

the

SEPTEMBER 24, 1951 25 CENTS

FREEMAN

IN TWO SECTIONS • SECTION ONE

COULD EISENHOWER WIN?

Lawrence R. Brown

PROFITS vs. SOCIALISM

John L. Beckley

MODERN SCHOOL FOR SCANDAL

Towner Phelan

COW OVER THE MOON

Clarence A. Brodeur

THE JAPANESE TREATY

An Editorial

Editors: John Chamberlain • Henry Hazlitt • Suzanne La Follette

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SEPTEMBER 24, 1951

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The Wilson H. Lee Co., Orange, Connecticut

A WORD ABOUT OUR CONTRIBUTORS

GEORGE E. SOKOLSKY, who compiled the special Section Two which accompanies this issue, is the well-known columnist whose "These Days" is widely syndicated. His background in Far Eastern affairs—for years he wrote from Shanghai—qualified him particularly for sifting and appraising the mass of testimony from the MacArthur Hearings.

LAWRENCE R. BROWN, now an engineer in Philadelphia, served as Assistant Director of the Chemical Bureau of the War Production Board during the war. His last *Freeman* article was "Ghosts at Commencement."

TOWNER PHELAN, Vice President of the St. Louis Union Trust Company and author of its monthly *Letter*, wrote "Planned Economy—A Case History" for the *Freeman* of July 16.

JOHN L. BECKLEY was formerly a business columnist for the Associated Press, then with *Newsweek*, first as Business Editor and later as Senior Editor in charge of Business Reports. For the past year and a half he has specialized in developing materials for economic education of employees.

CLARENCE A. BRODEUR, modern painter, educator and author of articles on art, served as Kosciuszko Foundation Professor to Poland and is a trustee of the Fontainebleau Fine Arts and Music Schools Association.

RENE KUHN and JULIEN STEINBERG make their debuts as *Freeman* book reviewers with this issue. We have published articles by both—Miss Kuhn's profile of Aneurin Bevan and "Words Instead of Butter" and Mr. Steinberg's "Man of the Half Century."

Forthcoming

In our next issue we shall publish an article by Stanley High about a successful revolt of Iowa potato farmers against a dictatorial Department of Agriculture. Also one by Oliver Carlson on the plight of those Hollywood Americans who fought communism before it became fashionable to be anti-Communist.

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SEPTEMBER 24, 1951

FREEMAN

SECTION TWO

Out of Their Own Mouths

The Betrayal of Free China

By GEORGE E. SOKOLSKY

the FREEMAN MAGAZINE

240 Madison Ave., New York 16

BECAUSE the MacArthur Hearings, and what was brought out in them, are of such vital importance to the future of this country, and because it would be practically impossible for the ordinary citizen, however conscientious, to work through the 2,000,000 words of testimony, the **Freeman** asked George E. Sokolsky as a public service to excerpt the most significant passages from the record, and to present that record with a minimum of comment, so that it might be made available in a readable, convenient and coherent form that would, as far as possible, speak for itself.

The report of eight Republican members of the investigating committees sufficiently underscored the injustice and inhumanity of General MacArthur's abrupt removal. Therefore we are confining these excerpts to that part of the record which concerns the disastrous policies followed by the Administration with regard to China.

What the record reveals, in brief, is that whatever the intentions behind our China policy may have been, it has consistently played into the hands of the Communists who are now our declared enemies.

THE EDITORS

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Out of Their Own Mouths

The Betrayal of Free China

By **GEORGE E. SOKOLSKY**

THE INVESTIGATION of the dismissal of General Douglas MacArthur, conducted by the joint Foreign Affairs and Armed Services Committees of the Senate, also developed into an effort to discover the formation of our China policy, its nature, its relationship to Soviet Russia and Soviet China, and its climax in the Korean War.

The problem in reading the record is to find a pattern of American policy. This nowhere appears in clear, unmistakable language, although Dean Acheson devoted himself at great length to the subject. As a matter of fact, it would appear from the record that since the Teheran Conference (1943) this country has been without a fixed China policy, except one motivated by fear of potential Russian might.¹

General MacArthur Was Never Consulted

General MacArthur had nothing to do with the formulation of American China policy at any time. He conducted one mission to Formosa, and he sent a mission to Formosa headed by General Fox. Apart from that, his relationship with the China policy was merely one of private judgment and opinion. He stated:

"As far as any consultation on the future of China, by Washington authorities, outside of the legislative branch, the answer is in the negative. My views have never been required."²

This was confirmed by General Marshall in the following colloquy:

"SENATOR WILEY . . . To your knowledge, was General MacArthur, after he was appointed to take over Japan, ever consulted by you on your mission to China or by anybody else in the Government in the formation of our China policy?"

"SECRETARY MARSHALL. I have no recollection of discussing the matter with General MacArthur on my way out—no, I did not see him on my way out to China. On my return to the United States for a temporary period in March 1946, I did see him, and I don't recall any discussion with him, specifically regarding the matter. I can't recall what else

we talked about, but I was with him in his office for a considerable period, and at his house."³

The essence of MacArthur's judgment on the American policy in China appears in this testimony:

"It is my own personal opinion that the greatest political mistake we made in a hundred years in the Pacific was in allowing the Communists to grow to power in China. I think, at one stroke, we undid everything, starting from John Hay, through Taft, Leonard Wood, Woodrow Wilson, Henry Stimson, and all those great architects of our Pacific policy. I believe it was fundamental, and I believe we will pay for it, for a century."

"SENATOR WILEY. . . . What would you have done—what would you have advised, under the circumstances that existed back there in 1945 . . . ?

"GENERAL MACARTHUR. I would have given such assistance to the conservative Government of China as to have checked the growing tide of communism. A very little help and assistance, in my belief, at that time, would have accomplished that purpose."⁴

GENERAL MARSHALL'S CHINA STORY

The situation as regards General George C. Marshall is different. He has played the most critical and positive role in the formulation of the American China policy. He was present at Yalta; he spent almost a year in China seeking an amalgamation of the Kuomintang and the Communists; he failed in that mission.

Marshall Knew With Whom He Was Dealing

General Marshall knew, when he was engaged in attempting to form a union between the Kuomintang and the Communists, all about the ideological position of the latter. He testified:

"When I—I got out to China and looked the ground over, from the very start, and there was no doubt that the leadership of this group were Marxist Communists, and so stated in my presence, that they were. And, when I visited Yen-an, in that mountain fastness of theirs, in their little theater building which they used for all sorts of purposes, and they had some kind of entertainment prepared for me—over the proscenium arch was a large pic-

¹It is pertinent here to note that the Administration wrecked the military machine of World War II as soon as hostilities had ended, although a "very high-level United States military strategic estimate" carried to the Quebec Conference of August 1943 by Harry Hopkins had declared that Russia would dominate Europe after the war, with "tremendous military forces." (Sherwood, "Roosevelt and Hopkins," p. 748)

²Military Situation in the Far East, Hearings before Committee on Armed Services and Committee on Foreign Relations, U. S. Senate, 82d Congress, p. 31

³Hearings, pp. 406-407

⁴Hearings, p. 32

ture of Lenin and a large picture of Stalin; and I recall Chou en Lai, the Prime Minister of the Chinese [Communist] Government, came to me protesting, in Chungking, in the late winter or early spring of 1946, against the dragging of Stalin's portrait through the streets, in the mud.

"I have heard him assert not once but a number of times that he was a Marxist Communist. His story always was that they would approach the desired end, which was a Communist form of government, through, first, the democratic processes, as they called them, until there was enough stability and industrial strength and development to permit them to go the whole way to a Marxist Communist state. The only phase of the agrarian belief would have been, I should suppose, the fact that most of the members of the party were of the agrarian type, as there were almost no industries within the Communist bounds in the early days in China.

"There never was any doubt in my mind, and never any thought, that there was any misunderstanding about it."⁵

Marshall Denies Responsibility for His Instructions

As General Marshall based his conduct in China on his instructions, the origin and nature of those instructions become significant. Marshall testified:

"SENATOR SMITH. Do you recall who had a hand in the preparation of the directives that sent you to China?

"SECRETARY MARSHALL. At that time, Senator—Mr. Byrnes was Secretary of State, and I presume he had a hand in it; Mr. Acheson was Under Secretary of State, and I presume he had a hand in it; John Carter Vincent⁶ was the head of the China group in the State Department—certainly he had a hand in it. I do not know what others did. . . ."

From this and the following, it is to be assumed that General Marshall had nothing to do with the preparation of his directive:

"SECRETARY MARSHALL. In the first place, I have not a recollection of that report of General MacArthur's, but I have a very decided recollection of the reference in there that I sat down in the State Department and drew up this policy. I did not. . . . I sat in this room for 5 or 6 days during that period, morning and afternoon, being investigated in regard to Pearl Harbor while this was going on and the drafting of the policy was taking place in the State Department.

"On 1 or 2 days during the lunch period I had a chance to talk to Mr. Byrnes briefly in regard to it, and finally one morning—whether it was a Saturday morning or not I don't recall—I met with Mr. Byrnes, my own advisers that I have mentioned, Mr. Acheson, and Vincent when the docu-

ment was read through which had been drafted and which the men that were looking after my interests thought was all right, but I spent my time up here, and when I finished up here I was engaged, as you would understand, each night in trying to find what was the position I was to take the next day against the questioning around this same table, so my preparation for going to China was largely a matter in this room of the investigation regarding Pearl Harbor."⁸

Marshall's Testimony Is Contradicted by Acheson's

"SECRETARY ACHESON. At the end of November 1945, Secretary Byrnes and General Marshall met. This was after General Marshall had been asked to go to China. Secretary Byrnes read him a memorandum suggesting the outline of instructions for him. General Marshall did not approve of it. General Marshall said that he would wish to try his own hand, assisted by some of his associates, in drafting the instructions.

"This he did; and a draft was prepared by him, in conjunction with four generals who were working very closely with General Marshall. This was submitted to Secretary Byrnes. On the 8th of December Secretary Byrnes made his suggestions to General Marshall—that is, suggestions of changes or alterations or additions to the draft prepared by General Marshall.

"General Marshall's draft, with Secretary Byrnes' suggestions, was discussed at a meeting in Secretary Byrnes' office on Sunday morning, December 9, 1945, by Secretary Byrnes, General Marshall, Mr. John Carter Vincent, General Hull, and myself. I was then Under Secretary of State. Those of us went over the instructions. General Marshall approved the suggestions made by Secretary Byrnes, and we then had a completely agreed draft.

"In the course of that meeting the outline of a letter from the President to General Marshall was discussed, and directions were given for its preparation. There was also approved at the meeting a memorandum from Secretary Byrnes to the Secretary of War, requesting certain help in connection with the removal of the Japanese and the movement of Chinese armies into the north and laying down certain restrictions on those movements. There was also agreed upon the form of a press release, I believe—it was agreed that day or a few days later—but the important papers were agreed at that meeting.

"They were taken up by Secretary Byrnes with the President, who went over them; and they were put in final shape, unchanged from the agreements of December 9. The President then had a meeting with General Marshall, at which I was present—there were three of us at that meeting, the President, General Marshall, and myself—and at that point the signed letter and the enclosure were

⁵Hearings, pp. 377-378.

⁶According to the former Communist and Managing Editor of the *Daily Worker*, Louis F. Budenz, John Carter Vincent was a member of the Communist Party. McCarran Committee Hearings, *New York Times*, August 24, 1951, p. 8.

⁷Hearings, p. 459.

⁸Hearings, pp. 467-468.

handed to General Marshall. It was ascertained by the President at that meeting that these papers were unanimously approved and agreeable to all concerned, and to himself."⁹

Acheson Denies the Contradiction

This disagreement between General Marshall and Secretary Acheson has never been explained satisfactorily.

