they found that intervention often cost them more in ill will than it gained them in other ways. Hoover carried on that work which culminated in the Good Neighbor Policy of Franklin Delano Roosevelt and Cordell Hull.

And finally, Hoover and Hughes made it clear to the bankers that the government viewed loans principally as a device to penetrate and control markets for industrial exports and to secure control of key raw materials, and secondarily to establish American political authority in Europe.

CHOOSING in the arrogance of their decline to flout that warning, Morgan and other bankers tried to restore their earlier power by financing Latin American nations and Japan's penetration of Northeast Asia. The strategy failed in Latin America. The bankers' desperately effective efforts to seduce unfaithful borrowers served only to accelerate and deepen their own domestic crisis after 1926. The results were not so clear cut in Asia. Supported by some industrialists who found Japan a profitable market, and by various traders, the bankers kept alive the old alternative of putting the Open Door Policy into operation by working through and with the Japanese. Though seriously proposed as late as the summer of 1941 by such intellectuals as Harry Dexter White, as well as by Thomas Lamont and John Foster Dulles, that option of the Open Door was ultimately discarded in favor of direct involvement over China.

In the meantime, however, the majority of large corporations extended their overseas operations in Latin America, Europe, the Middle East, and Southeast Asia. First advocated in an organized and sustained fashion by the NAM in 1895, the principle of reciprocal trade treaties as a technique of building and integrating an American world system was finally adopted and legislated into operation by the Roosevelt Administration in 1934. That historic link between the decade of the 1890's and the New Deal was reinforced in several other ways. The principle of the unconditional most-favored-nation clause was a crucial part of the trade agreements program, for example, and New Deal leaders were quite aware that the unconditional most-favored-nation provision was the very crux of the Open Door Policy. It was simply a more austere and legal formulation of John Hay's phrase, "equality of commercial opportunity." And in planning and negotiating such trade treaties, New Deal policy-makers consciously sought to build an integrated American system of export markets and raw material supplies.

In another way, the drift toward formal Keynesian economics which characterized the New Deal served to reinforce the traditional American conception of an Open Door Empire. A Keynesian system need not literally be confined to one nation, but when it is extended it has to be done as a system—in this case an American system. For by its very reliance upon various controls to stabilize the business cycle, the Keynesian approach cannot by definition even be attempted beyond the limits of such central authority. The climax of that aspect of American policy came in the sharp struggle between Lord Keynes and Harry Dexter White, both of whom understood the principle at stake and sought therefore to define the postwar international monetary organization in terms of their respective Keynesian systems.

Though largely overlooked by historians as well as by supporters of the New Deal itself, the liason between the

Roosevelt Administration and the large industrial corporation led to an extensive and intensive expansion of the American foreign economic system by 1939. It was broadly committed in Latin America, Europe, and the Middle East; and had defined its rubber and tin supplies (and others as well) almost exclusively in terms of the resources of Southeast Asia. Beginning in 1935, moreover, there was a revival of interest in China as the market of the future. Save for a small group led by Lamont and Dulles, and the corporations trading with Japan, the large corporation had by 1939 identified itself with an industrial outlook oriented more and more toward England and France, toward the dependencies still controlled by those nations, and toward other underdeveloped areas penetrated or threatened by the Axis powers.

IV

THE final integration of governmental, industrial, and financial thinking developed in the course of a serious and heated debate about what to do in response to the expansion of the Axis powers. Most corporation leaders entered the 1930's fearing another war as the midwife of international and domestic revolution. Bernard Baruch, for example, thought a war could make the world safe for democracy as he defined it, but he was impressed by the dangers of trying that approach a second time. Others thought a general war would "destroy our western civilization," either directly or by forcing totalitarianism upon even the United States. For those reasons, as well as because of their initial attraction toward some features of the counter-revolutionary movements in Italy and Germany, many corporation leaders thought it wise to work out a compromise with those nations. The approach was balanced, however, by the feeling that recovery from the depression would enable America to set the terms of such arrangements and in other ways take the lead in world affairs and keeping the peace. That attitude, so similar to President Woodrow Wilson's initial response to World War I, seems also to have been shared at the outset of the 1930's by President Franklin Roosevelt.

