

TIME · LIFE · FORTUNE

OFFICE OF HENRY R. LUCE

9 Rockefeller Plaza, New York City

September 22, 1943

Dear Mr. Carter:

Last week LIFE published the second of two articles called AMERICA AND THE FUTURE. I think they are among the most important articles ever to appear in LIFE.

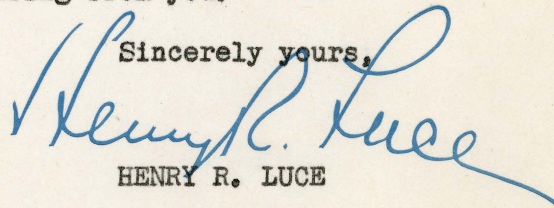
And I thought you might like to have the enclosed pamphlet in which both of them are reprinted exactly as they first appeared. I hope you will want to keep it for future reference -- and if you were to want additional copies for some of your friends, I know the Editors of LIFE would be happy to supply you.

Since the first page of the pamphlet very succinctly sets forth its subject matter, I shan't bother to repeat it here. My purpose in writing you is to ask your frank opinion of its analyses of what U. S. domestic economy and U. S. foreign policy ought to be. On these two matters the shape of our future wholly depends -- and that is why I am soliciting your opinions either in agreement or disagreement with what LIFE has published.

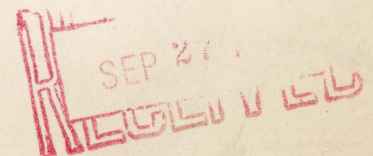
Will you, therefore, give me the benefit of your ideas as to where this contribution is important or unimportant, right or wrong? I assure you that we would all very much appreciate them and that they would serve a very useful purpose in guiding our own thinking.

I look forward to hearing from you.

Sincerely yours,

  
HENRY R. LUCE

Mr. Amon Carter, Publisher  
Fort Worth Star-Telegram  
Fort Worth, Texas



# AMERICA AND THE FUTURE

by JOHN K. JESSUP

**I—OUR DOMESTIC ECONOMY:** HOW A POLICY OF FREEDOM CAN BE VIGOROUSLY APPLIED AT HOME 1) TO ENCOURAGE MILLIONS OF ENTERPRISING MEN AND WOMEN; 2) TO STIMULATE PRODUCTIVE INVESTMENT; 3) TO ATTACK MONOPOLIES; 4) TO MAKE THE FREE MARKET FREER; AND 5) BY THESE MEANS, PLUS THE INTELLIGENT USE OF GOVERNMENT FISCAL POWER, TO MAINTAIN EMPLOYMENT

**II—OUR FOREIGN POLICY:** WHY AMERICAN SELF-INTEREST WILL BE BEST SERVED BY A DEMOCRATIC POLICY, WHICH 1) MAKES OUR TERRITORY SECURE THROUGH ARMAMENTS AND A BIG FOUR AGREEMENT FOR PEACE; 2) PROMOTES OUR PROSPERITY THROUGH INTERNATIONAL TRADE AND DEVELOPMENT; AND 3) EXTENDS THE PRINCIPLE OF INDIVIDUAL FREEDOM UNDER LAW

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## THE AUTHOR

John K. Jessup is chairman of a committee of Editors of TIME INC. publications which for almost two years has been making a systematic study of the problems confronting the United States at home and abroad. LIFE has asked Mr. Jessup to give his conclusions from this study in two articles.

In the course of the studies which Mr. Jessup has conducted, a vast amount of economic and political data has been surveyed and analyzed. These two articles do not, of course, attempt to summarize the data. Here Mr. Jessup shows how Americans can solve their problems by a modern and courageous application of the historic American principles of freedom.

# AMERICA AND THE FUTURE

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## I—OUR DOMESTIC ECONOMY: HOW A POLICY OF FREEDOM CAN BE VIGOROUSLY APPLIED AT HOME 1) TO ENCOURAGE MILLIONS OF ENTERPRISING MEN AND WOMEN; 2) TO STIMULATE PRODUCTIVE INVESTMENT; 3) TO ATTACK MONOPOLIES; 4) TO MAKE THE FREE MARKET FREER; AND 5) BY THESE MEANS, PLUS THE INTELLIGENT USE OF GOVERNMENT FISCAL POWER, TO MAINTAIN EMPLOYMENT

You would think from the newspapers that America is splitting up the middle. Alf Landon tells our soldiers and sailors that when they return from fighting fascism abroad, they will find things being run by "fascist New Dealers" at home. Henry Wallace looks forward to a "glorious fight" with his political enemies, whom he, too, calls "fascists." The Hearst, McCormick and Patterson newspapers keep finding evidences of communism behind every government policy; while the so-called "liberal" press keeps finding traces of the Pope under the same beds. A prominent Argentine, lunching recently with some New York bankers, offered to bet \$1,000 that the U. S. would have a revolution within five years. He was not taken up. Are these just hot-weather alarms? Or are they the advance warnings of a new American revolution? And if a revolution, who started it, and why? What goes on?

"Revolutions" usually come at a time of national failure and defeat. Then this is a strange time for Americans to think of revolution. Our armies are systematically licking their enemies on every front. Two years ago there was much doubt, especially among the intellectuals, whether our green young army of drafted freemen would fight. The boys didn't want the war; why should they die in it? Nevertheless they are fighting.

So now the worriers have another worry. The boys put on their uniforms, yes; but will they take them off again? When the Government cancels its war orders, the depression will return, and the soldiers will find they have fought for a chance to sell apples. So won't they just take matters into their own hands and run the country the way Eisenhower and MacArthur ran the Army? In fact,

say these worriers, look what Roosevelt has had to promise the soldiers already: pensions, demobilization bonuses, free training, etc. Politics, politics! To a worrier, it all adds up to the same thing: If the soldiers and the unemployed don't run the country after the war, they will bankrupt it at least.

One does not have to be a born worrier to see trouble ahead. There is a nationwide undertow of fear and pessimism which good war news does not change. When Mussolini fell, the London Stock Exchange went up. But ours went down; "peace scare." That is not pretty. It is a reminder that the war, although it ended the scandal of a ten-year depression, did not solve it. Too many people, whether farmers, workers or businessmen, expect it to return. They have no faith that the system of democratic capitalism can keep America at full production and employment after the war. And perhaps that lack of faith is a kind of national failure, the kind that portends a revolution. The U. S. might just drift into tyranny because tyranny had no opposition; because the people had no faith in anything else.

What has happened to the optimism and the hatred of tyranny that were once characteristic of America? And what has happened to the capitalist system that made our country so rich? Is it really incompatible with full employment?

To get the answer to these questions, let us briefly re-examine the basic principles of the American political and economic system, and see how they have fared.

## **From 1776 to Now**

The patron saint of U. S. capitalism is Adam Smith whose great book, *The Wealth of Nations*, was published in England in the same year that Americans declared their independence of England—1776. Smith was in a way part of our revolution, for he was against the same things we were against: feudal restrictions on a man's choice of ways to earn a living, and the "mercantile system" that exploited British colonies for the benefit of the British crown. The Declaration of Independence announced that all men are born free and equal, with certain natural rights, among them life, liberty and the pursuit of happiness. Smith announced that the world's wealth would increase fastest if free individuals were allowed to seek their own self-interest without interference from the State—so long as they observed the rules of justice. These were both exciting and revolutionary ideas in 1776; they lifted up men's hearts all over the world. What has been their subsequent fate?

The Declaration of Independence was from the start denounced as a fraud by the Tories, who pointed out quite justly that the Americans themselves did not apply it to Negroes. Later the Declaration became identified with the French Revolution and, through the Revolution, with Napoleon. It also inspired Bolivar and the libera-

tion of Latin America. But in the long post-Waterloo reaction against Napoleon, few people either here or in Europe wanted to think about such revolutionary abstractions as the Rights of Man. So the Declaration remained a dead letter for a while.

The slavery issue brought it to life with a vengeance. The Abolitionists waved it like a battle flag, calling it more sacred than the Constitution. They forced the South to disown it entirely, John C. Calhoun calling its principles "a great and dangerous error." And the Whig Rufus Choate, who wished to by-pass the slavery issue, dismissed it as "glittering and sounding generalities." Yes, the phrase "glittering generalities" was coined by an American about the Declaration of Independence. But Choate's Whig Party was already dead. And eight years later the slaves were free.

After this victory, the Declaration of Independence went to sleep again. It was not seriously disturbed even by the First World War; and since then democracy, not liberty, has been the watchword of progress. As for liberty—which is not the same thing as democracy, though they depend on each other—liberty has either been cheerfully infringed (as by Prohibition) or generally taken for granted, as something long since achieved. But it also turns up now and then as a mask for some selfish interest, like the late Liberty League, or like Mervin K. Hart's National Economic Council and its "Re-Declaration of Independence." Such misleading uses have given the name of Liberty an ambiguous sound. As with capitalism, the man who is for it is almost ashamed to say so, and usually calls it something else.