"SENATOR SALTONSTALL. . . . I came away with a feeling that there was a discrepancy between your [Acheson's] testimony and that of General Marshall on the drawing up of his instructions on his trip to China. . . . I had the feeling that so far as the Marshall directive was concerned that he testified to us that he had nothing to do with the drafting of that directive. He further testified when the question of confirming him as Secretary of Defense, that he was sent a directive or took up a directive just as he left for China and had nothing to do with its drafting at all. . . . I was just interested to know if you felt there was a discrepancy between your testimony.

"SECRETARY ACHESON. I don't think there is a discrepancy, sir. I think that in this matter General Marshall was more general than I was."¹⁰ . . .

"SECRETARY ACHESON. General Marshall spoke in more general terms than I did. I was somewhat more specific. I believe that he said that he was occupied with the Pearl Harbor Hearings, which was the case. He said that several people had a hand in the instructions, which was quite correct. What I tried to lay out on the pages of the record which I have cited is just the way it happened."¹¹

Marshall Tried to Force a Coalition

There was, in 1945, no desire on the part of Chiang Kai-shek to form a coalition with the Communists, with whom he had broken in 1927. Marshall set out to form such a coalition. Of it he said:

"First . . . I will have to turn to the word 'coalition'. I went over, very hurriedly, of course, and in studying the various policy directives, public statements from this Government and the conditions over there, I came to the conclusion very early that two things had to happen. One was that there should be a normal democratic form of government, that is with the minority as well as the majority actions and representations in whatever legislative group they had."¹²

"The use of the word 'coalition' as relating to Cabinet coalition was another matter because I gradually reached the feeling that it was practically impossible for the Nationalist Government Cabinet to work in any degree of harmony, as a matter of fact to work other than with great bitterness constantly of any other members of that Cabinet group that came from the Communist Party. . . .

"The great problem was how you could reduce these animosities, this complete distrust on both sides.

"There was in between various minor groups, notably the Democratic League I believe they called it, which lined up with the Communists, and the Young China Party, a democratic scientific group¹³ I think you could call it, which didn't step to either side, and all of those minor groups represented a very small following, but the tops were intelligent men.

"Now the problem . . . is a coalition, and the actual situation was one where the bitternesses were so extreme that any normal coalition such as we conceive the word was an impractical proposition in my opinion. . . . I myself did not enter into the political phase of the matter. My job was first to create an armistice so there would be no active fighting during the period of the meetings, the political meetings, and later at the resolution of this PCC [Political Consultative Conference] I was to act as an adviser in the integration and demobilization of the military forces, Communist and Government.

"From that time onward it was a development of inability to produce any agreements between the two forces, political groups, the Communists and the Government. . . . What I had understood from the start was, particularly as to the desire of the United States Government, was a two-party system."¹⁴ . . .

"SENATOR GEORGE. My recollection, General, when you came back, was that you stated to the [Foreign Relations] committee that you had endeavored to bring about, perhaps 'coalition' isn't exactly the right term, but to bring about some integration of the Communists and the anti-Communist groups, and I had the very definite impression that you had recognized the very great difficulties involved but that you came back with the view that the only hope of China, long-run view of it, was to bring about an integration of the Communists with the Nationalist force.

"SECRETARY MARSHALL. Those were the instructions that I went to China with in the beginning.

"SENATOR GEORGE. Those were more or less your directives, but I thought you came back with that view.

"SECRETARY MARSHALL. When I came back I was hard put to find a long-view conclusion in the matter because of the failing structure of the Kuomintang and the determination, organization, and discipline of the Communist group and their undoubted advice and possible support that would occur later from the Soviet Government."¹⁵ . . .

General Marshall denied that his mission was political. He testified:

"I was supposed primarily to bring an end to

⁹Hearings, pp. 1848-1849

¹⁰Hearings, p. 2032

¹¹Hearings, p. 2032

¹²China has never held an election for a government.

¹³The Political Science Group, as it was called, was not a political party with a broad base in the population, but an attempt on the part of scholars and bankers to find a middle party between Chiang Kai-shek and the Communists.

¹⁴Hearings, pp. 395-396. China had never before had a two-party system of any kind.

¹⁵Hearings, pp. 396-397

the fighting. That was the primary purpose of my trip. I was not, except in an inferential manner, to go into the political factors. Those were stated in the President's directive, and they had as their background previous meetings and discussions which had occurred, and particularly in which General Hurley, then Ambassador, represented this Government.

"The principal factor in relation to the President's directive was that there had been an agreement between all the parties in China, the Kuomintang or Government Party, the Communist Party and the minor parties to a meeting called a political consultative conference which had been agreed upon in October of 1945, and in December, about the 16th, 1945, the date was announced for that meeting of January 10, 1946. . . .

The Two Groups Would Not Mix

"SENATOR SMITH. Let me ask you this: When you did discover that you could not mix the two groups, you could not get them together, did you have any authority beyond that to make any recommendations with regard to our relationship with the Kuomintang government or the Commies or anything else?

"SECRETARY MARSHALL. I don't quite understand what you mean by 'authority.' I made recommendations back to our Government, to the President directly, to him. But, Senator, I moved into another role immediately after that; this meeting took place, in which I did not participate, and they reached a signed agreement—all the parties involved.

"CHAIRMAN RUSSELL. Who were the parties, just to clear up the record?

"SECRETARY MARSHALL. The National Government delegates, the Communist regime delegates, the Democratic League delegates, the Young China Party delegates; one other party called the Democratic Scientific Group delegates, and delegates without any party affiliations.

"In that conclusion that they arrived at were two important matters: One was that there should be a constitutional convention on May 5, 1946; and that there should be a committee set up to which I was to be the adviser for the purpose of demobilizing the tremendous forces then under arms, and amalgamating the Communist forces, as reduced, with the government forces, as also reduced. So, I sat as an adviser to that committee, and a working detailed agreement was arrived at—I have forgotten the date, but it occurred just the day before I left Chungking on my return to the United States in March of 1946.¹⁶ . . .

"SENATOR KNOWLAND. General, how far did your instructions suggest that you should go in suggesting to the Government of the Republic of China that they should form a coalition government?

¹⁶Hearings, pp. 458-459. (It was during this period that Marshall and Acheson tried to persuade Congress to finance a plan for American training and equipment of Chinese Communist divisions. *Congressional Record*, May 15, 1951, pp. 5508-5511)

"SECRETARY MARSHALL. I did not have to make any suggestion of that nature, because they had agreed on the meeting before I arrived in China in late December 1945,¹⁷ and I was immediately engaged in finding out the facts and conditions and circumstances of the hostilities then in progress, with only a brief period of days in which to develop an agreement to a cease-fire. As I stated the other day, I remained aloof from the political discussions because that was a Chinese affair. Our Government had represented its interests in the development of a two-party government, and beyond that I did not touch the matter at all, except to furnish the Generalissimo confidentially our Bill of Rights and a possible interim set-up while they were reaching formal constitutional status."¹⁸ . . .

"Now, when I returned to China in the latter part of April and found this complete impasse had developed in regard to the constitutional convention, the fight was in regard to the number of delegates which they had left to be settled by a committee and, of course, the committee was not able to settle it, there, I moved in definitely in connection with the political set-up, not as to the general types of government but as to how to get them together in the matter of delegates, particularly the State Council which remained the argumentative basis for months there.

"It, of course, was—those efforts were dominated all the way through by the increasing evidence that we were going to have a breakdown of the cease-fire and armistice terms; and I was struggling both ways, one to preserve the cease-fire that we had in force,¹⁹ and the other was to try to find some way to get them together on their generally agreed policy; but with the specific failure to implement it, largely—almost entirely—over the matter of delegates, either to the constitutional convention or to the membership of the State Council, or to any introduction of Communists in the cabinet.

"SENATOR KNOWLAND. Well, while your immediate objective might not have been the political coalition phases, it is a fact, is it not, General, that through our State Department and our representatives in China, both the regular ones and the special ones who had been sent out there, that we had rather clearly indicated long before your mission . . . that it was the best judgment or the desire, as you might want to put it, of the Government of the United States that the Communist forces should be brought into a coalition?"²⁰

Conflicting Official Views on China

Senator Alexander Smith of New Jersey tried to get General Marshall to clarify the conflict of views in the State Department concerning China. He was not successful. Senator Smith described

¹⁷This must be read in connection with General Stilwell's efforts in the same direction; also with the Hurley and Wedemeyer efforts.

¹⁸Hearings, p. 549

¹⁹The cease-fire prevented the Nationalists from limiting the Communist increase of territory.

²⁰Hearings, p. 550

the conflict, as he understood it, as follows:

"I read the White Paper through from cover to cover and I came to the conclusion that there were two schools of thought on this matter: The Lattimore-Vincent school followed by a number of our younger men like John [Stewart] Service, and others in the State Department (I don't think Stilwell was so much, although he was opposed to Chiang Kai-shek), which was opposed to our giving further aid to Chiang Kai-shek, and on the other hand the Wedemeyer school. I was convinced from having seen General Wedemeyer personally that he was in favor of the Chiang Kai-shek support and thought it was a wise policy.

"Then I talked to Mr. [Philip] Jessup about it. Mr. Jessup was appointed head of a special committee. Mr. Jessup obviously was in the Lattimore-Vincent group favoring later recognition, bringing the Commies in and stopping the war by that route.

"Then these things happened which gave me a great deal of concern. Quite suddenly General Wedemeyer was removed from the Pentagon in Washington and sent out to California in command of the Sixth Army, which looked like a promotion, but really took him away from any further consideration of these policies. His report was not published and yet his report, as I read it, as subsequently published in the White Paper, indicates his support of the Chiang Kai-shek position and his feeling that we should continue to support Chiang Kai-shek and the Nationalists as one of our allies against this Communist menace.

"Then . . . Admiral Badger, who had been in charge of our Seventh Fleet and who in that capacity had responsibility for the mainland of China, as distinguished from General MacArthur, who had charge of our island defenses, was removed. Admiral Badger came back; he met before our committee; we talked with him, and I talked with him privately; and I found he was distressed over the trend.

"That is why, as a member of the Foreign Relations Committee, I asked permission of the Senate to go to the Far East; and I went to the Far East because of this concern.

"I came back with the feeling that we were in a very critical situation, and I made a report to that effect which I need not go into now. I came to the feeling that there was a very distinct issue between what you might call the MacArthur-Wedemeyer group, who felt we had made a serious mistake in our attitude toward the Nationalists, and the other side, headed by the State Department (Dean Acheson and others) who wanted to build up the group sympathetic with recognizing the Commies. In fact, I was told shortly after I got back that we had given the green light to Great Britain to recognize the Chinese Communists, though when I got back, the first thing I did was to urge on Secretary Acheson not to do that under any circumstances.

"I was convinced that the movement in China

was a conquest by Russia by a subversive method, and that recognition of the Chinese Communists would simply mean we were conceding that China could go behind the iron curtain."²¹ . . .

Marshall Had Learned Nothing from the Failure of European "Coalitions"

Secretary Marshall testified that he believed he had a chance of success under his directive. His reasons were interesting:

"It looked like it [coalition] had a fair chance of success because the Communists were very anxious to go through with it, because I think quite evidently, they felt that their discipline and their strength, particularly with the people of the lower classes, the peasantry, was so much better than that of the National Government that they could gain the control politically."²²

"And the hope in the matter so far as I saw it was that other parties—the Young China Party, Democratic League and so on, I think there were about four—and the nonparty group could coalesce and the Generalissimo back them, and they would be a group which I would think have drawn strength from both the other parties, those that were outraged at the character of the operations of the Nationalist party in its lower echelons, and those that had gone into the Communist party, who were not real Communists, these individuals, but they were violently antagonistic to the present regime of the Nationalist Government. And it looked as though there would be enough drawn from those groups, together with what existed in the way of an independent group, which was a very small group, to hold the balance of power between the two, alongside of the evident factor to me and to my associates that the Kuomintang Government was utterly incapable of suppressing the Communists by military means."²³

As General Wedemeyer Saw It

"GENERAL WEDEMEYER. Well, his directive substantially required him to broaden the base of the Government, as I recall the phraseology—broaden the base of the Government, and visualized the amalgamation of the Communist and Nationalist forces, and I had had a very wonderful relationship with General Marshall during the first 3 years of the war, sir, and then of course I was sent out in 1943 to be a part of the command there with Lord Louis Mountbatten, as the chairman just indicated, and I wasn't as closely associated with the general from that time on, but because of that wonderful relationship that I had enjoyed earlier, I told him very frankly that in my judgment he could not accomplish that mission.