Until about 1935, therefore, there was no serious disagreement over foreign policy between Roosevelt and the leadership of the large corporation. Even afterwards, their differences did not flare up dramatically. Most corporations, for example, went along with the principle and practice of the moral embargo that Roosevelt began to use against the Axis. By 1937, however, the corporation community had split into two camps on the issue of foreign policy. That division can be understood most clearly as the result of three factors: First, the continued economic expansion of the Axis in Central and Eastern Europe, Latin America, and other underdeveloped areas led some corporation leaders to conclude that America's Open Door Empire was directly threatened. Second, some of them had realized that the New Deal was not a devilishly clever strategy of revolution, an awareness no doubt facilitated by Roosevelt's growing propensity to take them into his administration. Hence domestic considerations did not prompt them to resist the President's movement toward more active opposition to the Axis. Third, and as a direct consequence of the others, such corporation leaders came

to identify democracy as well as economic welfare with the continued existence and expansion of the American system throughout the world.

Other corporation leaders opposed that estimate of the situation. Though to a lesser extent than earlier in the decade, they still thought that a compromise with Germany and Japan would help rather than hurt America's economic and political position in the world. Perhaps most important was their fear that victory in a war against the Axis would be purchased at the price of socialism at home. "It is fairly certain," concluded an important spokesman of the group, "that capitalism cannot survive American participation in this war." Others extended the analysis, seeing American involvement as leading to "the end of capitalism all over the world" and the consequent "spread of communism, socialism, or fascism in Europe and even in the United States." Tormented by that nightmare, such corporation leaders argued that America could and should avoid war by building and integrating an impregnable empire in the Western Hemisphere, or that it could and should assert America's ultimate supremacy by waiting for the belligerents to exhaust themselves. Senator Harry S. Truman and other political leaders shared the latter view. "The role of this great Republic," explained Truman in October 1939, "is to save civilization; we must keep out of war."

ULTIMATELY, of course, most of these so-called isolationists concluded that such a policy would lead to socialism at home before it produced American predominance in the world. As they did so, particularly after the Fall of France, they moved toward an acceptance of American belligerence in the war. In a curious way, the importance of that corporation opposition to an active anti-Axis policy is illuminated by reference to the public opinion polls which have been used by many scholars to justify Roosevelt's behind-the-scenes moves toward military involvement in the war. Such commentators suggest that Roosevelt actually lagged behind the public in acting on a pro-Allied policy. But if the polls are correct, then Roosevelt's hesitation has to be explained either as a misjudgment on his part of the climate of opinion or as the result of his own reluctance to go to war on two fronts.

If the first option is taken, and Roosevelt the master politician judged guilty of a grievous mis-estimate of public opinion, it would appear that the militant and vocal opposition manifested by the anti-war corporation leadership goes a long way to account for the President's mistake. For by 1939 and 1940 Roosevelt was courting the corporation community more than at any time in the previous five years. If, on the other hand, the fear of a two-front war is emphasized as an explanation for Roosevelt's actions, then the historical and immediate influence of the large corporation appears quite apparent. Approached from the 1890's, the issue became one of waiting to see whether or not the Japanese would move to seal off all of China.

In that context, the question faced by American policymakers was whether or not to follow the bankers in making a deal with Japan—either in Asia or as a broad strategic move against Germany. In either case the role of the large corporation was very significant. For in failing to take the

bankers' option, Roosevelt was left with the original emphasis placed on China by the industrial corporation and those intellectuals who interpreted prosperity and democracy in terms of such overseas expansion of the American economic system.

Perhaps it is wise, in concluding such an analysis, to emphasize the point that there are two questions involved in any discussion of American entry into World War II. The first is whether or not it was necessary for American survival. The second concerns how and why the nation entered it; in what fashion and on what grounds it was determined to be necessary, and the means employed to implement that decision. It may be the greater part of wisdom to conclude that the war was necessary for the survival of American society, but also to conclude that the conception of the world which accounted for the way it was entered was not a definition which strengthened American prosperity and democracy.

Whatever conclusion is preferred on that issue, it seems clear that the large corporation sustained and extended its influence in American foreign affairs after Pearl Harbor. For by mid-1943, when the issue of postwar foreign policy came to the fore and was thrashed out in Congressional hearings and departmental discussions, it was apparent that the Roosevelt Administration was dominated by men whose personal experience and intellectual outlook was conditioned by their careers as leaders or agents or students of the large corporation. Dean Acheson, Averell Harriman, Donald Nelson, Edward Stettinius, Adolph A. Berle, Jr., John Foster Dulles, Eric Johnston, William C. Foster, and James Forrestal are but the most obvious names from the top layer of American leadership in foreign affairs. Those men, and perhaps even Roosevelt himself, had concluded by 1944 that the policy of the Open Door offered the only way to insure American prosperity and democracy.