And what about capitalism? What happened to Adam Smith?

For a while his theories proved extraordinarily right. Both here and in England, wealth expanded with unparalleled speed. Freedom of inquiry unlocked science; freedom of enterprise put the new discoveries to work primarily for private profit but also for the general good.

Basic to Smith's doctrines was the idea of competition in a free market. That way one single man, however successful, would be prevented from getting too much economic power over others. But as U. S. capitalism developed, this doctrine was put under great strain.

First came the great "robber barons"—Gould, Vanderbilt, Rockefeller and the rest—who created national wealth all right, but who made their own economic rules in doing so. They not only bought up their competitors, but judges and legislatures to boot. The universal free market of Smith's theories became little more than a small clearing in a primeval jungle, with battling mastodons crushing lesser competitors underfoot. Meanwhile Charles Darwin had discovered the biological law of the survival of the fittest; and Herbert Spencer applied Darwinism to social science. By the time Spencer got through with it, Adam Smith's theory of competition

and free enterprise was transmuted into a dogma which held that private individuals seeking their own self-interest can do no wrong, while governments seeking to restrain or correct them can do no right. Spencer even opposed public education and boards of health, on principle. In America the great anthropologist, William Graham Sumner, took a similar line. He believed that any government attempt at any social reform was foredoomed to failure. Such theories made humanitarians uncomfortable, while giving a moral sanction to practically anything the great capitalists wanted to do. As late as 1913, Henry Adams' bright young brother Brooks called the American capitalist "a revolutionist without being aware of it," because, since he considered Darwin a greater authority than Congress, "he is of all citizens the most lawless."

Is that true of American capitalists today? Of a few, yes. A few still believe that any and all governmental attempts to interfere with the economy, from the passage of the Sherman Act in 1890 on down through the reforms of Teddy Roosevelt, Woodrow Wilson and the New Deal, would have been better left untried. And perhaps this Darwinized, dehumanized version of capitalism is the correct one. But if so, the capitalists need a new patron saint to authorize their economic behavior. For the world they live in is not the one described by Adam Smith. The world they live in contains at least two facts which Smith never had to face: modern mass production and chronic mass unemployment.

### **Mass Unemployment: Why?**

Until 1930, mass unemployment was a temporary phenomenon of depressions, which always corrected itself sooner or later. It did not take a war to stop the depressions of 1837, 1873, or 1893. It just took time. There was always more new land, there was always an undertow of optimism, there was no end to the ways a smart young man might make money. And when he made a little in one venture, he naturally invested it in another, or in an expansion of the first. Thus America's store of capital grew and grew, but it always found new uses for itself.

By and by businessmen found a different way to make money. Instead of investing in "expansion," they invested in "consolidation." That might mean any number of devices to bring their market under control. Buying up competitors, as Rockefeller did, was one such device; but so is buying up your sources of supply, as Ford and General Motors did; so is controlling your retail outlets, as General Electric does; so is running a patent factory, as every progressive corporation does in its research laboratory; so are price agreements of all kinds. It does not take a lawless Darwinist to indulge in such practices, which are legal. Nor are big corporations the only offenders. The farmers insist on government help to maintain the price of corn and

wheat. The painters union restricts paint-brush width to 6 inches and opposes the use of spray guns (except on "war contracts"). Small retailers get their states to pass anti-chain-store tax laws. Dairy states place an invidious tax on margarine. Many businessmen support tariff lobbyists in Washington. There are a thousand other examples. The great discovery of the 20th Century is that, by organizing and passing laws, any particular group of producers can corrupt or evade the blind justice of the free market.

This is a prime cause of unemployment. For when established producers have so many hooks in it, the market is less tempting to new producers. When old capital is so well protected against loss, new capital would rather join the old than try to lick it. The odds favor idle or timid capital. And when money is idle, so are men.

The connection between idle money and idle men was well understood by the classical school of economists. It was known that production, and the wages and profits it creates, must all be spent promptly on consumption or invested promptly in new enterprise, in order to sustain the original production. Not until the 1930's, however, did anyone suppose that this equation could balance and still leave millions permanently unemployed. The 1930's forced economists to re-examine this equation. Some of them, such as John Maynard Keynes in England, concluded that if people would not spend or invest their personal incomes and savings fast enough to keep everyone employed, then the government must step in, tax or borrow the idle money, and spend it for them.

The war illustrates how government spending on a bold scale can eliminate unemployment. It literally forced us to recover our productive stride. The war may cost us more than \$200,000,000,000. But it is estimated that the idle man-hours of the depression cost us that much. Hence many agree with Howard Vincent O'Brien's saying: "If a country can cure unemployment when the Government orders gun carriages for war, it can and should do the same thing with baby carriages for peace."

But the war also illustrates the dangers in forcing production and expansion from the top. The war has not stopped the freezing of the free market. Instead, it has brought us three new economic evils: regimentation, inflation and inefficiency. Or, as a disgusted New Dealer put it, "We have progressed in eight years from WPA to WPB."

Are inefficiency, inflation and regimentation the price of full employment? Is our only choice a choice of evils—depression or war? Such a choice would be an intolerable insult to Americans. We should refuse to make it, and we can.

## **Mass Production and "Collectivism"**

The second great fact which Adam Smith did not have to face is mass production.

Smith and his school were frank apologists for a single social class,



the middle class, who up to that time had less political power than the great landowners, rear guards of feudalism. The middle class was the spearhead of our revolution, the only class that dared stand for the equal rights of all men. Indeed, it was not a "class" at all in the feudal sense, for you did not have to be born or raised in it to be a member. All you had to do was have—or acquire—a little property. Moreover, the amount of property you acquired would always be roughly proportional to the wealth you created for society. Therefore, reasoned Smith's followers, the propertyless wage-earning classes would gladly follow the lead of the middle class, for the general prosperity was tied to it.

The wage-earning classes in England soon formed the Labor Party. In America, however, the working man as a rule did not think of himself as a member of a class. He still had his eye on the "classless" class above, the middle class, in which every man was independent. His strongest bid for working-class political power was not made until the New Deal years, from which came the Wagner Act and a militant C. I. O. By that time the class structure in America was changing fast.

This change was due in part to technological developments and in part to a legal novelty, the modern corporation. Whichever was the chicken and which the egg, together they transformed the industrial scene. In place of the simple factory system, with ownership, management and labor all in the same small town, they brought a system of gigantic pools of capital owned by thousands of stockholders, equally big pools of labor, and a new management class running the whole vast operation. General Motors, for example, in 1939 employed 220,000 workers in 90 plants. It would be hard to think of a more efficient production pattern than General Motors'. But its social pattern is revolutionary.

Going down a roster of GM employes, how would you like to separate the members of the "middle class" from those of the working class? You could not tell by the color of a man's collar, for many a toolmaker owns his house and some GM stock, and many a clerk doesn't. But neither toolmaker nor clerk is his own proprietor. That "proprietary" middle class, into which the worker hoped to graduate and which was the bastion of 18th Century freedom, has for all practical purposes ceased to exist within General Motors.

The ambitious worker can, of course, buy himself a tavern or a garage, and many do. But can he go into business in competition with GM? Only if he can first get control of a comparable number of men, skills and dollars. If his resources consist of thrift, wits and energy, he will do better to stay with GM, where his future is assured. Or, if he is so eager for "independence," let him join the United Auto Workers, and become a labor leader. Its 1,100,000 members are plenty independent of GM. But not of each other.

This is the alternative that faces the individual in every mass-production industry. He may have a job he likes, in a company he

likes, with a union he likes. But he has no personal control over his own hours and working methods, or over the specifications and disposition of his product. Why, then, should he vote like a capitalist? Why should he care whether he works for GM or the government? He is practically collectivized already.

This fact of industrial collectivization is one reason why Marxism, though generally discredited in its primitive revolutionary form, has had such an influence. Seeing signs of actual collectivism all around him, the modern, streamlined Marxist thinks the frictions in our system will be eliminated when we go the whole hog and become politically collectivist as well.

And perhaps the collectivists are right. Their doctrine, like that of the Darwinians (their opposites), is coherent, consistent, clear. Its hero is not the individual but the mass; not freedom but "welfare," the general good. In that kind of society, the individual's rights, like his economic self-interest, are not supreme. They are inevitably directed by and subservient to society as a whole, which means a dictatorial State.

## **What Americans Want**

Which of these two doctrines do most Americans favor? Neither one. The average American shares the Darwinian's distrust of government interference; yet he recognizes some realism in the collectivist's interpretation of economic facts. So, although both voices fail to convince him, the noise makes him uneasy, unhappy, afraid.