"His mission was one that I thought was just

²¹Hearings, pp. 463-464.

²²Whenever the Communists, in any country, set out to take over, they first form a coalition government.

²³Hearings, p. 638. The point must be made here that political parties in China are not organized on a political basis. They are personal organs of their leaders. The Kuomintang under Chiang Kai-shek had been intermittently at war with the Communists since 1927 and with the Japanese since September 1931.

like mixing oil and water, sir. I explained to him that from my observation there, the Nationalist forces, as the chairman has indicated in his questioning, at war's end controlled the largest area and the most people in China. They had the most power, and they were determined not to relinquish any of that power. My observations further indicated at that time that the Communists had a little power, and they were determined to have all of it—all of it.

"SENATOR GEORGE. But you regarded the amalgamation of the two forces as impossible?

"GENERAL WEDEMEYER. Yes, sir; I did, sir.

"SENATOR GEORGE. And you discussed that frankly with General Marshall?

"GENERAL WEDEMEYER. I did, sir."²⁴ . . .

"SENATOR GREEN. Did you believe his mission to bring about a united China was an impossible one?

"GENERAL WEDEMEYER. I believe it was, sir; yes, sir; as long as you had a political party that had its private army. If it didn't have its military force, you would have something like the Republicans and the Democrats compared to the Kuomintang and the Communists; but the Communists had a private army."²⁵

THE BASES OF BETRAYAL

The Cairo Declaration of November 26, 1943, but issued December 1, read as follows:

The several military missions have agreed upon future military operations against Japan. The Three Great Allies expressed their resolve to bring unrelenting pressure against their brutal enemies by sea, land, and air. This pressure is already rising.

The Three Great Allies are fighting this war to restrain and punish the aggression of Japan. They covet no gain for themselves and have no thought of territorial expansion. It is their purpose that Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the first World War in 1914, and that all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China. Japan will also be expelled from all other territories which she has taken by violence and greed. The aforesaid three great powers, mindful of the enslavement of the people of Korea, are determined that in due course Korea shall become free and independent.

With these objects in view the three Allies, in harmony with those of the United Nations at war with Japan, will continue to persevere in the serious and prolonged operations necessary to procure the unconditional surrender of Japan.²⁶

At Teheran (November 28-December 1, 1943), only a few days later, this agreement was vitiated, but the Chinese were not notified. At Yalta (February 4-11, 1945), a conflicting agreement was entered upon which reversed Cairo completely and gave to Russia rights formerly held by Japan.

²⁴Hearings, p. 2305.

²⁵Hearings, p. 2323.

The Case of the Burma Campaign

SENATOR KNOWLAND, reading from the China White Paper, issued by the State Department, asked General Marshall:

"Now I want to call your attention to page 551. The conversations continue, and this was on June 22 at 4:30 p.m. Present: President Chiang, Madam Chiang, Vice President Wallace, Dr. T. V. Soong, Dr. Wang Shih Chieh, Messrs. Vincent, Lattimore, and Hazard. This is about halfway down:

"President Chiang then referred to his conversations with President Roosevelt at Cairo. He said that President Roosevelt had promised an all-out campaign in Burma early in 1944 but that at Teheran President Roosevelt had reversed his decision indicating that the necessary amphibious landing craft would not be available for such a campaign."

"Mr. Secretary, you were the Chief of Staff of the United States and in a position with the Combined Chiefs at that time. Do you feel that the necessities required a change in the agreements which had been reached at Cairo? Do you have any independent recollection of that?

"SECRETARY MARSHALL. Yes, I recall very clearly. As a matter of fact the military discussions in Cairo were largely occupied with the utilization of 27 LST's that is a landing craft, and the final decision at Cairo was that a certain number of these, if not all, would be employed in amphibious landing by the British on the shores of Burma. The British were not much inclined to make this landing. The Generalissimo felt that unless this landing was made, his forces could not cooperate in the campaign then being planned, and out of this grew the decision that the landing craft should be sent there.

"Now after they had gotten most of the way—I have forgotten to what point, but that is to be looked up—they were recalled, and I am a little dim in my memory as to the exact reason that they were recalled, but it was I think a British reason because they had been reluctant in the first place, but I can obtain that accurately for you by looking into the records, which makes it rather simple I think to know what that was."²⁷

General Marshall's Amnesia

It is important to note that as regards the Teheran and Yalta Conferences, at which the fate of China was settled, General Marshall seems not to have been well informed. Note this colloquy:

"SENATOR KNOWLAND. Now, it was not until June 15, 1945, that the Generalissimo was notified of the Yalta agreement, according to the White Paper, relative to that situation on the Manchurian

²⁶"A Decade of American Foreign Policy, Basic Documents, 1941-49," p. 22.

²⁷Hearings, pp. 551-552.

understanding. Do you know at what time General MacArthur had been notified of the Manchurian provisions of the Yalta agreement?

"SECRETARY MARSHALL. I will have to check that up, sir; I don't recall.

"SENATOR KNOWLAND. My recollection is that Secretary Byrnes, who was apparently at Yalta, in his book, "Speaking Frankly," indicated that the particular features dealing with Manchuria had not been known to him until after he became Secretary of State. Were you familiar at Yalta with the Manchurian provisions of giving Dairen and the rights on the Manchurian railroad and Port Arthur to the Soviet Union?

"SECRETARY MARSHALL. I don't think I was. . . .²⁸

"SENATOR SMITH. The following agreement, referred to later as the secret agreement, is as follows. Now I am quoting from Mr. Stettinius:

The leaders of the three Great Powers—the Soviet Union, the United States of America and Great Britain—have agreed that in 2 or 3 months after Germany has surrendered and the war in Europe has terminated the Soviet Union shall enter into the war against Japan on the side of the Allies on condition that:

1. The status quo in Outer-Mongolia (The Mongolian People's Republic) shall be preserved;

2. The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz:

(a) the southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union.

(b) the commercial port of Dairen shall be internationalized, the preeminent interests of the Soviet Union in this port being safeguarded and the lease of Port Arthur as a naval base of the U.S.S.R. restored.

(c) the Chinese-Eastern Railroad and the South Manchurian Railroad which provides an outlet to Dairen shall be jointly operated by the establishment of a joint Soviet-Chinese company, it being understood that the preeminent interests of the Soviet Union shall be safeguarded and that China shall retain full sovereignty in Manchuria;

3. The Kurile Islands shall be handed over to the Soviet Union.

It is understood that the agreement concerning Outer Mongolia and the ports and railroads referred to above will require concurrence of Generalissimo Chiang Kai-shek. The President will take measures in order to obtain this concurrence on advice from Marshal Stalin.

The heads of the three great powers have agreed that these claims of the Soviet Union shall be unquestionably fulfilled after Japan has been defeated.

For its part, the Soviet Union expresses its readiness to conclude with the National Government of China a pact of friendship and alliance between the U.S.S.R. and China in order to render assistance to China with its armed forces for the purpose of liberating China from the Japanese yoke.²⁹

"SENATOR SMITH. Now I would like to ask you if you were familiar with this so-called secret agreement with regard to China?

"SECRETARY MARSHALL. I did not know the factors of it at the time.

"SENATOR SMITH. Can you tell me how this agreement with Russia was carried out? Was Russia to take over the surrender of Manchuria? . . .

"SECRETARY MARSHALL. Russia did.

"SENATOR SMITH. That was my recollection. Did Russia turn over the Japanese-captured arms, and so forth, which they got in Manchuria by surrender to the Chinese Communists?

"SECRETARY MARSHALL. So far as we know, they left them in dumps in Manchuria, and when they withdrew they were opened to Chinese Communists, who rearmed themselves.

"SENATOR SMITH. The Chinese Communists got them. Did this possibly cause Generalissimo Chiang Kai-shek to lose face in China, especially in Manchuria? He was not notified of something happening. The Russians came in and took over the surrender of the Japanese. These arms were turned over to the Communists, just at the time the Generalissimo was having his trouble with the Communists.

"SECRETARY MARSHALL. I think, Senator, most of the weapons from dumps in Manchuria were taken over by the Chinese Communists at a much later date, after the Generalissimo was and had been apprised of the factors that you have been referring to. My own recollection is that that apparently occurred with the Russian formal withdrawal from Manchuria, after I went to China, and in 1946."³⁰ . . .

Acheson "Explains" Yalta

"SECRETARY ACHESON. The Yalta agreements were made in the very early part of 1945. Later on, in August of 1945, treaties were signed between the Chinese Nationalist Government and the Soviet Union, which grew out of and were based upon these Yalta agreements.

"Now, first of all, the Yalta agreements, from the point of view of the wartime effort, and the interest of the United States and its major fighting allies—I think this has been referred to many times, and I shall make it brief—at the time these agreements were entered into at Yalta, we did not know whether we had an atomic bomb or not. That was not proved until some months later, that we had one, and it was not used until considerably later.³¹

"It was the then military opinion, concurred in by everyone,³² that the reduction of Japan would have to be brought about by a large scale landing on the islands of Japan, and the forecast of that fighting, which came from the fighting on the other islands in the Pacific, indicated that it would be a very bloody and terrible battle.

²⁸Hearings, p. 696.

³¹According to Edward Stettinius, "Even as late as the Potsdam Conference, after the first atomic bomb had exploded at Los Alamos on July 16, the military insisted that the Soviet Union had to be brought into the far eastern war." (Italics supplied.) "Roosevelt and the Russians," p. 98.

³²"Everyone," apparently did not include the men best qualified to judge. In his book, "I Was There" Admiral Leahy states that at Honolulu (June 1944—seven months before Yalta), "MacArthur and Nimitz were now in agreement . . . that Japan could be forced to accept our terms of surrender by the use of sea and air power without an invasion of the Japanese homeland." (p. 251)

²⁸Hearings, p. 564.

²⁹Hearings, p. 695.

"It was of the utmost importance that the Russians should come into the war in the Far East, in time. Now, there was very little doubt that they would come in, but the grave danger was that they would really wait until the war was over and until we had expended our effort and blood to win the war, and they would come in and do what they wished. It was very important, in the view of the military people, and the others, too, present, that they should come in in time, so that none of the 700,000 Japanese troops in Manchuria, and none, if possible, of the 1,235,000 Japanese troops in China, would come back to strengthen the troops on the main islands of Japan; but that they would be occupied with the Russians' effort on the mainland.

"That was the purpose, and in making the agreement, the price which was paid for the agreements was that 3 months after the end of European war, the Russians would enter the Far East war; that they should have the southern half of Sakhalin, the Kuriles; that their former rights in Port Arthur and Dairen should be returned to them; and their former interest in the two railways in Manchuria.

"The Russians took the same attitude toward these rights that the Chinese took toward their rights in Formosa. The Russians had lost theirs to the Japanese by war in 1904; the Chinese had lost theirs to the Japanese by war in 1895. Russia made its claim for those rights, and the claims were granted at this meeting in Yalta."³³ . . .

Acheson made some statements which obviously were not correct from the testimony of Generals Wedemeyer and Hurley, and all related material.

"SECRETARY ACHESON. I should also like to point out that at the time the Chinese entered into this treaty with the Russians, a few months after Yalta, that is, in August 1945, they regarded the arrangements which they had made with the Russians on the basis of Yalta, as very satisfactory."³⁴ . . .

"SENATOR SMITH. . . . We have been saying later Chiang lost prestige and lost face. I know that we all admit that—

"SECRETARY ACHESON. I don't admit it.

"SENATOR SMITH. Don't you think he lost face?

"SECRETARY ACHESON. No, I don't at all, and I don't think he thought he did. I think, as I told you this morning, he thought that the making of the treaty of August 1945 between China and the Soviet Union was of great assistance to him. In fact, his government was very much worried that the Russians were going to cancel the treaty.