THOUGH divided over whether or not to modify America's long term antagonism toward the Soviet Union and work out a postwar program in conjunction with Russian rulers, American leaders did agree that continued overseas economic expansion was absolutely essential. A few of those men, apparently led by Eric Johnston and Donald Nelson, saw Russia as an enormous market as well as a source of key raw materials. They argued that firm ties with Russia would end the threat of a domestic depression and also pave the way for international peace. From the spring of 1943 through 1944, Russian leaders responded favorably to that approach; first in direct talks with Johnston, then at the Teheran Conference, and finally by submitting a request for a large postwar loan from the



United States. Though clearly derived from the axiom that vast overseas economic expansion was necessary to sustain the prosperity of the American system, and not from any romantic or seditious attachment to the Soviets or their revolution, the Johnston-Nelson program was blocked by a majority of American leaders. Some opponents stressed the importance of keeping the Russians weak, but most of them seem to have been more specifically concerned with the problems of building what Assistant Secretary of State Acheson called "a successfully functioning political and economic system."

By 1944, indeed, so many American leaders were preoccupied with the specter of another major depression (or sliding back into the old one) that it is quite surprising to realize how little attention has been given to that fact in most accounts of recent American foreign policy. As early as January 1940, for that matter, representative leaders of America's large corporations began to define the crucial problem of the future in those terms. Their discussion of American policy in the context of World War II hinged on the question of how "to organize the economic resources of the world so as to make possible a return to the system of free enterprise in every country, and provide adequate economic opportunities to the so-called 'have not' powers." Having had the problem defined for them in those terms, the editors of *Fortune* devoted the next issue to the questions of "The Dispossessed" at home and a redefinition of "The U. S. Frontier."

From the candid admission that the American system was in serious trouble—"For nearly one-fourth of the population there is no economic system—and from the rest there is no answer"—the editors of *Fortune* drew three major conclusions. First, they acknowledged that "the U.S. economy has never proved that it can operate without the periodic injection of new and real wealth. The whole frontier saga, indeed, centered around this economic imperative." Second, and in consequence of that fact, the editors defined two new frontiers. A new emphasis on enlarged consumer sales at home would have to be paralleled by a tremendous expansion of "foreign trade and foreign investment." Secretary of State Hull's trade agreements program was "a step in the right direction"; but to "open up real frontiers, under a general policy of raising the standard of living of other countries, we shall have to go much further."

IN outlining its conception of such a program, *Fortune* argued that "the analogy between the domestic frontier in 1787, when the Constitution was formed, and the present international frontier is perhaps not an idle one. The early expansion of the U.S. was based upon firm political principles; and it may be that further expansion must be based upon equally firm—and equally revolutionary—international principles." *Fortune's* third point emphasized the need for the corporate community to admit its earlier error of opposing the New Deal and go on to more extensive and vigorous leadership inside and outside of the government. Stressing the fact that the New Deal still faced nine million unemployed, the editors concluded that business leadership was essential if the American system was to sustain itself after the war.



Though they did not all agree with the latter specification in that remedy offered by *Fortune* in 1940, by 1943 a broad cross section of American leaders did accept the fact of crisis and did agree that the basic remedy was further overseas economic expansion. Senator Joseph C. O'Mahoney, for example, was highly disturbed by the question of what was to replace the Government as the chief consumer of American production after the war. "If that doesn't happen, it is impossible to see how a depression can be avoided much worse than any depression which the country has ever known."

Harold G. Moulton of The Brookings Institution supported that broad analysis; as did the Department of Labor specialist who pointed out that "the thing we have liked to refer to as the American standard of living is only possible in situations where two people in the family are working." Economist Robert Nathan and Senator Warren Austin also agreed: Avoiding a depression posed "quite a challenge" that could be met only by "assuring markets for the goods and services" produced by America's corporate economy. And William Green, testifying to labor's point of view, concluded that "we will have to, and ought to, find an increased market for much of our surplus production and that will be, I think, one of the problems that ought to be dealt with at the peace conference. I think that we ought to facilitate the sale and shipment of goods between nations to the end that they ought to be able to purchase here and we ought to be able to produce here what they need."

By September 1944, the government had developed a broad synthesis of those various interpretations and proposals. Assistant Secretary of State Acheson presented the analysis during the Congressional hearings on postwar economic policy and planning procedures. His point of departure was the threat of depression and the consequent necessity to sustain full employment. "If we do not do that," he warned, "it seems clear that we are in for a very bad time, so far as the economic and social position of the country is concerned. We cannot go through another 10 years like the 10 years at the end of the twenties and the beginning of the thirties, without having the most far-reaching consequences upon our economic and social system." "When we look at that problem," he continued, "we may say it is a problem of markets. . . . The important thing is markets. We have got to see that what the country produces is used and sold under financial arrangements which make its production possible. . . . You must look to foreign markets."