Pretty soon the troubled American turns his fears and his suspicions against his neighbor. Men of equally good will, like Henry Wallace and Alf Landon, start calling each other names.

Yet all the while it is not because Americans really disagree. Beneath the noisy surface of American politics, there is a profounder agreement than in years. Secretly, nostalgically, half-suspecting themselves of being out of date, most Americans believe in the same thing. They believe in that faded document, the Declaration of Independence; in their right to life, liberty and the pursuit of happiness; in the freedom and equality of all men.

The Declaration of Independence! Is it really relevant to the problems of the Air Age?

Suppose we were to take it for our guiding principle "that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed."

The first thing to note about this principle is that it demolishes the Darwinian and the collectivist doctrines alike. The Darwinian, even if he admits the existence of "unalienable Rights," denies that the function of government is "to secure these rights" (except perhaps

the right of private property, on which the Declaration is silent). On the other hand, the Darwinian has, as the Declaration says of George III, "refused his Assent to Laws, the most wholesome and necessary for the public good."

The collectivist likewise denies these unalienable private rights. Moreover, like George III, the collectivist "has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people, and eat out their substance." He dreams also of "altering fundamentally the Forms of our Governments."

The Declaration gives the Government the right, and charges it with the duty, of securing freedom for all citizens. But it also clearly implies—what the Constitution guarantees—that the Government must do this through laws and policies, not through blueprints and "swarms of officers"; for the only true dwelling place of freedom is under law. Within those limits, the Declaration provides us with a challenge, a warrant and a guiding principle to attack any problem that faces our civilization, today or any day. We do not need any more—or any less—revolution than that.

There are two kinds of freedom: political and economic. Political freedom is guaranteed to all Americans by the Constitution, and especially by the Bill of Rights. It is on the whole an effective guarantee. The South still denies Negroes their political rights, but practically all other Americans can vote, read, worship and talk as they please without fear of jail. Moreover, our Constitutional system of representative government and divided powers still works pretty well. It is about to win its second modern world war, proving itself capable of adaptation and survival.

Economic freedom, on the other hand—with which this article is therefore chiefly concerned—has been getting scarcer and scarcer in America for many years. Yet economic freedom is one of the bases on which political freedom ultimately rests. The makers of the Constitution recognized this dependence when they wrote the Fifth Amendment, which protects life, liberty, *and property* against arbitrary government infringement. Jefferson recognized it; he hoped America would remain a nation of self-sufficient farmers, because the freest man is the one who controls his own livelihood.

Now an industrial society clearly cannot give every man complete control over his own livelihood. We are all too interdependent for that. But it can increase the number of proprietors, so that the trend toward collectivization is reversed. And it can also increase another, more modern kind of economic freedom: the variety of choices that confront each individual when he starts a career. It can see to it that each man is as free as nature made him to exercise initiative on his own behalf.

That is obviously a gigantic undertaking. If the American people want to adopt a policy of freedom, what must they do? They must first of all believe in it, and in the doctrine of free will which both Marx and Darwin undermined. Then they must tell their govern-

ment to stop its aimless meddling on some fronts, and to get to work on others. Let us review these fronts, to see how a policy of freedom might work out.

## Befriending the Enterpriser

It has long been assumed that the Government, in its relationship to business, should be an impartial umpire. Its administration of the laws must be impartial, yes. But its policies, if it is dedicated to freedom, must be partial to freedom's friends.

The best friend and exemplar of economic freedom in America is the small, new, ambitious, competitive-minded enterpriser—the man who is or wants to be in business for himself. Such a man should be the favorite of a truly liberal government; not only because his buying and selling keeps the market free and active; but because he keeps the economy expanding, because he creates more jobs for others to choose from, and because, in controlling his own livelihood, he represents a stage of economic freedom to which most Americans aspire. The more enterprisers, the freer the nation.

During the 1930's the competitive-minded enterpriser had a poor time of it. Monopoly discouraged him on one side, and on the other, the indiscriminating antibusiness blasts of the New Deal. Perhaps the greatest mistake the New Deal ever made was to align a people's government, in NRA, against the so-called "chiseler," who often as not was just an aggressive businessman who believed in competition. But the war has shown us that the *genus enterpriser* still flourishes in America. Henry Kaiser shows it; so do Jack & Heintz; so do hundreds of others, famous in their home towns. A re-awakened spirit of enterprise, of faith in capitalism and in exercising initiative in one's own behalf, is visible in much of business' own postwar planning, and in the statements of Eric Johnston of the Chamber of Commerce. It is likely to be found among returning soldiers.

Moreover, the U. S. economic structure, despite the centripetal force of war, is still soundly based on small enterprise. Some 1,800,000 business units, which are over 90% of all units, are small enough to employ less than eight people. There are also still 6,000,000 American farmers, who with their families make up a quarter of the population and who are, or can become, economically the freest of men. The American social pattern is still more mobile and less stratified than any great nation's. What, then, can the Government do to keep it so?

*The Government can overhaul its tax structure.* This tax structure has grown more and more cumbersome, senseless and oppressive to new enterprise, especially to the kind of new enterprise that takes risks. It needs a thorough re-examination, both in its detail and in its fundamental aims. It would not be difficult to design a tax program that would deliberately stimulate new or risk-taking enterprise, instead of discouraging it as in the past. A candid re-examination of

our tax policy might find that the corporate income tax, for example, should be entirely replaced by an undistributed profits tax, or at least drastically reduced. It might find that inheritance taxes, on the other hand, should be much higher, as President Conant of Harvard has suggested.

*The capital markets should be loosened up.* In the old days a would-be enterpriser could usually get staked by his local bank. To keep banks from going broke it became necessary to discourage this kind of lending; but nothing has taken the old busted bank's place. Wall Street is not interested in such small and precarious forms of investment. Yet the small enterpriser must have access to capital, and there are several ways in which the Government might clear the channel. One idea is a chain of Government-sponsored equity banks (perhaps under the Federal Reserve System) which would buy the preferred stock of promising ventures and market the successful ones at a profit.

*The farmer should be made self-supporting.* Too much of our farm policy in the past has been to subsidize or protect the farmer without doing anything about his underlying situation. All such help should be coupled with policies that will make the subsidies unnecessary. The Farm Security Administration does this; it creates self-sufficient farmers. The American land is still a growing point of freedom. But the farmer who depends on permanent government handouts is not free.

Having befriended the new enterpriser, the Government must also give him room to succeed. It must restore the free market. This cannot be done by a government policy of *laissez faire*. It requires a vast, co-ordinated attack on all of the free market's multifarious foes.

*Monopolies must be prosecuted.* The Sherman Act has been on the books for 53 years. The U. S. is the only big country that has such a law (intelligent Englishmen wish they had one) and it is deeply imbedded in American beliefs. But it was sadly neglected in enforcement until Thurman Arnold came along. And a truly liberal postwar government should enforce it not only with all of Arnold's zeal, but with more consistency and system.

A thorough campaign against monopolies will require great skill and courage, for vested interests of every kind stand in the way. Moreover, its victims will point out (what is perfectly true) that a 100% free market is an illusory ideal that never existed, even in Adam Smith's day. Even the Post Office, the most nearly perfect monopoly, has competitors in the telegram and the telephone. But if the Government's antitrust policy is realistic as well as aggressive, it can revive competition in many markets where it has needlessly declined. It can bring a downward pressure on those "administered" prices which are too high for maximum volume.

*The corporate charter should be re-examined.* "Limited liability" is not a natural right; it is a legal privilege. The Supreme Court, not the

Constitution, gave corporations the same protection in their property that individuals enjoy. Fifty years ago all corporations were limited in their right to own other corporations. They can be limited again. A law providing for some form of Federal incorporation could change the whole course of corporate development.

Such a law would be unwise if it reduced the size of business units below maximum efficiency. But many business units are too big for their own good. They have passed the point at which (as one economist describes it) "the savings of large-scale production are offset by the wastes of large-scale oversight." No government can ever locate that point exactly for every industry; but ours can at least make a start. We can oppose unnecessary gigantism, and ask corporations to prove that they need to be as big as they are.

*The patent system needs reform.* It was set up to encourage invention, but it has been employed to discourage competition. Big companies subsidize thousands of inventors, but sometimes use their inventions for monopolistic ends. A few procedural reforms will do much to restore the patent system to its original function. If that is not enough, the Government can try compulsory licensing.

## And Unemployment?

Suppose the Government does all it should, and still we get a depression? For progress in the best of times seems to go by fits and starts.

Unnecessary want has no place in a policy of freedom. The victim of involuntary unemployment is not free; nor is the man in any walk of life who, because of monopoly, illiteracy, or other unjust reason, is deprived of his chance at self-fulfilment. It is within the Government's power and duty to prevent unnecessary want.