"SENATOR SMITH. Well, of course, there is a difference of opinion about that, to the extent to which he had to do that."³⁵ . . .

"SENATOR MORSE. Now a few questions about Yalta. The Senator from New Jersey this morning in his examination of you spent a considerable amount of time on Yalta and expressed the view in

his questions—which I understand is a view that honest men can hold—that the Yalta agreements were at the expense of China without the Nationalist Government knowing the commitments at the time they were made.

Morse to the Rescue

"Is it your opinion, Mr. Secretary, that the Yalta agreements were at the expense of China rather than in the interests of the long-time protection of China?

"SECRETARY ACHESON. I think they were in the interests, the long-time interests of China.

"SENATOR MORSE. Am I correct in my understanding that there were two reasons, two main reasons, why China wasn't included at the conference at Yalta? One was Russia's objection to having them included, because up until that time she had confined her activities to the European war; and, second, that any agreements that were reached at Yalta in respect to Russia, at the insistence of Russia, had to be kept secret until Russia was able to carry out her part of the agreement.

"SECRETARY ACHESON. Yes, sir; I think that is right.

"SENATOR MORSE. Am I correct in my understanding of your testimony . . . that the main reason for not notifying the Generalissimo in advance of the Russian troop movements was the fear on the part of parties to the conference that such matter was of such military importance to all parties concerned that it must be kept from the Japanese, and there was a danger that, if the Chinese knew about it, it would not remain as a secret?

"SECRETARY ACHESON. That is my understanding; yes, sir."³⁶ . . .

"SENATOR HICKENLOOPER. Yes, sir. We make such a vigorous statement about the territory of China which Japan had stolen, and we become so righteous about that, on the one hand. Then we turn around, on the other, and agree to secure the concurrence of Chiang Kai-shek, which I think, taking the diplomatic face off, means that we will coerce Chiang Kai-shek into this agreement. Now, it seems to me that from a matter of principle, that is absolutely incompatible. Do you believe that it is compatible?

"SECRETARY ACHESON. Yes, I believe it is compatible. I think you are entitled to make the point that you are making, Senator. The reasons for the agreement were the reasons which I gave this morning. I think they were valid reasons in the light of the military situation as it was then thought to be, and I think that at that time these agreements were in the best interests of China and of the Allies, and as I pointed out this morning, I think that for a long time afterward the Nationalist Government of China believed that they were in the interests of China."³⁷ . . .

³³Hearings, p. 1845.

³⁴Hearings, p. 1846.

³⁵Hearings, p. 1872.

³⁶Hearings, pp. 1884-1882.

³⁷Hearings, p. 1885.

Wedemeyer's' On-the-Spot Testimony Conflicts with Acheson's:

"SENATOR BREWSTER. And were you familiar with the actions which were later taken to implement that understanding by the Chinese when they went to Moscow? Did that come within your purview at all?

"GENERAL WEDEMEYER. Only this way, sir: Dr. T. V. Soong came to see me because the Generalissimo had ordered him to go to Moscow to discuss the formulation of a Sino-Soviet agreement based upon the Yalta agreement. And he expressed great concern.

Actually, T. V. Soong told me he would not sign such an agreement, and he didn't. Wang Shih-chieh, I believe, did. I believe he was Foreign Minister or Deputy Foreign Minister, who signed the Sino-Soviet Pact.

I believe I am correct about that, but I am not absolutely certain.

"SENATOR BREWSTER. I think you are right.

"GENERAL WEDEMEYER. But T. V. Soong stated he would not sign any paper ceding territory whose sovereignty had been recognized.

"SENATOR BREWSTER. Then there is no question in your mind that not only the Generalissimo but his advisers in the Government all recognized the tragic consequence of the cession of this territory in Manchuria?

"GENERAL WEDEMEYER. I couldn't use the term 'all,' sir, because those are the only personalities that I know about right there—Chiang Kai-shek and T. V. Soong. And I know—I am quite confident that Wang Shih-chieh signed the agreement.

"SENATOR BREWSTER. Yes.

"GENERAL WEDEMEYER. Although T. V. Soong was sent as China's representative, and normally one would expect the senior man to sign the agreement. He refused to do so.

"SENATOR BREWSTER. Although he did participate in the negotiations?

"GENERAL WEDEMEYER. That is hearsay on my part, but I believe he did.

"SENATOR BREWSTER. Would you think then that any attempt to say that the Chinese Nationalist Government embraced the agreement for the cessions in Manchuria with any enthusiasm was quite erroneous?

"GENERAL WEDEMEYER. Well, that is just the antithesis of my own experience with Chinese officials of the highest rank.

"SENATOR BREWSTER. You know of no evidence to indicate that any Chinese officials welcomed this cession of Manchurian territory, is that correct?

"GENERAL WEDEMEYER. No. That is correct. I can say categorically that is correct.

"SENATOR BREWSTER. As far as your knowledge is concerned they bitterly resented and regretted it?

"GENERAL WEDEMEYER. As far as I know, that is correct."⁸⁸ . . .

Roosevelt Authorized Hurley to "Ameliorate" Yalta

"SENATOR CAIN. General Hurley, . . . you said this:

This document [referring to the Yalta Agreement] was kept secret from me, as Ambassador to China, from the President of China, from the Chinese people, and from the people of the United States. It is well known that the Russian and Chinese Communists and the Japanese knew of this agreement. I learned of its existence through the Chinese Armed Communists. Later I queried the State Department about the agreement and was advised that the State Department knew nothing about the agreement.

"One further reference which I find, sir, on Page 7462 in which you said this:

. . . your diplomats and mine surrendered in secret every principle for which we said we were fighting. They talk about Stalin breaking his agreements, gentlemen. He never had to break one. We cowardly surrendered to him everything that he had signed and we did it in secret. President Roosevelt was already a sick man at Yalta.

"GENERAL HURLEY. I am not unmindful of the close and intimate relationship which existed between yourself and President Roosevelt over a long period of time. It therefore seems logical to me that when you were advised of the Yalta Agreement, that you must have done everything within your power to convince those in the highest authority of this country that a grievous if not a fatal mistake had been made. Will you please, sir, relate to us what conversations if any you had with the late President Roosevelt about the Yalta Agreements and what steps if any were authorized by him in an undertaking to undo what you thought was a fatal or grievous wrong. That, sir, is my question, and I give you the remainder of my time to answer it as you will.

"GENERAL HURLEY. Well, Senator Cain, of course I appreciate the opportunity, but I think it would be unbecoming me not only because President Roosevelt is dead, but because I did have his confidence, to attempt at this time to quote him. I will tell you a few of the results of my conversation with him, and I don't want to be in contempt of the Committee, but I hope you will spare me any quotation from Franklin Roosevelt.

"SENATOR CAIN. General Hurley, will you permit me this observation. It is not my desire to embarrass either yourself or the late President Roosevelt. All I seek is the substance of conversations and steps resulting from those conversations if there were any, sir.

"GENERAL HURLEY. When I returned from China after I found out there was a secret agreement, I heard all kinds of rumors about what it was and how it was—

"SENATOR WILEY. About what date?

"GENERAL HURLEY. I left there late in February within weeks after the Yalta Agreement. The Yalta Agreement was—I might have left there in

⁸⁸Hearings, pp. 2431-2432.

March, early March, because I had already heard and my telegrams will show that I had heard that there was a secret agreement.

"SENATOR WILEY. 1945?

"GENERAL HURLEY. That is in 1945. I asked permission to come to Washington to discuss the present situation. I was very careful not to be misled by what I had heard. I arrived in Washington, and after the State Department had told me that they didn't know of any secret agreement when I asked for it, I went to the White House and—now to preface my answer to the Senator, Franklin Roosevelt and I had been friends for many years.³⁹ . . .

"Well, gentlemen, when there was the Yalta secret agreement, and Roosevelt said, 'Go ahead, ameliorate it or set it aside, and return to the fundamental principles that you have been fighting for, because they are mine; return to the Atlantic Charter—I never intended to set it aside,' now, when you are up against a signed secret agreement of two nations, great nations, if you are going to carry anything you had better be a little enthusiastic, and you had better fight pretty enthusiastically for what you are trying to do."⁴⁰ . . .

ACHESON'S "THREE CHOICES"

Dean Acheson summed up the China policy as follows:

"Now, in that situation the United States Government had three choices open to it. One choice was to pull out of China and say, 'We have defeated the Japanese. The Chinese from now on must paddle their own canoe, and we have to wash our hands of it.' That was an impossible choice to take because with the presence of 1,235,000 armed Japanese troops in China, exclusive of Manchuria, and of another 1,700,000 Japanese civilians—Government officials, economic people, clerks, and businessmen, one thing or another—there was a Japanese force and a Japanese influence so great in China that by throwing its weight to either side in this civil war it could have taken over the administration of the country, and Japan in defeat would have found itself in actual control of China, a result which we could not, of course, help to bring about.

"The second choice was that the United States Government might have put into China unlimited resources and all the necessary military power to try and defeat the Communists, remove the Japanese, and remove the Russians from Manchuria. That was a task so great and so repugnant to the American people that the Government could not undertake it, and it was one which was not in accord with American interests.

"The third choice, and the one which was chosen, was to give important assistance of all sorts to the Chinese Government and to assist . . . in the preservation of peace in China and the working out of

agreements which were so necessary to enable the Chinese Government to reestablish itself in those parts of China where it had never been before and to get, for the first time, into areas of China where it never had been."⁴¹

Wedemeyer Contradicts Acheson

However, General Wedemeyer gave to this summary a different interpretation:

"GENERAL WEDEMEYER. On June 6, 1951, Secretary of State Acheson testified that MacArthur, Spruance, and Wedemeyer were all in agreement in the winter of 1945 with reference to future United States policy in China. His testimony indicates that he derived that information from an official radiogram dated December 7, 1945, dispatched from MacArthur's headquarters in Tokyo after MacArthur, Spruance, and Wedemeyer had conferred concerning projected United States assistance to the Nationalist Government in China.

"The Secretary quoted a paragraph of that radiogram as follows—This is the last paragraph of that particular radiogram, gentlemen, and I quote:

It is suggested that the United States assistance to China, as outlined above, be made available as a basis for negotiation by the American Ambassador to bring together and to effect a compromise between the major opposing groups in order to promote a unified democratic China.

"The Secretary of State, Acheson, laid great stress upon the fact that this above-recommended action was the policy which General Marshall was sent to China to try to effectuate. The foregoing unquestionably would lead to the interpretation that I concurred in, and in fact recommended, the formulation of a coalition government in China involving the Nationalists and Communists.

"This interpretation is absolutely incorrect. I never believed such a government possible. The paragraph quoted by Secretary Acheson was taken out of context from a message which recommended courses of action to be taken to consolidate and strengthen the position of the Nationalist Government in China.

"These recommended courses of action, which are included in the message quoted by Mr. Acheson, covered essentially the plans and necessary arrangements for the repatriation of approximately 3 million Japanese who were in China at the end of the war. Of these 3 million Japanese, about 1,200,000 were military, many of whom were occupying and controlling focal points of communications, lines of communications and production areas—particularly in north China.

"With the evacuation of so many Japanese soldiers, vacua would be created, and I proposed to fill those vacua as rapidly as possible with Chinese Nationalist forces to insure (a) that order would be maintained in those critical areas, and (b) that the Nationalist Government troops would have the

³⁹Hearings, pp. 2883-2884.

⁴⁰Hearings, p. 2887.

⁴¹Hearings, p. 1842. (What the Chinese Republic of course needed was the military aid cut off in 1946 by General Marshall and never effectively resumed.)

opportunity to control those areas instead of the Chinese Communist troops.