IN an aside very reminiscent of a similar comment made by Brooks Adams at the turn of the century, Acheson

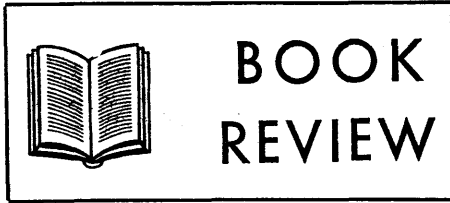
admitted that "you could probably fix it so that everything produced here would be consumed here." But he asserted that such an approach would mean the end of democracy: "That would completely change our Constitution, our relations to property, human liberty, our very conceptions of law. And nobody contemplates that. Therefore, you find you must look to other markets and those markets are abroad." "We cannot have full employment and prosperity in the United States," he summarized, "without the foreign markets." As for the role of economic agreements in the peace settlement, Acheson shared the earlier conclusions of America's corporation leaders. They were vital to such a system because otherwise "it would really mean that we would be relying exclusively on the use of force. I don't believe that would work."

There were almost no references made in those discussions between 1940 and 1944 to the idea of helping poorer nations, or to the relevance of moral standards for foreign policy. The emphasis was on economic expansion and checking the Russians. Acheson had provided, in September 1944, an outline and overview of America's bipartisan foreign policy to come under Presidents Harry S. Truman and Dwight D. Eisenhower. While it is true that the program was later presented in a form that emphasized the threat from the Soviet Union more than any other factor, the fact remains that it was conceived in response to quite different dangers. It was originated and sustained as a program to prevent the stagnation of America's corporate economic and political system by industrializing the frontier thesis first advanced by Brooks Adams and Frederick Jackson Turner in 1893.

America's democracy and prosperity were defined as dependent variables of its overseas economic expansion. As John Hay and Woodrow Wilson had done before them, American leaders at mid-century defined trade as the control of markets and raw materials. Under those circumstances, so ran the argument, peace and prosperity were assured. Such a foreign policy may be judged democratic. It may, despite the increasing evidence to the contrary, even be considered successful. But whatever the verdict on those aspects of the problem, it would seem reasonably clear that it was and is a foreign policy formulated directly and indirectly as a consequence of the predominance of the large corporation in the political economy of the United States.

This review of the role of the large corporation in American foreign affairs raises a fundamental issue for all Americans. Rigorously defined, it is not a historical question at all. But it is the great virtue of history that it can force such questions upon us. Simply put, it is this: Is it true, as America's corporate leadership has asserted for more than a half-century, that prosperity and democracy are dependent upon the kind of Open Door expansion practiced since 1890? Or is it just possible that democracy and prosperity can be sustained and enriched by developing what Alvin Hansen has called "frontiers in our own back yard," and by dealing with other societies as truly independent equals—by paying an equitable political and economic price for all the help that America needs?

Might it not be a happy irony if America's future greatness were to be found in disproving the frontier thesis?



What the Negro Wants

THE WALL BETWEEN by Anne Braden.
Monthly Review Press, New York, 1958,
\$5.

THE life of the Bradens has been so inextricably associated with their dramatic gesture of selling a new house in a lily-white neighborhood of Louisville to a Negro that one expects Anne Braden's book to be largely an account of that incident. But it's not. The house, the bombing, the trial and conviction for sedition are all fully portrayed. Yet these events form simply the nexus for a far more significant story of a Southern white girl's moral and political growth. She recalls:

... I could not have been more than four or five years old when one day I happened to say something to my mother about a "colored lady."

"You never call colored people ladies, Anne Gambrell," I can hear her voice now. "You say colored woman and white lady—never a colored lady."

This was the teaching not of embittered, poor whites but of a cultured patrician family, some of whose members had been in the ruling class of Kentucky. Nevertheless, even as a tot Anne never seems to have fully accepted these precepts. In large part this was due to the counterpull of religious instruction. Anne was particularly impressed by those parts of the Bible which teach the essential dignity of the individual, however humble his origins or condition.

Very few autobiographies of a Southern upbringing could ring authentically unless the influence of the region's preoccupation with religion were delineated. It hardly needs to be told, though, in the days of Emmett Till and in the towns of Dawson and Americus, Georgia, or in Water Valley, Mississippi, that religion may have diverse manifestations. Anne tells of a leader in the church with whom she was arguing about the advisability of a Federal anti-lynching law.

I was arguing in favor of such a law. My elder friend was infuriated that I, a Southern girl, supposedly "well bred," would express such treason. Suddenly in the heat of the argument, he said:

"We have to have a good lynching every once in a while to keep the nigger in his place."