The direct method is social security: provision against unemployment, old age, sickness. In an economy whose wealth is increasing, elementary security is never expensive. It is rather a prudent insurance of the nation's human resources, which will some day make their unique contributions to the national wealth, whether as enterprisers, musicians, or just good mothers and fathers. It is only when the total wealth of the country ceases to grow that social insurance becomes expensive.

If the conditions of freedom and expansion are maintained, so that the country's productive machinery is in good working order, then the Government can employ a still more powerful weapon against unemployment. This is its fiscal policy, which means the relationship between what the Government borrows, what it collects in taxes (and from whom), and what and where it spends. Some combinations of these factors have the effect of reducing or raising consumption; others of reducing or raising savings and investments; and these are all factors in the equation of which production—i.e., employment—is the X we wish to control. There is a right fiscal policy

for every phase of the business cycle. If the Government, with the help of economic science, finds and applies the right policy, we can maintain a high and fairly steady level of employment at all times.

If it is to employ this tool of fiscal policy, the Government cannot be asked to balance its budget every year. Some years, yes; and some years it will need a surplus; but there will be years when to "balance the budget" will be to unbalance the economy. For example, it may sometimes prove wise for the Government to stimulate consumption by a general sales bonus (a sales tax in reverse); or to encourage investment by certain kinds of tax incentives; or to redistribute purchasing power within the economy in other ways. It cannot do this effectively if its own budget comes first.

Or, when employment falls, the Government can claim our idle men and resources for public investment projects of its own: roads, dams, schools, urban redevelopment and the like. These public works can and should be *planned in advance* if waste is to be avoided. If they are well chosen, they will start a new flood of private investment. Indeed, that must be a primary object of all government fiscal policy: to maintain and increase new private investment. For the expanding activities of free competitive individuals are the only sure guarantee of increasing national wealth.

It took us a depression and a war to learn all these facts about our own economy; and the Government has not even yet applied the lessons at all well. If a future liberal government applies them well, and we still have a depression, it will not be because of "the inherent contradictions of capitalism." It will be because our economic knowledge is still incomplete. But already we know that the waste and tragedy of the 1930's could have been prevented. And we have every reason to suppose that there never need be mass unemployment in America again.

## Test of Democracy

But are not these new tools dangerous? Is it not asking a great deal of democracy that they be intelligently used? Both Congress and the Administration have for years behaved less like a government than rival brokerage houses for special interests. Moreover, will not the "common man" try to increase his little share of the existing national product, rather than to help enlarge that product by acts of individual creation? Wouldn't he rather stay a hired man? Does he really want freedom?

That will be the test of our democracy. Not merely from the "common man," but from all sides, there will be fears and pressures against an aggressive policy of freedom. Those who are doing all right will want to leave well enough alone. "Monkey with General Motors? Why, they're winning the war. Big business is O.K. if it doesn't make too much money. We'll have to do business with

Russia and China, won't we? Then we'd better stay partly collectivized ourselves."

Branch Rickey began breaking up the Dodgers in midseason and the fans screamed bloody murder because this jeopardized Brooklyn's "chance for second place." Rickey used to sell off his stars in St. Louis, and the fans yelled there, too. But every time he shook up a good team, he won a pennant a year or so later. There is no second place in the history of great civilizations. An unfree system, however seemingly efficient, is unnatural to Americans. Others are better at that game than we are, and always will be. The thing that made us strong was freedom, and if we are still serious about it, it will make us stronger.

Wealth is not the end of life. A truer understanding of freedom might have saved us from the self-defeating money-quest of the 1920's. A true policy of freedom is one which first sets men free to make a living, but then sets them freer to be teachers, scientists, artists, statesmen, philosophers or what they can. All avenues to wisdom and to strength will be open in a truly free society; for the thing to be liberated is the human spirit. That is what the Declaration of Independence was about, and what all our revolutions must be about until the end of time.

## **II — OUR FOREIGN POLICY: WHY AMERICAN SELF-INTEREST WILL BE BEST SERVED BY A DEMOCRATIC POLICY, WHICH 1) MAKES OUR TERRITORY SECURE THROUGH ARMAMENTS AND A BIG FOUR AGREEMENT FOR PEACE, 2) PROMOTES OUR PROSPERITY THROUGH INTERNATIONAL TRADE AND DEVELOPMENT, AND 3) EXTENDS THE PRINCIPLE OF INDIVIDUAL FREEDOM UNDER LAW**

**A**merica is in search of its foreign policy. The Republicans spent a week searching for it at Mackinac, in order to heal the split in their ranks before the 1944 convention. The Democrats are just as split, and their split is more serious, since it is reflected in the statements of officeholders and makes our schizophrenia official. Those who wish to do so can find hope for a brave new world in the President's Four Freedoms and his Vice President's "Free World Democracy." Others can read in the Atlantic Charter and in the policies of the State Department a reassuring defense of the *status quo*.



The unconditional surrender of Italy suggests that the State Department's diplomacy, which is usually criticized for its expediency, is at least effective for winning the war. A skilful expediency may even hasten the unconditional surrender of Germany and Japan. And when Americans first went to war, the utter defeat of Germany and Japan was about all they looked forward to. That seemed "war aim" enough. Today, although still the No. 1 war aim, the surrender and punishment of the Axis aggressors is not war aim enough. Americans have begun to think seriously about their postwar foreign policy, and about the new world arrangements which their blood and money will make possible. That kind of foreign policy must be more than expediency. It must be capable of general statement, in terms the average man can understand. The average American is discovering to his alarm that the U. S. needs a postwar foreign policy and has none; or that, if it has one, he does not know what it is.

The quest for a foreign policy that the average American will understand is a hard one and will crack many a good skull. Thus Clarence Buddington Kelland, former isolationist, comes out for a ring of peace-keeping agreements with other countries, including an outright military alliance between the U.S. and Britain. Governor Dewey also favors an alliance with Britain. All this is a natural reaction to the observable facts of America's new military situation. In the day of the long-range bomber, the U.S. and its hemisphere are no longer safe against attack without far-flung bases, nor against defeat without allies. These facts are just as plain to Republicans as to anyone else.

To recognize the facts of international life is an essential preliminary to finding a foreign policy. It is not, however, the same thing as finding a foreign policy. It is not even the first step.

What is a foreign policy? It is a nation's way of conducting itself toward other nations so that its own integrity and interests will be secured. Territorial integrity? Commercial interests? Yes, if you think that your nation's role in the world is sufficiently defined by its boundaries and its trade.

It is the thesis of this article that America's role in the world is not thus sufficiently defined by its boundaries and its trade. America could lose its integrity without losing an inch of soil; it could monopolize the trade of the world and have failed to protect its true interest. America is not merely a geographical expression, even when that expression is bounded by the poles, Dakar and Manila. America is also a way men have found to live and thrive and develop themselves together. This way of life is most simply expressed as *individual freedom under law*.

It is therefore the ultimate function of an American foreign policy to defend and promote the concept and practice of freedom under law. Any program that pretends to secure the American nation,

without equally securing the principle by which America lives, does not deserve to be called an American foreign policy.

America also lives by another principle, a corollary of individual freedom, namely democracy. A true U.S. foreign policy must therefore be understood and approved by the majority of the American people. There is doubt in some quarters as to whether a democratic foreign policy is possible, since diplomacy is a secret and devious profession. Yet millions have a sound instinct for the difference between a right and wrong foreign policy. In our foreign policy, that instinct must be refined and made effective.

With this preamble, let us join the great quest for an American foreign policy. The policy we seek must serve and promote American national interest. In foreign relations, this interest is 1) territorial security, 2) prosperity through trade, 3) freedom under law. These we can call the basic objectives of American foreign policy.

We shall not emerge from our quest with a single phrase which, like Wilson's "make the world safe for democracy," will silence the great question, "What are we fighting for?" But we can try to find a policy that will answer the question and not silence it. It is a good question and ought to be asked every day.

Let us start by eliminating two of the principal sources of the Great Confusion. These are two groups who stand on their own final answers, shouting at the rest of us in the valley below. One group believes that our war aim is a World Government and an International Police Force, and that unless we get these, we shall have fought in vain. The second group believes that we are fighting solely because we were attacked, and that our only war aim is to make ourselves (or our hemisphere) physically invulnerable to future attack. Both these groups are wrong.

## **What, No International Government?**

Tennyson's "Parliament of man, the Federation of the world" has been a dream of every lover of mankind since Isaiah. Probably every living man of good will, if he believes in progress at all, expects that it must and will be achieved some day, whether he places it a few years hence or a few thousand. And there is much work afoot to achieve it. Robert Lee Humber of North Carolina has persuaded eleven state legislatures to pass resolutions for a "Federation of the World." A recent Gallup poll showed that 74% of the American people favor an International Police Force, which (whether those polled realize it or not) in practice means a World Government. Clarence Streit and his following, Ely Culbertson and his, Henry Ford and the Federal Council of Churches all want one kind of world government or another.