"I should like to repeat, gentlemen, there was not, in my mind, at least, any idea that the message quoted out of context by Secretary of State Acheson—There was no idea that that message conveyed my approval of any suggestion that a coalition government should or could be accomplished in China."⁴²

THE WEDEMEYER MISSION

"SENATOR BRIDGES. General, will you please explain the events leading up to the Wedemeyer mission in 1947? That is, who prepared your directive and for whom did you feel you were functioning as a special envoy—the President or Secretary of State, or who?

"GENERAL WEDEMEYER. Well, I indicated, sir, in my opening statement that there were some discrepancies, insofar as my memory was concerned, in Secretary Marshall's testimony.

"I was sent to England to make three talks there in connection with the Kermit Roosevelt Fund. I was sent there by General Eisenhower, who was then chief of staff.

"Upon my return I was told Secretary Marshall wanted to see me right away. This was in July 1947. I did report to Secretary Marshall, and he told me that the President and he had discussed the question of sending me over to China to conduct an investigation, survey. He was very much concerned about the deteriorated situation in that area, and he told me to prepare the directive, Senator, and I did.

"I sat at his desk and prepared the directive, and I was very careful not to embody any ideas of amalgamating Communist and Nationalist forces, because that was the thing that struck me, as I pointed out to you, Senator George, in Secretary Marshall's directive. I thought that was a very unfortunate requirement and an impossible requirement, impossible of accomplishment.

"SENATOR BRIDGES. You have testified, General, that you . . . had read General Marshall's directive, which caused him to conduct a survey for the President in China when he arrived there in December 1945. I want to ask you: Do you know who prepared that directive, and did you personally have any influence in its preparation, or were you consulted concerning the mission assigned to General Marshall?

"GENERAL WEDEMEYER. I was not consulted concerning the mission assigned to General Marshall. I saw subsequently a carbon copy of the original directive that General Marshall showed me in Shanghai, December 1945. The name 'Vincent' appeared in the lower left-hand corner of the carbon copy of the directive which I saw, and I presumed that that referred to a State Department employee named John Carter Vincent. . . ."⁴³

The Suppressed Wedemeyer Report

"SECRETARY MARSHALL. Now I also might add that that . . . visit [1947] was instigated in order to provide information for me and for the President. I proposed sending General Wedemeyer out, and I had him write his own directive, which brought it into the Presidential set-up.

"I thought I would just send him out to look over the ground for me, and come back and tell me what he thought, but his idea, and I think it was right, was—he needed as much prestige as possible in what he was doing, and therefore he needed a Presidential directive; and my recollection is, he drew up most of the directive himself.

"Now, when it came to the publicizing of the report, that was quite another matter, but it might have been done. I know they did go through it to see how we could delete, and it seemed to be so woven into the report, that part of the United Nations phase, that it would excite more speculation and more complications than would be desirable.

"Now I don't know as to the Korean section, because I did not know it had not been released until this recent matter came up; and I only presume that you can be told directly by the State Department that it was not included in their White China book, because they felt, I presume, it didn't directly affect the China situation. As far as I could see, there were only very few deletions necessary in connection with the report."⁴⁴

FORMOSAN KALEIDOSCOPE

"SENATOR SMITH. What troubles me about the Formosa issue is that when I came back I talked to the State Department about it from my own observations, and I understood that was our position. That was our position in December of 1949, and yet on January 5, a statement came out from the White House practically cutting off all further aid to Formosa. So far as this policy was concerned, it seemed to me they had ignored the position of the Joint Chiefs, who I had been told were prepared to recommend that the opposite position be taken and Formosa not be allowed to get into the hands of the enemy. That has always confused me because there was a difference apparently between the White House—

"SECRETARY MARSHALL. Is that January 5, 1949?

"SENATOR SMITH. That was January the 5th statement.

"SECRETARY MARSHALL. 1949?

"SENATOR SMITH. No; 1950, January 5, 1950, but I had been over there in 1949 and everybody I had talked to felt that the Joint Chiefs' position was absolutely sound; we should not let it get in hostile hands. We did not want the base for ourselves, but it would be very serious for our line of defense there if it got in hostile hands.

"On January 5 the President issued this state-

⁴²Hearings, pp. 2297-2298.

⁴³Hearings, pp. 2308-2309. (See footnote No. 6)

⁴⁴Hearings, p. 373.

ment practically taking the position that we would give no further military aid to Formosa. A few days later the Secretary of State made an address to the press here at a press luncheon at which I was present in which he eliminated Formosa entirely in his description of what our western line of defense was. It ran down from Japan, Okinawa, the Philippines, left out Formosa and left out Korea. I felt very much depressed, I am frank to say, after that statement because I felt that the Secretary of State had completely ignored the views of many of us who thought we were dealing with it on a bipartisan basis.⁴⁵

"I was on the Foreign Relations Committee, and I talked about Formosa and the recognition issue. I was told when I inquired about this after I got back from the Far East and when they were trying to determine policy, that the adviser they called in to tell them what to do was Mr. Owen Lattimore.⁴⁶ At the very time when I was hoping I could get a hearing with the special group studying the policy. I was not given any hearing, nor was any attention paid to my recommendations. But Mr. Owen Lattimore did meet with this group, and that is when it was decided, let Korea go but don't let anybody know you are doing it. Now do you know anything about that at all?

"SECRETARY MARSHALL. I think that question has to go to the Secretary of State and the Chiefs of Staff. That is not in my period."⁴⁷

Earlier, General Marshall had testified:

"As to the build-up of this divided view as to the policy to be followed in China, as related to the Nationalist government regime, and Chiang Kai-shek, in particular, and the Communist regime: I was Secretary of State in 1947 and 1948. I ceased to function the first week in December 1948."⁴⁸

From this, it can be concluded that there was no basic policy, except as indicated in this further statement by General Marshall:

"So, the real issue was how you would meet this situation without a tremendous commitment of this Government on the land area in Asia. I knew of my own knowledge the very doubtful basis on which their operations and their governmental procedure rested. I knew the difficulties they would have in maintaining morale, and in maintaining their military force with any degree of fighting efficiency; and I had very decided professional military doubts as to the competence of the leadership that would have to undertake these operations.

"Now, those were the problems that I was struggling with personally, while I was Secretary of

State, rather than the feeling on the one side of bolstering up, we will say, the Communist procedure, and the feeling on the other side, in regard to the Nationalist forces."⁴⁹

Secretary Acheson's Retrospective Policy

"SECRETARY ACHESON. That policy was as follows: First of all, it was understood and agreed that Formosa had strategic importance so far as the United States was concerned. The second point was that that strategic importance related to keeping Formosa out of the hands of a power which would be hostile to the United States, and did not concern occupying or using Formosa by the United States.

"The third element of the policy, which never varied from October 1948 to January 25, 1950, was that, in the existing condition, and strength of the Armed Forces of the United States, it was not possible to commit or promise to commit any forces whatever, Armed Forces of the United States, to the defense of Formosa."⁵⁰

"The next element of the policy was that the State Department should, to the best of its ability, by diplomatic and economic means try to keep Formosa from falling into hands which would be hostile to us."⁵¹

Marshall Recognizes an American Interest—with Provisos

As concerns the present attitude toward Formosa, General Marshall stated the Administration's position as follows:

"SECRETARY MARSHALL. Formosa. We are very clear on that, that Formosa must never be allowed to come under the control of a Communist government or of a government that is under Soviet Communist domination. Now that is clear; however otherwise that might be handled is another matter which undoubtedly would be discussed one way or another.

"The entry of the Chinese Communists into the United Nations is a matter right now we are adamant in regard to.

"Now, you have to take the long view into the future, and, if you could conceive of that becoming, as I say, a respected government in the family of nations, then you have got a new consideration on your hands. What that will be and how far off in the future that will be, if it ever comes up, is something else."⁵²

Wedemeyer Regards a Commitment as a Commitment

"SENATOR GREEN. Am I not right in thinking

⁴⁵On August 8, 1951, President Truman asked Congress to vote \$307,000,000 for Formosa, completely reversing this policy.

⁴⁶On July 17, 1949, Mr. Lattimore, who was called in to advise the State Department while Senator Smith was refused a hearing, wrote as follows in the *New York Sunday Compass*: "As it became more and more obvious that Chiang Kai-shek and the Kuomintang were doomed, the conduct of American policy became increasingly delicate. The problem was how to allow them to fall without making it look as if the United States had pushed them. . . . The thing to do, therefore, is to let South Korea fall—but not to let it look as though we pushed it. Hence the recommendation of a parting grant of \$150,000,000." As an adviser to the State Department Mr. Lattimore presumably spoke with authority about the policy he had helped to formulate.

⁴⁷Hearings, pp. 468-469.

⁴⁸Ibid., p. 464.

⁴⁹Hearings, p. 466.

⁵⁰Chiang Kai-shek, of course, has never asked for American armed forces. He has an army of some 500,000 men on Formosa and some 1,500,000 guerrillas on the mainland of China.

⁵¹Hearings, pp. 1671-1672.

⁵²Hearings, p. 531.

that our policy, American policy, regardless of these other questions, is not to let Formosa fall into the hands of any enemy?

"GENERAL WEDEMEYER. Yes, sir; that might jeopardize our security.

"SENATOR GREEN. But it doesn't necessarily go to the extent of saying it has got to be returned. It is just that it has to be in friendly hands, and that is enough. It doesn't mean it should be independent or be in ours, but if it is kept out of the hands of an enemy, that would meet our policy as laid down, would it not?

"GENERAL WEDEMEYER. It might meet yours, but it wouldn't meet General Wedemeyer's, sir. I feel we had a commitment at Cairo, and when I make a commitment, my country makes a commitment, I want to see it carried out."⁵³

THE WHITE PAPER

"SENATOR GEORGE. First, I think it may relate to your fuller statement regarding China when you make it, but I would like to ask you who authorized the white paper, the so-called China white paper? Whose responsibility was that?

"SECRETARY ACHESON. I recommended to the President that such a paper be prepared and made public, and the President approved my recommendation.

"SENATOR GEORGE. It was prepared in the State Department?

"SECRETARY ACHESON. It was prepared in the State Department, a great number of people working on it.

"SENATOR GEORGE. I understand. But someone had to take the final authority to—

"SECRETARY ACHESON. I think, as I recall it—and I will check my memory on this—that the chief work of getting the whole thing together was in charge of Mr. Butterworth, who was then Assistant Secretary of State in charge of far eastern matters. When it was all put together, the final work of going over the thing and checking it and doing all of that, I put in charge of Dr. Jessup. I wanted somebody other than the people who were immediately concerned with that to go over the paper and give it its final review and check.

"SENATOR GEORGE. But it was prepared in the State Department."⁵⁴

STILWELL'S STATE DEPARTMENT ADVISERS

"GENERAL WEDEMEYER. . . when I took command of the theater [in 1944] I had four political advisers. I inherited those men. They were professional State Department men. They all looked like high-caliber men to me—intelligent, very cooperative. Their names—Mr. John Davies, Mr. John Emerson, Mr. Raymond Ludden, and Mr. Jack Service. They were men who spoke the language—

the Chinese language—and they had been advising my predecessor, General Stilwell, prior to my arrival there, and he had great confidence in them. I learned this indirectly; I did not talk to General Stilwell about them.

"They submitted to me memoranda—memoranda based on their observations and their experience as they traveled around in the China area. Invariably those statements which they submitted to me were very critical of the Nationalist Government and . . . rather praising of the Communist regime.

"As I have stated here repeatedly, my interest was not political, my interest was carrying out what I thought you people wanted me to do over there—to kill Japanese over there, and bring about a coordinated effort in the military; and it was only as time passed that I became more and more involved in political and economic matters because, as Chief of Staff of the Generalissimo, he kept drawing me into these spheres."⁵⁵

Before General Stilwell's recall in October 1944, Ambassador Hurley had sent President Roosevelt the following message about him.

(The following message is from Hurley for the eyes of the President only.)