After early disputes such as these Anne Gambrell was drawn to Carl Braden, the son of a militant Southern Socialist who idolized Eugene V. Debs. Carl had not had

to overcome any doubts about the essential humanity of man without regard to pigmentation. He understood the reasons for the prevailing attitude in his community about Negroes. Such obtuseness presented a challenge. And Carl Braden lives for the social struggle. Few couples have been more fortunately mated.

IT is hardly surprising, then, that Andrew Wade approached the Bradens to aid him in obtaining a little home of the popular ranch-house design. Negroes, both North and South, East and West, have been barred, by one tricky device or another, from buying new homes in the great American land of opportunity. Only second-hand homes are put on the market for them. Almost every big city has a slowly decaying section of old mansions which are now being sold to the new Negro middle class. But the new suburbs, almost everywhere, are preserved as islands of all-white solidarity.

The Bradens did not hesitate. Carl contacted a builder named Rone, who was building a small new development in the outskirts of Louisville, to be called Rone Court. He told him he wanted to buy a house. Rone showed him one which fitted Andrew's specifications. Carl arranged to buy it with a small cash payment and by assuming a big mortgage. He then transferred the title to the Wades.

The liberal *Courier Journal* expressed the disapproval of many "liberals," both white and black, at this transaction. It was felt that Carl should have made it clear to Rone that he was buying the house for a Negro. No condemnation has ever been heard from these liberals of the innumerable restrictive covenants, "understandings," and other gimmicks which prevent Negroes from buying on the same open basis as whites. It is hard to escape the feeling that the indignation of the liberals derived more from distress at having to take a stand on housing segregation in the concrete than from any fluttering concern with moral scruples.

New York and some other states have adopted legislation designed to insure that Negroes are able to buy homes on the same terms as whites but one of the members of its Commission Against Discrimination admitted only recently that the only way a Negro could ever get into the 2,000 home Shanks Village development, financed largely with Federal funds, would be by having a home bought for him by a white person and, then, having that home transferred to the Negro. The managers of the development have devised a clever mortgage approval system which has so far prevented all Negroes from obtaining homes in this project. In only minor particulars does this system differ from that of the South End Federal Savings & Loan Association, the mortgagee in the Braden case, which used a mortgage clause as an effective restrictive covenant.

AS fascinating as the story of a Southern white girl's development, are the glimpses this book affords of the psychology

of members of the new Negro middle class. Charlotte Wade, who firmly refuses to remove one brick from the wall between herself and all whites, wins Anne's respect. But Anne is bewildered by Andrew, a professed radical, who admits to the District Attorney that Carl Braden may have been playing him for a sucker.

That answer of Andrew was compounded of many fears. First, Andrew did not want to be identified with Communists. The Scottsboro case and many other doleful experiences have made the Negro shy away from the Communist Party. Second, Carl is a white man, and it is terribly hard for a Negro to believe that any white man can act completely disinterestedly on behalf of a Negro. Third, Andrew wanted a ranch house to vindicate a respectable middle class status in traditional society. He was not out to change the world. Carl was. Finally, Andrew wanted to be able to continue to make a living as an electrical contractor in Louisville.

But it is becoming less and less possible for a Negro to earn a living in the South if he defies the segregated pattern. So we are witnessing a growing alienation of the races in every area there and a parallel development in the North. Harry Golden of *The Carolina Israelite* has given this tendency its only theoretical expression so far. He sees it as a desire on the part of the Negro to develop his own culture in American society. His failure to see its obvious limitations can only be ascribed to a subconscious identification he is making with the story of the Jews. Many sociologists like E. Franklin Frazier, however, have long ago conclusively demonstrated that the Negro can never hope to build on a segregated existence in America, if only because he is effectively barred from the levers of economic power.

Nevertheless, this growing alienation represents a growing maturity on the part of the Negro. Many of us thought the Montgomery Bus Boycott was a great expression of the Gandhian technique of non-violent direct action. It was that and more. The Negro said then and is saying today in Tuskegee and other places: "You deny us recognition as human beings. All right, we will accept the loss of jobs and favors. We will suffer in trying to make our own way. But we will be men."

IN such a resolution he joins his brothers in Ghana, in Kenya, in Tanganyika, in the South African National Congress and in the hunger strike in Southern Rhodesia. He smashes the rule of Tammany Hall in Harlem. He elects Negroes to office where formerly he supported his white friends.

After an interlude in thus finding himself, the Negro in America will once again join hands with those great unsung heroes of our time—the Southern whites who have made the total commitment—in the building of a true, multiracial democracy.

The story of the Bradens, fortunately, has yet to be finished. Carl Braden has been cited for contempt of Congress because he dared tell the Un-American Ac-

tivities Committee in Atlanta that it was out to get those who wished enforcement of the law against segregation, on behalf of the White Citizens Councils. In the fading glory of the American experiment we may still take pride in his defiance.