These candid voices are mingled and confused with others which speak for what sounds like a World Government, but isn't. Representative Fulbright and Senators Ball, Burton, Hill and Hatch have

introduced resolutions favoring a world peace-keeping organization. Winston Churchill spoke last March of "the future world organization which is to be our safeguard against further wars." Cordell Hull said last year, "It is plain that some international agency must be created which can—by force, if necessary—keep the peace among nations." The State Department is even preparing blueprints, as no doubt are Churchill's men.

But a World Government is almost certainly not going to come out of this war. If something calling itself that is set up it will be a fraud.

A World Government, of the sort that can enforce its own decisions or laws, must by definition be supremely sovereign in the world, or as much of the world as it aims to govern. No great power has yet offered to accept the jurisdiction of such a government, nor is any likely to. In our own case, we could not do so and remain a democracy, unless the new government were directly representative of and responsible to, not the U.S. Government, but the U.S. people.

If a real "free world democracy" were to come to pass, it would by definition be one in which every Asiatic, every African, and every Eskimo had an equal voice with every American. The votes of Americans in such a government would be 6% of all the votes cast. But the vote of the majority would be just as binding on every American as the laws of our Federal Government are binding on the citizens of Ohio. Someday such a World Government will be possible. But not until Americans and Malays, Eskimos and Chileans, Russians and Nigerians are much closer to a common standard of mores, faith and legal forms than they are now.

This is not to say that the war will not bring the nations closer together. For many years they have been surrendering bits of sovereignty to international agencies, courts and laws, and they will surrender more and more. International anarchy has been abolished or mitigated with regard to piracy, the drug traffic, the mails, copyrights, patents, diplomatic usage, fishing, migratory birds, etc. And labor standards, public health, nutrition, currency, aviation, colonial policies, tariffs, many other important problems are yielding or will soon yield to so-called "international control" or at least to "international cooperation." America should not be behind other civilized nations in making such agreements, for only thus can we live sensibly together in a shrinking world.

But it is vital to remember that these are agreements between sovereign governments, which reserve the right to enforce them on their own citizens. They are laws and governments only in the sense that the House Rules of a country club are laws, or the Greens Committee a government. Good will and custom enforce them, not the fear of jail. Greens Committees are excellent and indispensable to the amenities of life. But let us not confuse them with an international government, or with ways to prevent war.

## New Maginot Lines

Knowing all this, some surrealists conclude that internationalism is hogwash; that material self-interest is the only key to every nation's behavior, past, present and future; and that America's first and only duty is to look to its own. This used to be called isolationism; but there are few real isolationists any more. There are few, at least, who believe that the Atlantic and Pacific oceans are any longer an adequate defense.

Walter Lippmann's recent book, *U. S. Foreign Policy*, has done as much as anything to popularize the discovery that the military self-sufficiency of the Americas is, and always has been, a myth.\* He traces the history of the Monroe Doctrine, the one element in our foreign policy which practically all Americans have enthusiastically supported for more than a century. Yet the fact is, as Lippmann makes clear, that the Monroe Doctrine could never have been enforced without England's tacit consent. Shrewd President Monroe did not proclaim it until it had been approved by Foreign Secretary Canning. For England controlled the seas, including the Atlantic Ocean. Throughout the 19th Century her fleet was a protective screen behind which the young American republics (including the U.S.) were able to grow up without interference from the anti-republican powers of Continental Europe. The Spanish War; in which the U.S. "came of age," was almost turned into a stand-off—or a disaster—when Germany, Austria and France conspired to intervene on Spain's behalf. But before taking action they sounded out England, discovered she was on our side—and stayed out.

Of course, Britain's 19th Century policy of benevolent neutrality toward the U.S. was not wholly disinterested, for in a showdown we could have overrun Canada, whatever the British Fleet might have done to our coast. Nevertheless it was British policy that made the Monroe Doctrine effective and the showdown unnecessary. And this is a fact which, during the long, prosperous peace before 1914, most Americans stupidly forgot. With occasional exceptions like Teddy Roosevelt, most Americans grew to feel that peace sprang from some mystical combination of oceans and virtue. We even gave some credit to our chronic state of disarmament. This hypocritical pacifism irritated realistic Europeans. Said Rudyard Kipling in 1891, "The big, fat republic that is afraid of nothing, because nothing up to the present date has happened to make her afraid, is as unprotected as a jellyfish."

Finally the thing happened that made us afraid: Germany's threat to England's mastery of the seas. So, when Germany declared unre-

\*The historical thesis of this book was outlined in the articles by Mr. Lippmann in *LIFE*, "America and the World" (June 3, 1940) and "The Atlantic and America" (April 7, 1940).

stricted submarine warfare in 1917, we joined up. But the ease with which we won that war—the same ease with which a healthy referee might finish a prizefight by attacking either slugger in the twelfth round—helped us to forget our flash of fear all too soon. Fear was not revived for millions of us until after France fell in 1940, and for millions more of us until we were attacked by Japan.

Next time this fear will not die so soon. Surveying the colossal scale of the Russian front, now passing its third summer and its ten millionth casualty, we feel again a little like the all-powerful referee. But next time the sluggers may not let us wait until the twelfth round. And what if all the military powers should combine against the referee? This possibility has occurred to most Americans. The bombers and fighters droning over every Kansas wheatfield on their way to the front tell the farmers that what Adolf Berle says is true:

“In the last war, and in the present war, the German explosion of conquest was met by barriers: the British and French land armies and the sea, held by the British and American navies. These barriers borrowed time for us. . . . But the future does not offer to lend us time. It puts us in a permanent front line. If you imagine two or three hundred Pearl Harbors occurring all over the U.S., you will have a rough picture of what the next war might look like—if we let a ‘next war’ start.”

That is why there are so few isolationists left, and so few believers in pacifism. Americans will want to keep a powerful, up-to-date Army, Navy and Air Force. They will also want allies, and they are prepared to play “power politics” to get them.

Clarence Budington Kelland's proposal includes a working agreement with Britain, Russia and China; an outright military alliance with Britain; the acquisition of American bases in Africa, the Far East and throughout the Caribbean; a “five-ocean navy” and other armaments that would probably cost us \$25,000,000,000 a year. To replace Kipling's big, fat republic, he envisions a lean, tax-ridden republic that is afraid of nothing because it is better defended than a jellyfish. But is it better defended than a turtle?

## A Big Four

The Kelland proposal may or may not buy us time in the next war, or make us proof against “two or three hundred Pearl Harbors.” That will depend on the state of the military art in the next war, and on the political realities behind the alliances. The same could have been said of the Maginot Line. There was nothing militarily fallacious about the Maginot Line, so far as it went (it stopped at the Belgian border). The weakness lay in the Maginot frame of mind behind it. There is nothing wrong, and a great deal right, about a system of alliances and a strong Army, Navy and Air Force for America. But it would be a tragic self-delusion if we, or just the

Republicans, mistook these alliances and arms for a foreign policy.

The Kelland, or Maginot, approach to foreign policy is no more than a diagnosis of our military situation. It gives us no clue or guide to behavior should that military situation abruptly change; no clue to behavior toward problems that are only indirectly military, such as tariffs and immigration; no clue to how we can keep our alliances effective; no guide to how big a price we should pay for them. Let us therefore examine the alliance question more closely, with these needs in mind.

Obviously we must have allies in order to ensure our survival. There are two kinds of allies: temporary and permanent. For purposes of survival, temporary allies are just as useful as permanent allies. A policy of making temporary alliances is the policy which Britain successfully pursued for three centuries; it is also known as a balance-of-power policy. It consists of maintaining an equilibrium among other power combinations, and joining with the weaker side to defeat any aggressive power, like Napoleonic France or Hohenzollern Germany, that tries to upset the equilibrium. More or less unconsciously we have followed this policy in our last two wars. The late Professor Spykman of Yale, a master of geopolitical principles (which Mr. Kelland is not), maintained that it will always be our best bet. Thus, according to Spykman, if China grows too strong in postwar Asia, we should become a temporary ally of Japan.

The second way to play power politics is to pick permanent allies, and to maintain with them so great an imbalance of power that it will never be challenged. This method is more difficult, but the stakes are higher, for if the alliance does not oppose necessary peaceful change, it can theoretically make peace permanent. Certainly if the U.S. joins with the British Empire, Russia and China in an agreement to maintain peace by force, a world war will be virtually impossible as long as the alliance lasts.

And no other combination of great powers is so logical for this purpose. Unlike Germany and Japan, none of our Big Four is a "land-hungry" power. Also the fact that we are already a wartime coalition ought to give us a head start toward a permanent alliance. A Sino-Russo-Anglo-American agreement to keep the peace is a good idea. The U.S., for its part, should do all in its power to bring this agreement about.