I have endeavored to cooperate with General Stilwell. I permitted him to strike out of my telegram to you of September 21st conclusions I had reached which General Stilwell thought would be equivalent to recommending that he be relieved. At that time I still believed that harmony between General Stilwell and General Chiang Kai-shek was possible. I am now convinced, as I have heretofore said to you, that the two men are fundamentally incompatible and they are mutually suspicious of each other. The Generalissimo reacts favorably to logical persuasion and leadership. You can do business with the Generalissimo. He reacts violently against any form of coercion, "squeeze play" or ultimatum.

Stilwell is incapable of understanding or cooperating with Chiang Kai-shek politically. Stilwell has stated that Chiang Kai-shek never acts until action is forced upon him. On this thesis, Stilwell's every act is a move toward the complete subjugation of Chiang Kai-shek. There is no issue between you and Chiang Kai-shek except Stilwell. My sympathies are with Stilwell. After I had changed my message to you of September 21st to support Stilwell's ideas, he agreed with me that the Generalissimo does cooperate. I quote Stilwell: "I am convinced that Chiang Kai-shek is listening to our recommendations. He changed his plan at Kweilin, he put Pai Chin Hsi back in, he executed the 93rd Army Commander, and he is moving six divisions down from the Northwest. Apparently he is ready to pass the command and even use the Reds if they acknowledge the authority of the Generalissimo."

The quotation from Stilwell proves that the Generalissimo is not as noncooperative as Stilwell's wire of the 10th to General Marshall would indicate. I have the so-called Communist question under discussion at the present time and I am satisfied that we will arrive at a solution of that problem. The Generalissimo has also definitely stated he will, with American assistance, reorganize his entire military establishment and his civil

⁵³Hearings, pp. 2465-2466.

⁵⁴Hearings, p. 1769.

⁵⁵Hearings, p. 2401.

government in a manner to promote cooperation in our joint war effort.

The Generalissimo did tell me that he was prepared to give General Stilwell the command in deference to your wishes. At the same time he stated that he had no confidence in Stilwell but now that you had a representative with him and he could be in closer contact with you and for the purpose of creating harmony he would give Stilwell his complete confidence and try to make a fresh beginning.

After this statement was made, Stilwell repeatedly showed that he had no intention of cooperating with the Generalissimo; his one intention was to subjugate him. Stilwell's fundamental mistake is in the idea that he can subjugate a man who has led a nation in revolution and who has led an ill-fed, poorly-equipped, practically un-

organized army against an overwhelming foe for seven years. My opinion is that if you sustain Stilwell in this controversy you will lose Chiang Kai-shek and possibly you will lose China with him. . . ."⁵⁶

An effort has here been made to put together in some logical arrangement the pattern of ideas presented at the Hearings as they relate to our government's China policy. In this I have failed, as no clear American pattern exists. A Russian pattern asserts itself throughout, and many Americans have supported that, some because they accept Russian dominance as inevitable, others because they know no better.

⁵⁶Hearings, pp. 2879-2880.

The Betrayal of Free China

"It is my own personal opinion that the greatest political mistake we made in a hundred years in the Pacific was in allowing the Communists to grow to power in China. I think, at one stroke, we undid everything, starting from John Hay, through Taft, Leonard Wood, Woodrow Wilson, Henry Stimson, and all those great architects of our Pacific policy. I believe it was fundamental, and I believe we will pay for it, for a century."

GENERAL MACARTHUR.

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THE FORTNIGHT

Those "Caucasian volunteers" General Ridgway spotted in Korea enjoyed at the same time, by proxy, the freedom of the great city of San Francisco. While members of the Communist parties of Poland, Czechoslovakia and Soviet Russia were killing American soldiers north of the 38th parallel, other members of the same parties were shaking hands with the President of the United States. This is known as Cold War. It's cold enough to send chills down every American spine.

MacArthur's Cleveland speech was positive and forceful but it was especially interesting because of its undertones and for what seemed to peep out from the interstices. Chief among the unspoken or semi-spoken eloquences of the speech was its failure to say anything really specific about the Japanese Treaty. By contrast with his rather casual references to the Treaty (which he described as "far from flawless," yet embodying "much of human justice") MacArthur devoted many stirring sentences to the action taken by the Japanese themselves toward establishing an enlightened, decentralized free state. In other words, MacArthur puts his trust in deeds performed, not in words that are susceptible to tricky manipulation by Mr. Truman's State Department working through the UN.

Another semi-spoken bit of eloquence in the MacArthur speech was its oblique endorsement of Robert A. Taft for President. Said MacArthur of Ohio's contributions to American leadership: "Indeed, indications multiply that this leadership may even increase in the not-too-distant future." Democrats and Eisenhower Republicans may interpret this to mean that MacArthur was plugging Ohio's Governor Frank Lausche for the still open job of High Commissioner of Baseball, but the Taftites may be excused if they think differently.

Charley Kettering, one of the nation's finest natural assets, went home to Dayton for his seventy-fifth birthday to give us all a shot in the arm

with a deliberately optimistic speech. "The human race," said "Boss Ket" among other hopeful things, "won't get into trouble because it will run out of anything—unless it's brains." Ah, but that's just it! That peculiar commodity, always in short supply, tends to evaporate in an atmosphere of regulation, for the enemy of brains is the Brain Trust. Not unlike the phenomenon of "the critical mass" in the atomic stockpile, a certain concentration of smart lawyers in Washington must annihilate our basic national resource. We wish the father of the automatic self-starter would spend his remaining years of inventiveness (about thirty, we hope) on developing an automatic Brain-Trust-buster.

A document introduced into the record of the MacArthur Hearings by Senator Styles Bridges has just been brought to our attention. It purports to be a study, by a group of officers in Army Intelligence, dated April 12, 1945, and devoted to the thesis that Soviet entry into the Far Eastern War would have the disastrous consequences that have since come to pass. The Committee asked the Department of Defense to produce the original; but Acting Secretary Lovett replied that it could not be found; that it was probably "but one of many studies made on this subject and, since no action was taken on its recommendations, it was probably destroyed."

Senator Bridges suggested that the Committee summon several of the authors of this remarkable document for questioning concerning its authenticity, of which he had reason to be convinced. It is regrettable that the Committee did not do so. We call our readers' attention to the testimony of Dean Acheson, quoted on pages 9 and 10, Section Two, of this issue. They will find the Secretary of State defending the outrageous Yalta concessions of Chinese territory to Stalin with the argument that according to "military opinion" it was imperative that Russia be brought into the Far Eastern War. Can it be that the fact that the document produced by Senator Bridges seemed to contradict Mr. Acheson had something to do with the inability of the Defense Department to find it?

As a taxpayer you would not be expected to know that you paid Mr. Norman Cousins \$500 a month and expenses to take the American point of view to Asia. The State Department hired him. You may not know who Mr. Cousins is. He is editor of the *Saturday Review of Literature* and author of a piece entitled, "Modern Man Is Obsolete." He lectured in Madras, Calcutta, New Delhi and Pakistan, and appeared also in Japan, Singapore and Hong Kong, and he got everywhere an attentive press because he had been sent by the American government. His principal theme was world government. "World federal government," he said, "is the fastest growing movement in the United States."

The State Department says Mr. Cousins changed the lecture topics agreed upon before he left. It was easier for him to do that than it would be for the State Department now to change the effect produced by his lectures, even if it wanted to. Mr. Cousins talked also of democracy. Representative Taber called on the State Department for the newspaper clippings on Mr. Cousins's lectures. A New Delhi paper quoted him as saying that democracy now is being "experimented with in China." The State Department cut that out, but the Bureau memorandum ordering it to be cut out somehow got mixed in with the clippings, and Mr. Taber found it. More people know what the American taxpayer pays for than the American taxpayer knows.

After some fancy finger exercises at spending ten billion public dollars on incredulous Europeans, Paul G. Hoffman has now graduated to doling out 500 million private dollars for the Ford Foundation. The idea (improving the world) is not bad, but Mr. Hoffman is reportedly vexed. To indicate what bizarre sort of beggars they must first get rid of before they can throw Henry Ford's money at professors of "sociology," the Ford Foundation recently told of an elderly woman who suggested that her brother, "nearing 70 and unhappy about it, would be cheered if he could have banjo lessons for a year."

Now this didn't strike us at all as an unreasonable way of improving the world—particularly when we learned, on the same occasion, of a project the Ford Foundation had happily resolved to finance with \$150,000. An International Press Institute in Zurich got the grant for "an investigation of what has happened to the free press in Argentina." We can tell Mr. Hoffman, without charging him a penny, what has happened to the free press in Argentina: There ain't no free press in Argentina. So, and now that we have saved the Ford Foundation a lot of money, we'd strongly advise Mr. Hoffman to pay for that old fellow's banjo lessons. Who knows? After a year or so he might be able to strum "Dixie"—while the professors of "sociology," on whom the Foundation is squander-

ing old Henry Ford's millions, will produce nothing but the arrogant noise of the hopelessly and inanely obvious.

The Social Security Administration has stopped Federal payments to Indiana for old age assistance, aid to dependent children and aid to the blind. Why? Because Indiana passed a law saying that a list of those receiving public relief shall be open to public inspection, whereas the Federal law says that in order to receive Federal money in aid of its relief programs a state "must provide safeguards which restrict the use or disclosure" of any information about the beneficiaries. The Social Security Administrator must obey his law. He cuts Indiana off. In which is the Federal government more interested—relief or conformity of the state to Federal power?

Averell Harriman's *apologia pro Yalta sua* sank on launching (see our issue of September 10), but it is still fun to shoot at the floating wreckage. A bull's-eye has been achieved by William R. Langdon, former U. S. Consul General in Manchuria, who reminds the *New York Times* in an excellent letter (August 29) that Soviet Russia, at the time of Yalta, was under a solemn treaty obligation to stay at peace with Japan. Consider where that leaves Mr. Harriman's "case": When Roosevelt made those Yalta concessions, argued Mr. Harriman, he was fully entitled to expect that Stalin would stick to a solemn agreement; but the very objective of the Yalta Agreement was to make Stalin break one previously undertaken! In other words, that look of hurt innocence in the eyes of Yalta's apologists is embarrassing. At least it is embarrassing to us as Americans.

Whenever Justice William O. Douglas goes on a vacation, he breaks either a couple of ribs or a few august traditions. This year, he returned from a trip to Asia (during which he reportedly filed copy for Walter Winchell's Broadway column) with the suggestion that the United States ought to recognize Communist China. Senator Connally, in one of the season's more charitable understatements, called this suggestion "foolish." True, there is no written law against members of the Supreme Court making fools of themselves. However, the free world, and in particular its Anglo-Saxon core, lives by unwritten laws of custom no less than by the codified kind. Until the New Deal crop took over, it was quite unthinkable that a Justice could so audibly pant for headline notoriety as Mr. Douglas does, and still remain on the bench. At the risk of standing exposed as incorrigible reactionaries, we can't help seeing merits in the old-fashioned proposition that Supreme Court Justices should refrain from boyish pranks.

Echo from a fast receding summer vacation: "Daddy, what did the fish ever do to you that makes you want to catch them?"

The Japanese Treaty

EVEN THOUGH the Soviet government did not succeed in throwing half a dozen monkey wrenches and a barrel of emery powder into the works at San Francisco, it does not follow that the Japanese Peace Treaty will necessarily be a good one for the United States.

Why? In the first place, as Senator Jenner, George Creel and others have pointed out, the treaty might be used to euchre an American-controlled anti-Soviet army out of the Japanese islands. President Truman, in his September 4 speech in San Francisco, dwelt specifically and lovingly on the necessity of bringing Japan under the principles of the United Nations. The Soviets, of course, are members of the United Nations, with full power on the Security Council to sabotage and stymie the desires of the United States. If the Japanese Peace Treaty were tied to the UN Charter, as the wording of the document would seem to permit, control of American troops stationed in the Japanese islands could very well pass to an international high command dominated—or at least rendered completely impotent—by the Russians and their stooges. Thus MacArthur's good work could be undone in a single moment of negligence or duplicity in the gyp joint presided over by *croupier* Trygve Lie.