CONRAD LYNN

The First Brink

THE BERLIN BLOCKADE by W. Phillips Davison. Princeton University Press, Princeton, New Jersey, 1958, \$7.50.

THE arrangements for joint occupation of a number of countries after World War II might have been brought to some

kind of conclusion had the occupying powers been harmonious in their postwar purposes. Given the antagonism of big-power aims, and adding the explosive tension between the capitalist and Soviet forms of social and economic organization, a bitter contest was in the cards.

Germany had been divided into four zones of occupation which quickly became two, as the Americans, British, and French merged their sectors into a large western area confronting the east zone occupied by the Russians. Berlin lay far within the east zone. But in the theory that the partition of Germany was a passing occupation measure, soon to be replaced by a new all-German regime with Berlin as its capi-

tal, that city was in turn also divided into four occupation sectors. As the occupation lines hardened into virtual boundaries, the western powers found themselves with an enclave of troops and occupied territory well within the Soviet-dominated area. It was this geographical anomaly that came to a climax in the Berlin blockade and airlift of June 24, 1948 to May 12, 1949.

This book is another of the Rand Corporation research studies, and like most of its kind it leaves little to be desired in factual completeness. The author has examined a great variety of sources with exhaustive care. Where his trouble begins is in the credulous piety of his approach to the origins and objectives of the cold

"A Long Silence, A Short Announcement"

The following article by a distinguished French Leftist appeared in France-Observateur, independent radical weekly. This issue of the periodical was seized by the authorities immediately upon its appearance on the streets. The British Tribune published the article on its front page, from which we reprint it here.

A FEW hours after the announcement that Imre Nagy and his companions had been executed, the public prosecutor of the Hungarian People's Republic declared to the press that "the *fait accompli* is having a calming effect on the people."

To such a man, the people is a naughty little boy, still far short of reasoning age, and the job of governments and prosecutors is to calm him. True enough, death is the most complete of all *faits accomplis*. Just as truly, nothing is closer to calm than the impotence of despair, and a supreme tranquility arises from the silence of death. What these men fear is that the calm may be only an appearance.

In Hungary, the only evidence that meets the light of day is that of four corpses. They come out of darkness. They thrust their murderers into shame.

The day before yesterday, they were not in agreement. Yesterday, they were gagged. Today, they are dead. A long silence, a short announcement. Four corpses, but no trial; four "revisionists" whose sentence will perhaps be revised one day, but too late.

A government can build its authority on two kinds of strength: popular consent or the *fait accompli*. The Hungarian government and its friends seem to have chosen the latter. I shall always stand against it, in Budapest as in Paris or Algiers.

Let us say it again, with the calm of which the prosecutor speaks—we want neither the order of the parachutists who caused Audin to disappear, nor that of the hangmen who made Nagy disappear.

If we could not break the chains of Nagy and the martyrs of darkness before it was too late, yet it is important to

break, once and for all, the slavery of false dilemmas and of a choice between lies.

To be for socialism in France is not to accept that twisted allegiance which would force us to approve the record of socialism in Eastern Europe wholesale. It is not to cheer with the same spirit the opening of a thousand schools and the opening of ten prisons, the widening of culture for all and the imposition of censorship for each.

If being a revisionist means wanting, in good faith, to revise this choice, to examine this record, to refuse this dilemma, then I say calmly that I am a revisionist. I have tried to hope even in the depth of despair, and I am still trying.

Yesterday I believed that the Communist movement would revise the fatal chain of crimes and blunders that carried the risk of throwing the blinded thousands into the killing embrace of fascism, through fear of socialism and hatred of Communism.

But, with eyes fixed on the "general line of revisionism," Kadar, and his masters or his accomplices, are working to convince us that hope is a mistake, generosity is foolishness, and trust is the sharing of guilt.

WHERE my own country is concerned, I refuse to believe it. We know that the threat of fascism in France can only be repelled by unity of the Left, and therefore only with the Communist Party. So I refuse to accept that French Communism must confuse the hopes it offers to our people with the infamies that the Hungarian rulers impose on theirs.

No, our choice does not lie between the guillotine of Algiers and the gallows of Budapest.

Not between Ali Boumendjel's "suicide" and Geza Losonczy's "death in prison." Not between those who tortured Rajk and many another innocent victim, and those who "questioned" Alleg and countless other Allegs.

Not between the Spanish prison where

by Claude Roy

Comorera died and the Hungarian prison where Tibor Dery may be dying. Not between those who murdered Audin at night and in a cloud of lies, and those who murdered Nagy in secrecy and hypocrisy.