However, there are two enormous problems in such a four-power agreement. One is the problem of special combinations or feuds inside the Big Four; the other is the problem of our relations with the 70-odd other sovereign nations in the world.

As to the 70-odd others, the so-called "small nations" in which live nearly half of humanity, their failure to acquiesce in a Big Four peace-keeping deal could keep it in hot water all the time. They will acquiesce, provided they are given a voice in the control and settlement of international questions that affect them. The small nations

are much more afraid of war than the big. They were the staunchest supporters of the League, and will support any peace organization that stands for peace and justice. Most of them would prefer another truly international organization like the League to regional agreements under which they are called "spheres of influence." Yet all of them have special as well as general interests. Hence the Big Four, to keep the small nations on its side, should support several kinds of postwar international organizations. It should support technical bodies such as the Food Commission, on which small nations which are big producers or importers of food can be given a proportionate voice. There should also be a Pacific, an African, a European and other councils on which small and large neighbors should sit together to decide and administer the problems of their region. And there should also be a World Council, or revived League, as a headquarters for international chores of all kinds and a forum of world opinion. The parliamentary and functional details of these organizations are of great importance. But they are not gone into here; for still more important is the willingness of the Big Four to respect and support them. The Big Four will represent the reality of power behind the peace machinery. Ultimate peace enforcement will come only from a concerted "frown of the great," the Big Four's agreement to agree.

This brings us to the second problem about a Big Four: how keep it together? Each member will face the daily temptation of forming external alliances, perhaps with Germany or Japan, in which case the Big Four would dissolve like a briefly symmetrical cloud pattern. The danger lies in the fact that none of the Big Four can really merge its whole foreign policy with that of the others; nor with any one of them. Each of us will have his own peculiar relations with other nations. All four of us are interested in peace; but in what else? Let us test America's relations with each of the Big Four by the principle which we have already announced, freedom under law. Let us see to what extent each of our Allies individually will support this principle or endanger it.

## **Relations with Britain**

The British, of course, are one of the inventors of freedom under law; and, as Churchill himself said last week, "We hold to these conceptions as strongly as you do." We are already closer to the British than to any nation in language, law, government, economic system. During the war, moreover, our collaboration has grown even more intimate. We are working daily with the British (and Australians and Canadians) through the Combined Chiefs of Staff, the Pacific War Council, the Middle East Supply Center, the Allied Military Government, the Combined Raw Materials Board, the Combined Production & Resources Board and many other such bodies.

After the war we can, as Churchill hopes, grow still closer together. We should certainly adopt parallel antidepression policies, for, as the two greatest trading nations, we owe it to weaker nations to check depressions before they spread throughout the world. We might even unite our two economies (including Canada's and perhaps other dominions') in complete free trade and free migration. This would be a shock to both countries, but a shock beneficial to both and dangerous to neither. No better chance exists on the post-war horizon for a wholesale extension of economic freedom in the world.

The prospects and opportunities for Anglo-American unity are so bright that many shrewd Americans consider it the key to the whole postwar problem. It is suggested that with Britain as our first and best ally, we would be powerful enough to make our policy on any subject (agreed on beforehand in a sort of Anglo-American caucus) effective in any part of the world. Yet this is a temptation in which America must understand the peril. For a marriage to England, however informal, will bring us new poor relations as well as rich.

The British Commonwealth is history's most successful experiment in worldwide political freedom under law. But British economic imperialism is also a worldwide fact of politics. The island of Great Britain, never more than six weeks from starvation, depends on imports to live. The policy of world free trade which she sponsored for so long (until 1932) was shrewd as well as courageous, for it brought her the cheapest food and raw materials in the world. But as a corollary her financial policy also kept her food sources equally dependent on England for manufactures and capital goods. Thus she often used her investments—in the Indian or Argentine railways, for example—to control the Indian or Argentine markets for locomotives, etc. It would be against British interest for Argentina to build her own locomotives, or India hers. It would also be uneconomic, for Britain can make cheaper locomotives than her customers. But millions of people in undeveloped countries like these want their own industries regardless of economic cost, in order to enjoy more of the national independence that comes from self-sufficiency.

By an accident of geography, the U.S. is much less dependent on imports. Thus we do not care if the world's new countries do industrialize themselves "uneconomically"; in fact we have good reason to help them achieve their goal. The Chinese, for example, have for 25 years had a plan for industrialization which, when peace comes, they will no longer be willing to postpone. It calls for a new steel industry, 100,000 miles of new railroads, an electrical equipment industry and many other things. They will welcome foreign capital and technical help, provided no strings are tied to it after the pre-war British fashion. Otherwise they will shop around, or else they may try to force their own growth by autarchic methods. That would mean internal tyranny in China, and possibly external aggression.



Therefore we must beware of modeling our postwar investment policy on the prewar British precedent. But we must also be careful not to model it on our own precedent either. The British never made so stupid a blunder as we did between 1920 and 1930. Our policy then was to lend money abroad, but so to limit our imports (notably by the Hawley-Smoot tariff) that our debtors could not pay us at all. Thus we lost popularity and our money too. As an international creditor, we must learn to import as well as to lend.

Economic peace can best be maintained among nations, or among groups of nations, which are all sufficiently self-reliant not to fear each other's economic imperialism. Yet when all the nations reach this state, they will have to acknowledge that the only rational international economic order is complete free trade. The U.S. must bear this goal in mind when it lends money after the war. Our capital will not raise living standards in China or Ecuador unless it also, in the long run, increases Chinese and Ecuadorian productivity, as measured by the value of their products in a world market. By the same token, if we go in for immediate free trade with Great Britain, this step must not be taken for the purpose of cementing an exclusive Anglo-American bloc. It must be an extension of the area of freedom, which area all other nations, as their economies develop, are invited to join.

There is another danger to us in a marriage to Britain: a psychological danger. British imperialism carries a heritage of racial distrust. Never mind the blame—whether supercilious tuans and sahibs bred it, or whether it is the result of Japanese propaganda; never mind whether the souls of the brown, black and yellow man owe much or little enlightenment to his contact with the white. The brown, yellow and black man's distrust of the British imperialist, and of the French and Dutch imperialist too, is an enormous political fact throughout Asia and the Middle East. It is at the root of the Indian problem: however solemn a pledge of postwar freedom Britain may give India, Indians will not, or say they will not, believe it.

The American imperialist escaped most of this distrust because our empire, the Philippines, was a small one, and because we made good (technically at least) on our promise of freedom. Therefore our liberating troops may be more welcome in the Philippines than British troops will be in Burma. But if, in a postwar marriage with Britain, we associate ourselves with British imperial policy, this welcome will soon be worn out. We will spring a very large leak in our "reservoir of good will."

The British can teach us much about racial tolerance. A British Negro was put out of a London hotel recently not because the hotel objected but because influential American guests did. England has no Chinese exclusion laws (although the dominions have). Nevertheless there is a dangerous and not altogether unreasoning Anglo-phobia in Asia which could, under certain conditions, align the

Eastern races against all whites. One of the East's most fundamental aspirations is for a feeling of equality with the rest of the world. A new nationalism, even in such sleepy lands as Indonesia, is the often callow but logical expression of this hope. Indonesians are not yet ready for full independence, and neither are the Burmese or Malayans. But the only way the white man can rehabilitate his reputation in Asia is to share this Asian eagerness for full independence, and to set a schedule of education and liberation which he feels bound to keep. That is the only Asiatic policy which is safe for America. It should be ours whether it is Britain's or not. When we have made it clear that this is our policy—which we haven't—Britain may well adopt a parallel course.

"Let it roll!" cried Mr. Churchill three years ago, foreseeing a swelling river of Anglo-American collaboration for war. And last week he hoped it would roll on after the war. Americans can share his hope. We have nothing to fear and much to gain from a closer association with Britain in our mutual interest. Whether this is written into a special Anglo-American alliance or not may not matter much. What does matter is a clear understanding on our part of what our collaboration with Britain aims at, and what rules it will operate under.

For this collaboration does not mean and should not mean a complete merger of U.S. and British foreign policies. Our foreign policy, with friendship for Britain as a basic ingredient, must still remain free to find its own line toward others. Some of the dangers in a merger from outside have been mentioned. On Britain's side too there are dangers. In comparison with Britain, the U.S. is inept, unsure and untrained in foreign policy. We do not even know yet what our entire foreign policy is. Even the concept of freedom, on which we agree, is no doubt more closely defined in the British Foreign Office than in our State Department. We should get our own definitions clearer before we can ask Britain to accept them, or before we can assume that our definitions will always agree with Britain's.