True, the Mutual Aid Treaty between the U. S. and Japan, the text of which was released shortly after the big treaty had been signed, would seem to protect American garrison rights in the Japanese islands. But even in this Mutual Aid Treaty there are the vaguely deferential concessions to possible UN usurpation. The U. S. Senate had no part in the Mutual Aid Treaty preparation. Senator Jenner has objected to the way the State Department insists on formulating treaties without taking the Senate into its confidence, as it should do under the Constitution. The text of the Japanese Mutual Aid Treaty was kept as "classified material" and hence unavailable to Senators.

If Senators Jenner and Cain have their way, the Japanese Treaty faces a good combing-over before it is ratified by the Senate. The more alert Republicans insist that Japanese bases be reserved for American, not UN, troops until such time as the Communist menace has been dissipated in the western Pacific. They also insist that Free China should be included in any Far Eastern settlement. Moreover, as the more alert Republicans see it, the Japanese Treaty should not be used to validate Soviet claims to the Kuriles and South Sakhalin. There is no reason to make a treaty with Japan the engine for legalizing the dirty work of Yalta and Teheran in the eyes of an unsuspecting world.

As we go to press, the Russians have just finished howling their grievances to the skies over the

Golden Gate. Their propaganda has reached to New Delhi and to other receptive ends of the earth. They may not be satisfied with the results of San Francisco, but they have gained some of their ends nonetheless. At the very least San Francisco will do its added bit to establish in the eyes of the world that the United States is a prime welsher. The absence of the Free Chinese highlights the fact that we have helped deliver Manchuria and the Chinese mainland to a totalitarian power—which was precisely what we went to war with Japan to prevent. The absence of MacArthur highlights our deplorable way of honoring heroes, patriots and prophets. It would be a most sardonic sequel to this history of welshing if the Japanese Treaty were to be made the instrument of delivering Japan itself over to the Communists. On the record the Japanese can hardly be blamed if they secretly suspect the worst.

The main hope of the free world is not what the UN may do under the Japanese Treaty. The main hope is that the Japanese people, by regaining at least some measure of responsibility and autonomy, will proceed to do something about combating the inroads of communism for themselves. If MacArthur continues to be honored in Tokyo it may not matter so much that he is treated with dishonor in Washington.

St. Keynes, Pray For Us!

THE SANCTIFICATION of Lord Keynes may soon be written into the United Nations *credo*—and when that happens, the United States ought, of course, to withdraw from the queer church. Protected by the total indifference which so characteristically shrouds all UN activities, the UN Economic and Social Council is currently whipping up a commitment for all member states to guarantee "full employment."

The idea, as advanced by the British Labor Government's delegate to the Council, a Mr. Corley Smith, is to set "a full-employment target in terms of a percentage of unemployed to the total working population beyond which level the governments shall not permit unemployment to rise." Like a true Keynesian, Mr. Smith didn't stop to put a dash of economic meaning in his words; Keynesian strategy has always been to shoot phrases first, and worry about their meaning later. But so long as the Keynes version of Fabianism has not yet become the Supreme Law of the Nations, Americans are still free to say that it's spinach and to hell with it.

"Full employment" and "total working population" are about as exact definitions as "pleasant

climate" and "tasty food." In the United States, for instance, almost 62 million people are at the moment gainfully employed—a 20 or 30 per cent increase over the figure that even an intoxicated Keynesian would have thought rather dreamy only ten years ago. Of course, neither the total population nor the "total working population" (whatever that is) has grown that fast since 1941. In 1944, when he was at his most starry-eyed, Henry Wallace set for his utopian postwar America the heroic goal of "Sixty Million Jobs." Seven years later, 62 million jobs make him look like a piker. But this doesn't mean that Mr. Wallace for once was too conservative—or that our "total working population" will from here on be 62 million. It means merely a stylish social pattern: in a universally inflationary atmosphere, social fashion (rather than economic need) makes everybody go out and pick some of those ripe dollars.

For who can doubt that our national payroll is padded? Who would deny that a substantial fraction of those 62 million jobs are held by high school kids, wives of comfortably fixed husbands, financially independent pensioners—millions of now "gainfully employed" who only a few years ago would never have thought of entering the labor market? Their withdrawal would not necessarily constitute unemployment—particularly if the event were accompanied by a general price contraction which might keep the purchasing power of the combined family income at par (even though fewer members of the family would be gathering it). And if this is true of the United States, it is doubly true for Europe where the hothouse conditions of Marshall Aid are reflected in downright fraudulent employment statistics.

At any rate (and to return to Mr. Smith's strata-gem), governments which "shall not permit unemployment to rise beyond a [synthetically fixed] level" are by definition both economically ineffective and socialistic. The New Deal's Keynesian strategy in "guaranteeing employment" resulted, of necessity, in common leaf-raking, until the war boom called for real expansion of volume produced; and Mr. Cripps would be the first to admit that his Labor Government, in spite of all its Keynesian wisdom, avoided catastrophic unemployment only because of vast capitalistic loans from America and the new wave of rearmament. Secondly, to guarantee any predesigned level of employment, a government must of course progressively take unto itself *all* economic decisions, i.e. become socialistic.

Now Americans will perhaps, one crazy day, discover that they *like* socialism; but they'll be darned if they will let UN "social engineers" slyly *slip it over* on them. If our UN representative, that genteel New Englander Warren Austin, is embarrassed to break the news, we don't mind being so crude as to inform the Keynesian fraternity in the UN about America's true temper: She can get, all of a sudden, quite definitely ornery when she encounters insolence.

And what, if not insolence, is a British attempt to legislate the U. S., via a UN resolution, into Fabianism? Can one imagine the anti-American eruptions in the British labor press if a U. S. representative ever tried to make the UN impose capitalistic policies on Mr. Attlee's England? Having bailed them out of many an economic mess, and their latent critical unemployment in particular, capitalist America will thank the British Keynesian fraternity not to consider their continuous record of bankruptcy a sufficient credential for running American affairs. True, a dismal failure in the haberdashery business has carried a man into the White House; but Mr. Truman is at least an American citizen.

Neither Guns Nor Butter

FOR the last few years, Germany has been sadly misrepresented in the American press. The serious flaw in the German postwar character is not, as the American public has been led to assume, a purported reawakening of German militarism, but just about the opposite: an almost nihilistic German indifference toward Europe's, and Germany's, need to recover military strength in the face of permanent Soviet expansion.

That a thoroughly defeated people sulks in cynical "pacifism" is understandable. It is considerably more difficult to comprehend the suicidal touchiness that Britain, and particularly France, display when confronted with the crucial task of European policies—the exploitation of potential German strength. Their customary reference to the agonies western Europe has historically suffered from German militarism is this time clearly irrelevant: precisely to *avoid* a third bloodletting, strength is needed in the Continent's labile center.

This being patently true, it gets of course no attention in France where, again contrary to popular notions, logic is the least essential ingredient of public opinion. And the extent to which the French have withdrawn from reasoning shows glaringly in the schizophrenic French attitude toward armament production.

Tell the French that they must increase their own production of guns, and they will vehemently protest that their convalescing economy simply can't stand such an additional strain. Tell them that, if this is so, Germany looks like the only other feasible gun manufacturer for the West, and the French will protest even more vehemently: Germany must not be permitted the wealth that comes from producing guns. Simple Americans, who remain chained to the pedestrian rules of logic, might think that only one of those two contentions could be true: gun production either strengthens or weakens an economy. But the sophisticated French have no trouble in reconciling opposites;

what's more, they seem to have impressed the U. S. chiefs in NATO headquarters.

For, while France refuses to produce guns, Germany is indeed not permitted to. By no means fools, the Germans are nicely profiting from such quixotic Western policies: As they are forced not to manufacture guns, they export pots and pans in such quantities that Britain, beaten to the Danish market, must go without butter. In one of history's silliest paradoxes, the uncontrolled distrust of victorious France is pushing defeated Germany into sybaritism.

The French won't mind much, so long as the U. S. keeps paying the French deficit twice—the deficit in butter, and the deficit in guns. But how long is America going to play the paying stooge in the fancy French parlor game of squaring the circle? If the French know a way of fighting the Red armies with guns they won't and the Germans can't produce, let Eisenhower hand over his job to a Frenchman of such miraculous prowess. The United States stands committed to the fastest possible armament of the West, and wherever armament capacity exists under U. S. jurisdiction (as it clearly does in western Germany), any obstruction of output is both a breach of a United States commitment and a drainage of United States power. We can not afford either; and the French ought to be told so in unmistakable terms.

All Interest Is Not Sacrosanct

INTEREST on the Federal debt, the holy-of-holies that cost the American taxpayer more than five billion dollars a year, should no longer be exempt when Congress gets out its pruning shears to trim non-essential spending from the Federal budget. Put through the research wringer of the Tax Foundation, interest on the debt yields more than \$200 million in hidden subsidies—almost as much as the government expects to spend next year to support farm prices.

Of the \$5897 million budgeted for interest on the debt in fiscal 1952, only \$4537 million will be paid out to private holders of U. S. bonds. The rest—\$1324 million—is interest on money borrowed by the Treasury from various Federal trust funds, corporations and agencies at much higher rates than the private bondholder receives. The subsidy is the difference between going rates for the private citizen and the special favorable rates for Federal agencies. Some of the subsidy rates are as high as 4 per cent, while the bond-buying public gets from 1 per cent to 2.5 per cent.

A case in point is the National Service Life Insurance Fund, made up of GI and veterans' premium payments plus certain Federal appropriations from general tax revenues. This fund is in-

vested in Treasury notes paying 3 per cent interest, which is about .8 per cent above the average rate paid the public. Through 1949 the high interest payments alone enriched the Fund by \$790 million, of which about \$330 million made up part of the insurance "dividend" last year. If NSLI had received from the Treasury the current market interest rate, taxpayers would have saved \$213 million through 1949.

Secretary of the Treasury Snyder has recommended that Congress fix the interest rate paid to government trust funds like NSLI at the level paid to private bondholders. Such a minor change, he says, would save \$145 million a year.

The ultimate irony in many of these subsidy cases is that the taxpayer, who provides the funds for a Federal agency, is socked again from the other direction when that agency "earns" interest by lending tax money to the Treasury. Some time ago, the Hoover Commission reported that \$350 million of capital funds given by the Treasury to government corporations was loaned back to the Treasury as "investments." Benefiting from these subsidies labeled interest, were the Production Credit Corporation, Federal Housing Administration, Intermediate Credit Banks, Home Loan Banks, Banks for Cooperatives, and Panama Railroad Company.

A recent report by the Comptroller General said that as much as 72 per cent of capital given to some government corporations by the Treasury was "excess"—that is, idle—and was drawing interest from the Treasury at the taxpayers' expense.

It would take a really exhaustive study to uncover the exact amounts lost to the taxpayer through this interest-subsidy. Some of the possible annual savings already turned up include: interest on government trust funds in general, \$145 million; interest on the Railroad Retirement Fund, \$4.5 million; interest on refunds to taxpayers, \$50 million; interest on postal savings deposits, \$15 million.

Elimination of the interest-subsidy would result in substantial savings "in almost every instance," says the Tax Foundation, a private research group:

Even if a Federal trust fund or corporation ran out of money and came to Congress for help, savings might very well result from having the subsidy out in the open where Congress and the people could take a good look at it and then decide whether the agency was deserving of tax funds.

In an era of staggering rearmament costs when increasing sacrifices are being demanded of the American people, hidden subsidies have no place. The minimum of \$200 million that could be saved by eliminating the subsidy from interest on the national debt would be far more useful in the shape of a squadron of fighter planes, or groceries in the market basket of the American housewife.

The Tragedy of Louis Adamic

WHAT happens to people? They can certainly go strange ways.

We first knew Louis Adamic back in the early thirties. He was a likeable, intense young man who was trying to master the writing of American speech and otherwise make himself into the best possible citizen of his adopted land.

Born in 1899 in Yugoslavia, one of a family of ten Carniola peasant children, he had come to this country at the age of fourteen. He had knocked about considerably, working as a longshoreman in California and as a silk worker in Paterson, New Jersey. During World War I he served in the AEF in France. He had a slight stutter, which gave his speech a contagious and mildly explosive quality.