Six million Frenchmen give their votes to Communism. Some give their lives. They are on the side of bread for all, peace for all, freedom for all. They are not and never will be on the side of the jail and the gallows, of falsehood and crime.

Do I, in repeating this, bring grist to the mill of the rebel colonels and the fascist corner-boys? I must answer, sadly, that in these last years the executioners of Budapest have brought rather too much blood to that fascist mill.

Does my voice swell the howls of the wolf-pack? I must answer that, as between an expert in torture in parachutist battledress and one disguised as a people's prosecutor, there is a difference in the uniform; but there is also a professional fraternity. Wolves have only one color—the color of blood.

I still believe that one can want to build socialism without using the planks of the scaffold or the concrete of the torture-cellar as foundation. To strengthen peace by a summit conference without the peaks being formed of gallows.

I still believe that one can live, and if necessary die, for a great human ideal, without giving an endorsement in its name to blood, to hysteria, to blindness in death's head guise and death with blind eyes.

The crime of those who executed Nagy and his companions does not consist solely in murdering four men who could not speak and defend themselves. They have tried, too, to murder the child called Hope.

I beg you, my friends, my comrades: If we could not snatch from their clutches the men who died in Budapest, let us save at least that child.

We need her to fight by our side against the enemies of freedom.

war. Viewed from the present vantage point of a decade of deadlock, the really urgent question is whether it was wise in the first place to plant this dangerous mine in the heart of Europe. Some few, like Walter Lippman, realized at the time that American measures to consolidate a war alliance in Western Europe would lead to an equal and opposite reaction on the other side, setting up a nose-to-nose belligerency of the kind that has invariably led to war in the past. But our present author is not troubled by such bothersome considerations. His assignment is simply to write another State Department "how to" manual, and he completes it without so much as a glance to either side. His handling of data and quotations is perfectly scholarly, and his reconstruction of the daily flow of events is thorough and careful. But he doesn't have the critical detachment to suspect there is something wrong with a policy which has gotten the world into its present prize fix.

THE blockading of Berlin against all ground communications with the western zones of Germany came as a direct result of the campaign to organize West Europe into a military bloc. The Truman Doctrine was originally aimed for Greece and Turkey, but with the liquidation of UNRRA (United Nations Relief and Rehabilitation) and the launching in its place of the Marshall Plan, followed by the projection of plans for NATO, the full dimensions of the effort became plain. The West, alarmed at its exclusion from Eastern Europe, had launched a massive military-economic effort to dictate terms to the Soviet bloc.

The moves to set up a government for West Germany at Frankfurt and to supply it with its own currency and administrative machinery made it perfectly plain that the Western Allies regarded the Yalta and Potsdam agreements as dead, and were out to organize towards maximum strength without regard to previous pacts and plans. Russia backed up her vigorous protests with the Berlin blockade. It seems doubtful that the Soviet government expected by this move to force a reversal of the unilateral Western course in Germany, as this author and others assume. What is more likely, the Russians simply had in mind to pick up the loose checker on their side of the board, which they regarded as forfeited to them. Indeed, they explained their action in that way. Since, they said, the West was giving up the unification of Germany for a West German government allied to NATO, the partition of Berlin, which had been predicated on the notion that the city would be the capital of a unified Germany, no longer made sense. The evidence points to the idea that the Russians thought the West was giving Berlin up, or at least that it was theirs for the taking.

The hero of Mr. Davison's narrative is General Lucius Clay, who assumed the obligation of keeping Western troops in Berlin, and organized the airlift to that end, despite strong leanings in Washington, London, and Paris towards fulfilling the

Soviet expectation by getting out. No one thought that the airlift could supply Berlin through the winter, including Clay himself. He and his staff seem to have been willing to launch an armored column on the Berlin highway to try to open a ground supply route. Since such a move could have become the first battle of World War III, General Clay's zeal in the entire affair is open to serious question.

The blockade was lifted the following spring when it had become clear that the airlift had successfully jumped over it. Russia at that time was beginning the first of its many campaigns to counter Western moves by a peace offensive, and that probably played a part in the decision. Under the terms of the settlement, the NATO powers retained their Berlin enclave while at the same time proceeding with a West German government tied militarily to the West.

WHAT was most striking about the Western victory was the play of mass opinion in Germany and its effect on the outcome. In this regard Mr. Davison's book is extremely valuable, as he pays special attention to the public-opinion side of his study, and presents a large amount of pulse-taking information drawn from opinion polls, interviews, essay contests, voting, meetings, and so forth.