## **Relations with Russia**

If the American concept of freedom under law requires special handling even in London, what shall we say about Moscow? It seems almost absurd to speak of it. The Russian people have never known freedom in our sense. Their Revolution simply replaced one bloody dictatorship with another. Moreover there are many reasons for mutual Russo-American distrust. Leninist political theory, which holds that the ideal of international socialism justifies any means that will advance it, runs directly counter to our own political ethics, which are Christian. By the same token the realistic Russians distrust our piety and our 14,000,000 Catholic voters. We

fear she will try to communize us, and she fears we will connive to encircle her with a reactionary *cordon sanitaire*.

Note well that these differences are all "ideological." As nations, our territorial interests collide at fewer points than those of any other major powers. Hence the ideological differences, though not to be ignored, should not frighten us into thinking we cannot get along with Russia before we have tried. There are two reasons for thinking, or at least hoping, that we can.

It is often said that Russia is the most isolationist nation of us all; that it will be preoccupied for 20 years with wound-licking and internal development; that it will gladly support any international settlement that will leave it in peace. According to this view, we can get along with Russia by sticking to the letter of any treaty between us, counting on the absence of territorial conflicts between us, eyeing each other narrowly, keeping our mouths shut and our powder dry.

But there is a much better chance than that for getting along with Russia. Yet nations and even ideas live and change and grow. Russian society is already different from what it was in 1935-1936. There is a greater differentiation of wages, more latitude for private property, less enmity toward religion; altogether less socialism and more nationalism. These changes were necessary to achieve the remarkable unity Russia has shown in her battle for survival. The same battle has revealed an unsuspected individualism and sentimentalism in the Russian people. No doubt Russia will cling to the clichés of Marxist thought. But there is one thing to be noted about that. However alien to our ideas of freedom, Marxism is not antithetical to them in the same sense or degree that fascism is. In theory Marxist socialism is a step toward the ultimate freedom and brotherhood of all men.

This is no doubt a slender footing on which to build a full understanding with Russia. Yet we are bound to use it, and to influence Russia in the direction of freedom as best we can. We must do this not only for the sake of freedom, but for the sake of good relations with Russia, on which our national security in part depends. Our real mistake would be to pretend that we have no principles, or that we do not care whether Russia respects and shares them or not.

Ambassador Standley was widely criticized by so-called friends of Russia for objecting to Stalin's failure to publicize our Lend-Lease aid. He got results, however, and for a brief hour or so there flickered in Moscow a candle of protest for the principle of a free press.

Ambassador Davies also got results in Russia by saying frankly, "I am a capitalist." A future ambassador may get along even better by saying on the right occasion, "The U. S. people rejoice in our common victory, and hope that you will now put that splendid 1936 Constitution into effect." Was the abolition of the Comintern a friendly gesture? A more meaningful development would be for us to

get used to the idea of a Communist Party in our midst, but to found a Democrintern, and press for its right to be represented in Russia. The principle of freedom does not fear competition in ideas. What it fears is a wall of pretense or isolation between any parts of the human race.

## Our Line in Europe

The immediate danger zone in Russo-American relations is the continent of Europe. It is a danger born of the very ignorance from which freedom has so much to fear.

A strong and militaristic Germany is a standing menace to America. It fooled us once and will try to fool us again. If we were preparing for a balance-of-power policy in Europe *à la* Spykman, we might be justified in befriending a defeated Germany, in order to offset Russia and Britain and the potentialities in their alliance. But if we are committed to a Big Four solution, it is of the greatest importance that we do not compete with our Allies to appease Germany, as England and Russia did in the disastrous years between Munich and the Great Doublecross of June 22, 1941.

U. S. intentions in Europe (and British intentions too) are hidden behind the Atlantic Charter and the cryptic phrase: "unconditional surrender." The Russians, through their Free Germany Committee manifesto, have at least released a trial balloon. Although there is much in this manifesto that we might agree with, it sounds like a bid for a strong postwar Germany, which we have some reason to oppose. But suppose we had our own postwar policy toward Europe, aimed frankly at increasing individual freedom on the Continent within the framework of an Anglo-Russo-American monopoly of power. Suppose we stood frankly for a European Bill of Rights, enforceable by any individual against any national government. (This would be a step towards that age-old dream, the United States of Europe.) Would a European Bill of Rights appeal to Russia, which has none of her own?

It ought to. The first thing any would-be conqueror does is to suspend civil liberties and the right of political opposition within his own country. Probably nobody knows better than Stalin that a politically free Europe, even if united, is less dangerous to Russia than any other kind of Europe, including a Communist Europe.

Even if it turns out that Russo-American differences are too great, or that this reading of Russian interest is naïve, we have nothing to lose and much to gain from being frank about our own beliefs and intentions for Europe. The mutual suspicion that every now and then threatens to tear the coalition apart would have less, not more, to feed on. And if agreement proved impossible, we would be left with something better than a sense of cynical frustration. We would have made a bid for the spread of freedom.

## Relations with China

Few Americans ever ask themselves why they are fighting Japan. It seems as natural as it once seemed to fight Indians. If the question is asked, two words silence it: Pearl Harbor. But somewhere someday on the long, long trail to Tokyo, Americans will begin to ask: what caused Pearl Harbor?

Whatever Homer Lea and a few Japanese hotheads may have dreamed, the Japs did not attack us in order to turn the U. S. into a Japanese colony. They attacked to throw us out of Asia, whither we first came unbidden a century and a half ago. We have been meddling in Asia for that long. We opened up Japan to world commerce; we took the Philippines; we helped the European imperialists put down the antforeign Boxer Rebellion; and we also, by John Hay's open-door policy, prevented the European powers from carving up China as they were ready to do.

Nor did we regard the Asiatic war as a purely Asiatic quarrel when Japan started it in 1931. In the Hoover-Stimson doctrine, we refused to recognize the conquest of "Manchukuo." We continued to protest to Japan in 1932, 1934, 1935 and 1937. Even though we went on selling scrap to Japan, we had already taken diplomatic sides.

We did not take sides out of a narrow self-interest. Had commerce dictated our behavior, it would have allied us against China, for our trade was far bigger with Japan. If we had merely sought the strongest possible Asian ally, it would have been Japan.

Why, then, did we pick China? And if we had the choice to make over again, would it still be the same? Or would we prefer to cut our losses and get out of Asia altogether, as Japan wants us to do?

Despite clippers, telephones, rubber, missionaries and all our other ties with Asia, we could still get out. It would mean a vital loss to none of our interests, except one: our interest in human freedom under law. That is the only real sense in which the Asian war and the European war are one war. That is the only interest that can keep us in Asia long enough to defeat Japan; the only interest that tells us unmistakably to ally ourselves after the war with China rather than Japan. Yet that interest is sufficient.

China is not merely the victim of aggression. It is also a country in which the task of human liberation is more challenging than in any other single country; whose eagerness to free itself is unmatched anywhere. China at present has a one-party government like Russia. Its ancient civilization has bequeathed to modern China a poverty-stricken agriculture and a corrupt and feudal social system. Nevertheless its ancient civilization has also bequeathed it an instinctive feeling for the dignity of the individual which few other people, Eastern or Western, have in the same degree. China also has a political tradition whose absolute is neither national divinity (as in Japan) nor national power (as in Germany), but something nearer our own Christian absolutes. Confucius said that "in the face of a wrong or unright-

eousness, it is the duty of the son to oppose the father and the duty of the minister to oppose his sovereign." He recognized the right of human beings to revolt.

They did revolt in 1911; and their still-revolutionary government has vast postwar plans to make China a great country once more, modern, democratic, strong. After six years the Chinese are so tired of war that the postwar is their chief topic of conversation. And in some of their postwar talk a chip-shouldered arrogance can be heard. Two Chinese writers, T. S. Chien and Lin Yutang, have recently warned us to expect from postwar China a chauvinistic suspicion of its allies as well as of its foes.

This kind of neo Boxerism will not prove serious if the U. S. stands for human freedom inside China as well as out, and places a large bet that China will itself stand for it too. The "bet" should be an assurance to China that we consider it our partner and our equal in all matters relating to the governance of the Pacific and to international law. Our bet should be backed up by the investment policy mentioned earlier, and by our showing the same respect for Chinese personality that we want them to show to their neighbors. Nothing breeds Boxerism like a racial exclusion law. But let us remember that Boxerism is as foreign to China's principles as to our own.

If we succeed in allying ourselves with modern China in the cause of freedom under law, the potential gains are immense. Our national security in the Pacific will be sustained against any challenge. And the largest block of humanity on earth—the variant estimates of whose population, from 400 to 550 million souls, differ by more than our total population—will be well on the way to freedom.

## Law and the People

By now we have surveyed the main situations which our foreign policy will have to deal with after the war. A Big Four, we have found, is not a policy in itself; we must know our special relationship toward each of the others. We have tested these situations by a principle, the principle of human freedom under law; and it is seen to be not only a feasible principle, but indispensable if we wish to understand what the war is about. Moreover, if there were time, we could test our relations with all other countries by this principle, and we would find a host of smaller allies by our side.

But freedom is a word which every man can interpret for himself. So far we have said little of law. And it is law that makes real freedom possible, by distinguishing between a Hitler's interpretation of "freedom" and our own. Law, much more than freedom, has been the guiding principle of U. S. foreign policy in the past. The thread that runs through all our foreign policy is respect and support for international law.

The first principle of international law is that *pacta sunt servanda*—treaties are made to be kept. We do that. Under our Constitution

treaties are part of the supreme law of the land. If a U. S. President tried to break a treaty which he and the Senate had approved, foreigners could theoretically have him overruled in our own courts.

Treaty-breaking and territorial aggression, under international law, are the supreme crimes. Thus we refused to recognize Japan's conquest of Manchuria, Italy's of Ethiopia, Russia's of the Baltic States, Germany's of Czechoslovakia. Our legal record is perfect. Whenever an aggressor moved, we officially frowned and Secretary Hull privately cursed. Yet throughout the '30's, our policy of isolation and disarmament made it quite clear that we would never resort to arms to enforce international law. Manifestly there was something wrong with that particular combination of principles. As a combination, it blew up at Pearl Harbor. Why?

In its review of the diplomatic events leading up to Pearl Harbor, published under the name of *Peace and War*, the State Department supplies its answer. It makes over and over again one pitiable, exasperating complaint. It blames the failure of its highly legal principles, and its own helplessness in the face of mounting danger, squarely on the American people, who were too complacent, pacifistic or ignorant to understand what was coming. State saw, but the people were blind, so State was helpless. That is State's story.

But there are two things wrong with that story. First, international law as State interpreted it would have been an inadequate foreign policy, even had it been enforced. Second, if the people did not back State up, it was State's fault as well as the people's. Let us take the second point first.

There is a theory that a democracy is incapable of successful foreign policy, unless it turns it over to professionals. The makers of our Constitution believed this theory. They gave complete authority over foreign affairs to the President (who entrusts them to his Secretary of State). The two-thirds rule which gives Senators a veto over treaties was designed to put a check on foreign policy not in the hands of the people, but in the hands of the states. This tradition of complete executive autonomy in foreign affairs has persisted to the present day. There is of course still a large area in diplomatic affairs where "secrecy and dispatch" (to quote *The Federalist*) are essential. But there has also grown up a great new area of foreign affairs in which, if the President (or his Secretary) does not really speak for the people, he had better not speak at all.

Woodrow Wilson found this out when the Senate repudiated his League. Since then most nations of Europe have doubted that America is capable of a vigorous foreign policy. For they know that although Congress has no power to conduct foreign affairs, it has power to obstruct and stultify them. A Soviet statesman is reported to have asked, "How can we make a deal with a country that insists on having elections every four years?" We are not likely to change our elective habits to please the Russians. But we can recognize some justice in this complaint, for other countries make it too.

The fact is that a major commitment of a U. S. President, unless and until it is accepted by the people, lacks *responsibility*.

We have a choice, then, of finding some way to make our foreign policy responsible, or of being a dumb ox in the councils of the nations. The obvious way to make our foreign policy responsible is to let the people in on it. Fortunately this does not require any change in the Constitution. A simpler method has been outlined in a series of articles on our foreign policy by Joseph Jones, now appearing in *Fortune*. It requires only that the State Department take the initiative in giving more information about foreign affairs to Congress and the people, and exchanging ideas with them. At present Secretary of the State is the only Cabinet officer who is not required to make an annual report to Congress. He should not only make an annual (or semiannual) report; he should also make regular—perhaps monthly—public appearances before Congress, or a joint Committee of Congress, and subject himself to a rigorous questioning on current events and policies (except, of course, State secrets). Such a custom would serve to break down the wall of ignorance between those who handle our foreign policy and public opinion.

It is high time for the State Department to enter into diplomatic relations with the American people. For foreign affairs are no longer a luxury; after this war they will affect the people in their daily lives as never before. If our foreign policy is designed to circumvent Congress and the people, it will be repudiated sooner or later. And this would be a tragic frustration of America's need and aspiration to participate responsibly and creatively in shaping world affairs.

Said Elihu Root, one of our great Secretaries, in 1922: "When foreign affairs were ruled by autocracies or oligarchies the danger of war was in sinister purpose. When foreign affairs are ruled by democracies the danger of war will be in mistaken beliefs. The world will be the gainer by the change, for, while there is no human way to prevent a king from having a bad heart, there is a human way to prevent a people from having an erroneous opinion. That way is to furnish the whole people . . . with correct information."

## **Law and Reality**

The second basic reason why our prewar foreign policy blew up at Pearl Harbor is that international law alone, especially as Mr. Hull conceived it, is an inadequate foreign policy. Even had he explained his policy more frankly and cogently than he did, he could never have won popular interest in it.

International law is a collection of customs, principles and understandings among the nations which has slowly accumulated over several centuries. It is not written down in any one place, and no single court or foreign office is the custodian of all of it. It can therefore be twisted to suit any national interest. Many lawyers do not regard international law as law at all. Yet somehow, like all law,



international law lives and even grows, expressing society's restless will to find both peace and freedom. When Japan is thrown out of Manchuria, our impeccable legal record will have been vindicated, and international law will be that much stronger. Americans need not blush for a foreign policy that supports international law. But they can be bored with a policy that seeks no more than the law's letter.

The problem of international law is not only to strengthen it, but to keep it in touch with reality. International law can be made in three ways. The first is by international courts of specific jurisdiction, whose interpretations of international law all civilized nations will accept. We have taken a leading part in promoting such courts ever since Elihu Root's day. Last month a committee of the American Bar Association urged a new world court as part of the postwar settlement, and an extension of other tribunals. The U. S. should certainly be for that.

A second, and ultimately the most important, source of international law is international legislation, now made by multilateral agreements. Someday, to be really effective, such legislation must come from a sovereign world government, which (as we have seen) we are not likely to get very soon. But those who would promote real international law are long-term plotters for the Parliament of Man. Therefore their goal demands a universal electorate of free, educated, world-minded citizens. A bold stand for international law should include the ultimate advocacy of an International Bill of Human Rights. Americans can be for that, too.

The third source of international law is the policies of strong nations like ourselves. The very flexibility of international law, as at present constituted, gives America the right and duty to interpret it not only judiciously, but in accordance with our own best aspirations for mankind. Judges make law; over wide areas of the law the U. S. is the sole judge; and every judge has a human bias. Our bias in all such cases should be for human freedom.

Secretary Hull himself professes this bias. "The spirit of liberty is the only real foundation of political and social stability," said he last year. These are not new ideas. American revolutionaries like Tom Paine correctly believed that liberty would never be safe here until it was established throughout the world. That is why Paine fought for liberty in France. Today most of mankind is still unfree; but Mr. Hull's words are a pale echo of Paine's. His actions speak even less loudly.

If freedom under law were generally accepted as the living principle of U. S. foreign policy, the State Department's diplomacy of expediency (Vichy, Darlan, Franco, etc.) would have aroused far less popular suspicion than it has. But in one situation after another we seem to muffle our chance to take a strong stand for human freedom. No doubt circumstance, or bigger game, or even international law itself has stood in our way. But we are our only judge in world affairs when our security is concerned. Why cannot we be equally powerful

(though equally judicious) when the issue is human freedom? To win the peoples' following, our foreign policy must be safe and sound; but it must also use American power for some great end that the people believe in. Such an end is human freedom.

Thus freedom under law should be the cornerstone but not the whole of U. S. foreign policy. The whole may be summarized as follows:

1) We want a world in which American territory is secure from attack, and we must depend on both our own military strength and peace-keeping agreements with other powers to make it so.

2) We want a world in which American prosperity can increase, by being shared with all other peoples.

3) We want a world in which freedom is safe here because it is extended everywhere with the help of a growing system of law, backed by the might of America and all other freedom-loving nations.

And this can be our foreign policy only if the American people agree that it should be. They cannot reject it on the ground that it does not express their self-interest, for it does. Security, prosperity, freedom; they are inseparable. A Kelland plan is not a foreign policy, since it expresses only part of our self-interest. But neither is the Four Freedoms, for it has not been related to the problem of U. S. national survival in a way the U. S. people understand.

On our cornerstone, freedom under law, can be built the armaments and the alliance system we need for elementary security. By it can be tested the success or failure of our special relations with Britain, with Russia, with China, with anybody. It is the proper test too of our economic policy, to promote worldwide expansion. It is a principle on which our nation was founded, and in pursuit of which our nation will someday merge into the single nation of mankind. It is an American principle. Perhaps this war is worth fighting just to rediscover it.