By long tradition, the Soviet government's arsenal had been presumed to include, along with the normal complement of diplomatic, economic, and military weapons, the ability to appeal to masses over the heads of governments. The Berlin blockade and subsequent events made it clear that, whatever might be the case in Asia, Russia was now unable to reproduce in Central Europe what it had done quite successfully as a far weaker power in the early days of Bolshevism.

Three decades of deterioration in Russia's idealistic position, and the replacement of idealistic revolutionary zeal with the cynical standards of power politics, had taken their toll. Robert E. Sherwood has reported in *Roosevelt and Hopkins* (p. 782) the profound contempt expressed by Stalin towards the German working class and its "submissiveness." He had little faith in German revolutionary qualities; what is more important, he was counting on little but "submissiveness" as he approached Germany in the role of ruler of a conquered nation. The Russians burst into Germany in a mood of revenge and hatred. The Russian-occupied zones were looted and terrorized, plants dismantled and shipped back to Russia, the soldiery turned loose with little restraint. This dispensation of Old Testament justice did not prove to be good policy when the inevitable struggle for Germany broke out.

The largest working-class party formed after the war was, as in pre-Hitler Germany, the Social Democratic. In Berlin itself, the SPD was not only the largest working-class party, but by far the largest single party of any kind, getting the support of

fully half the population. Mr. Davison writes:

A senior member of the SPD has related that, shortly after the Soviet Army occupied Berlin, he and a few friends went to Military Government headquarters to ask permission to reorganize the Social Democratic Party. They were eventually given the necessary permission. But first they received a stiff lecture from a young Soviet officer, who told the amazed SPD men: "We finished off the Trotskyites and we'll finish you off too," and then went on to use the same arguments against the Social Democrats that had been used by the German Communist Party in the 1920's. When Moscow-trained German Communists began to arrive in Berlin, the old Social Democrats heard the same lecture again.

While many Social Democrats had assumed the necessity of a merger with the Communists, they were soon embittered, and when the proposition later came from the Communists they had no ears for it. The Social Democratic party, in this case undoubtedly reflecting overwhelming working class sentiment, was in the forefront of the opposition to permitting the Russians to take over in Berlin.

Communist meetings and demonstrations took shape as only a shadow of the real thing, with small squads of zealots trying to stand in for a mass movement that was not forthcoming. The Communists consistently came out on the very short end of the voting in municipal elections or inner-union fights. During the blockade, when the east-zone administration offered to all who would register the right to purchase food in that part of Berlin, the response was negligible.

BLOCKADING a large city against food, coal, and supplies worked many hardships on innocent people, and was naturally bound to arouse resentment. Thus, whatever its explanation in power politics, it was not a rewarding move in the fight for public opinion. West German units of the Communist Party itself were shaken here and there. The conflict over Berlin proved a turning point in the none-too-hardy fortunes of the party; from a movement of some scope it was soon reduced to an impotent sect. Repressions played a part in this, but the unpopular posture of supporting every Soviet move, and in particular the blockade, had plenty to do with it, too.

But it should not be thought that, throughout West Germany, the people were up in arms on the American side. There was sympathy for Berlin, but, as the author makes clear, there was also a lot of resentment at being made the pawn of big-power politics and being asked to fight American and Russian battles. As the West went ahead with its German re-armament plans, this side of the coin was to turn up, and the people quickly showed that while Communism left them cold they didn't thereby feel called on to get blown up in a new war.

H. B.

Another Important Issue

By all indications, the special double summer issue on American Labor Today which was published jointly with Monthly Review was very well received by our readers, and served to introduce quite a few new people to this magazine. Requests for additional bundles, for sample copies, for copies to be sent to friends of readers, all went up. Comments in our mail featured words like "impressed," "wonderful," "very valuable," and so forth, as did word-of-mouth praise. Altogether, our impression is it was a worth-while effort which will be used for years to come as a reference and stimulant to thinking about the labor movement in the United States.

The feature of our current issue, William Appleman Williams' telescopic survey of three-quarters of a century of American foreign policy, is a major effort by one of the best qualified historians working in that field. It reopens a topic which, after having been searchingly explored in the twenties and thirties, has been, in the forties and fifties, closed off by iron taboos in most of the academic and journalistic world. We hope you will help to get it into the hands of many new readers. It's not just circulation we have in mind; an article of this solid, searching kind can help rouse people to the ugly drift of our relations with the rest of the world, and in that way help along the peace movement that is so urgently needed.

The best idea, of course, is to sell or give your friends a six-month introductory subscription. We will back-date it to include the labor issue and the present number, if you like. Or, if you want a small bundle to spread around, we can send it to you at reduced rates. But, one way or another, keep the ball rolling.

Chicago Readers

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