His writing, which had color and verve, had commended itself to the perceptive H. L. Mencken, who first brought him out in the old, full-size, green-covered *American Mercury* in the twenties. When we first got acquainted with Louis he had just written a book called "Dynamite," a history of the American labor movement in its more violent phases. "Dynamite" was neither a pious, labor-skate type of book nor an unfeeling attack; it simply called the historical cards as they turned up.

Louis was a radical in those days, but he was his own type of radical. He scorned the slavish devotees of Talmudic Marxism; he wanted to attach himself to the native Jeffersonian traditions. He tended to be isolationist as regards Europe's wars, but he believed in what might be termed a symphonic America, with the immigrant sons of all the cultures playing their parts as true Americans on the shores of the new world. He conceived a grandiose project of writing the history of all the immigrant groups, and he was fond of his projected cover-all title, "Ellis Island and Plymouth Rock." The symbolism of the juxtaposition appealed to him.

And then something commenced to happen to Louis. It began some time after his return to America from a visit to his native Yugoslavia. He wrote a wonderful, sensitive, warm book about that visit, "The Native's Return," which was taken by the Book-of-the-Month Club and made Louis famous. "The Native's Return" was widely praised; as we recall it, the only critic to voice even a mild dissent was J. Donald Adams of the *New York Times*. What Mr. Adams sensed was that Louis Adamic had been caught almost without realizing it by his Carniola past. And that proved to be true: Louis Adamic began in the later thirties to think in terms of the strict Marxist categories he had once rejected. Instead of being the Jeffersonian American radical, Louis Adamic became transformed into the Balkan politician. A class hatred

of Yugoslav royalty had asserted itself as the controlling factor in his development.

Louis's new bent became increasingly plain in the years of the great Stalin-Trotsky schism. Louis had become a member of a committee for granting political asylum to Trotsky, but someone or something got to him and urged upon him that Balkan realities demanded that he keep on Stalin's side against the American civil libertarian position supporting Trotsky's right to a refuge. After some backing and filling he suddenly insisted that his name be withdrawn from all Trotsky asylum petitions. From this time on, Louis's relationships with his old friends became badly strained; whenever we saw him he had an apologetic air, as if to say, "Look, I don't like the company I'm in, but I've got to play it this way. You don't know how things are going to break in Yugoslavia."

Came the war, with the Nazi invasion of his homeland, and Louis Adamic lined up on Tito's side against Mihailovich. We remember running into him on Fifth Avenue. He blinked and asked defensively, "What are you thinking these days? I've changed my mind about a lot of things." Louis went on to defend the Russians as Yugoslavia's best friends. He remained a stalwart supporter of Stalin—and his innumerable American fronts—until Tito broke with Russia. Then Louis Adamic, the Yugoslav, broke, too.

Louis Adamic, as everybody who reads the newspapers knows, was found dead at his New Jersey farm below Easton, Pennsylvania, on September fourth. Whether death came from suicide, or as the result of some murderous plot involving local Slavic politics, has not been established as we go to press. But the moral, in either case, would seem to be plain: divided citizenship, divided national loyalties, can mean terrible tragedy in the modern world. Louis Adamic wanted to become an American. He made an heroic attempt to become an American. But he never quite penetrated to the secret of the American tradition.

And what is that secret? Simply this: that in America individual liberty comes before allegiance to any group or class. That is what Louis Adamic, the Titoist, never quite found out. It kept him from becoming the American he wanted so passionately to be.

J. C.

Announcement

I'm going to run for President:
I may not be elected,
But I will bring out one real fact
That has not been detected.
My platform will shake Washington
As it never shook before
When I announce to one and all
That two and two make four.

HERBERT M. RICHMOND

Eisenhower: the Bait and the Trap

By LAWRENCE R. BROWN



Can Eisenhower win an election on "glamour"? Lawrence Brown thinks not. In this article he relates the Eisenhower boom to the Republican dilemma as regards the basic issue of national survival.

THE MANEUVERS to capture the Republican nomination for Eisenhower are reminiscent of those that so disastrously captured it for Willkie. There is the same synthetic publicity accepted as evidence of mass popularity, the same approval by the "liberal and forward-looking elements" of the Republican Party (that is, by the eastern suburbs), the same slightly craven despair of the professional politician who wants to win with anybody and accepts a candidate's own publicity as evidence of his political strength.

There is even a faint resemblance between the men as individuals: the same air of boyish masculinity, the same public doubt concerning their understanding of political realities, the same narrow competence inflated out of all proportion by public misunderstanding of their real responsibilities. Despite their outward air of craggy, individual strength both men have owed their fame to others—Willkie to the Wall Street group which made him a prominent lawyer, Eisenhower to the leftist faction of the Roosevelt Administration which gave him his stars and his commands.

There is, however, a deeper similarity in the two candidacies. Both represent the efforts of the same faction of the Republican Party to cooperate with the foreign policy of the Democratic Administration. The backers are men who profess objection to some of the domestic policies of the Administration but approve its foreign policy. Their public plea, of course, is that only an internationalist and forward-looking candidate can win the election. Privately they argue that the Republicans must nominate a "popular" figure, a man with "glamour." The substance of their view, however, is their unwillingness to conduct a campaign on any issue at all.

They know that to exclude foreign affairs would be to exclude all real issues and merely replay '40, '44 and '48. Hence their plea for a candidate with glamour. Willkie was supposed to have it. Eisenhower is said to have it. With this quality, it is argued, a candidate can get votes on his personality,

not his clarity of purpose or understanding of the crisis in which his country finds itself. But the trouble with glamour is that though it may lead to "popularity," which is only a fancy name for favorable publicity, it does not win elections.

Eisenhower, like Willkie, would be a natural candidate for the Democrats, but again that position has been preempted. Even more than Willkie, he is one of those candidates whose professional support is from people who are for him because they think some other people are for him. You meet many of the first, but few of the second. It might seem that so synthetic a candidacy would collapse after a little sober analysis by the professional Republican leaders. To envisage the kind of campaign Eisenhower could wage against Truman at once exposes its absurdity. Why should anybody vote for the obedient subordinate and reject his responsible superior?

How Can Eisenhower Attack?

Wherein can Eisenhower attack the Democratic Administration? For those policies which he himself executed without a murmur? Obviously, he can not mention foreign policy beyond the vague co-operative generalities of Willkie. Can he campaign on domestic policies only? Hardly with success. First, he is marked as a man with no experience in domestic matters. Secondly, there is no domestic question that does not promptly bring in foreign questions. Taxes, the draft, government spending, labor policy; none of these can be separated from the foreign crises that have sometimes been the cause and always the excuse for more than a decade of domestic issues. No candidate committed to the foreign policy of the Democratic Administration can do more than be petulant about domestic questions. He would have raised the same vast sums for the same foreign purposes, but somehow he would have made the taxes lighter. He would have drafted and controlled the economy for the same objectives as his opponent, but he would have done it better. It is not difficult to see who would win the American voters in that kind of campaign.

It might be supposed that the impossibility of winning with Eisenhower would gradually dampen the ardor of his more practical backers; but it almost certainly will not, for the very good reason

that to win is only their secondary objective. Their primary objective, as in '40, is to continue the Democratic foreign policy. If Eisenhower can win, that will be fine. If he can not, he will have accomplished what is to them his principal function: the occupancy of the Republican Presidential nomination to be sure that no opponent of the Democratic foreign policy gets it.

This campaign within a campaign needs more attention than it gets. Its object is to prevent foreign policy from becoming an issue, and the Republican candidacy of Eisenhower is merely the certain insurance of success.

To suggest that the fate of the United States—its continuance as an independent nation or its submergence under Soviet conspiracy and ultimate conquest—hinges upon the Presidential election of '52 is to evoke undesired echoes of nineteenth-century campaign oratory. It is curious that in the past, when no election-result could have touched the survival of the nation, it was the style to say that it could, while today with the Soviet Colossus bestriding the earth, fashion decrees that this fact must be considered irrelevant to an American political campaign.

This is the substance of the campaign for Eisenhower. It is also the accepted view of many eastern Republicans and, for entirely different reasons, of many of the one-time isolationists of the Middle West. It is also the view of most of the press and the radio. In this view it must be assumed that both parties are equally committed to defense of the United States against Soviet attack, equally unanimous in this commitment and equally willing to employ what seems from moment to moment the best strategy of defense.

Democrats Against America

The trouble with this view—which is the substance of the "bipartisan foreign policy"—is that the rise of the Soviet Empire can not be separated from domestic American politics, because that Empire was created not by its own might but by American domestic politics. Soviet world power did not just happen, nor could the Soviet Government have achieved it by its own efforts. That Empire is the creation of the faction that for years has steadily increased in power within the Democratic Party. Despite the Administration's verbal attacks on "Communist aggression" and its childish prosecutions of the inconsequential riff-raff of the official Communist Party, this faction is still able to protect its key men in the government and to influence the major lines of American foreign policy.

These are the men who kept British and American armies out of eastern Germany and the Danube basin, not as the most expedient way of defeating Germany but in order to give these lands to the Russians. These are the men who used Lend-Lease and UNNRA to increase Russia's postwar military potential. These are the men who turned over Asia to the Soviet Empire preliminarily at Yalta and

finally with Marshall's arms-embargo against the Chinese Nationalists. These are the men who have blocked every attempt to remove Soviet agents from key policy positions in the government. These are the men who always oppose "Communist aggression" in speeches and always aid it with such of the political power of the United States as they can discreetly use for that purpose. These are the men who with another four years of power safely in their grasp can accomplish the final destruction of the United States before an irresistible Soviet World Empire.

The fact that the Democratic Party as a whole never had such purpose is without bearing. Within the pro-Soviet faction there were enough men, powerfully enough placed in the government and the Democratic Party, to manage American policy in such a way that the Soviet Empire grew to be the mighty power they desired it to become. They may have thought they were serving world peace, or idealism, or the welfare of humanity, or that they were merely promoting their own political or military careers by working harmoniously with an obviously powerful element in the Roosevelt Administration. Whatever their motive they created the Soviet Empire and then disarmed the United States.

These are the facts, and any difficulty in understanding the motive of such men does not change them. It is not the motives of a prominent man of today but the commitments of an obscure, ambitious careerist of twenty years ago that are decisive. These men still control the dominant faction of the Democratic Party in all questions concerning Russia, and since the President appears to be their intellectual and moral prisoner, there is no possibility of loyal Democrats regaining control of their Party.

True, the country does not know this; therefore, foreign policy seems a troublesome issue to many short-sighted Republicans who themselves have rarely thought through the process by which the United States became a groveling suppliant to Chinese and Korean agents of the Soviet Empire. True, the people as a whole know only that Russia has become an immense power and that we have become weak; that ever since 1943 the Soviet Empire has grown constantly stronger and more threatening. But they also know that everything that brings politics into their daily lives—high prices, the draft, government controls, the Korean casualties, high taxes—in one way or another always comes back to the power and menace of this immense empire and the wordy but altogether ineffective counteractions of the Administration. All they know, in essence, is that something is terribly, dangerously wrong.

The problem has not yet the status of a political issue because everyone who raises it is treated as a sorehead, a publicity seeker. It is not a party issue, and until it becomes one the evidence will be rarely printed and more rarely considered. But once it becomes a party issue, the overwhelming evidence

placed against the public certainty that it is not right for us to be shamefully weak and the Russians dangerously strong will make it the most powerful political issue in many generations of American politics. Nor can there be any serious doubt about the way the American public would vote on that issue.

From the mere view of party advantage the question, therefore, arises why the Republican Party does not set to work to build this issue—the betrayal of American interests to the Soviet Empire—into the central theme of its '52 campaign. Surely, say the naive apologists for the Administration, if the facts were so damning, the Republican Party would not leave this field to the scattered efforts of a few Senators and Representatives. These apologists overlook the basic fact that in the realities of American politics there is no Republican Party, and until there is a nominee for President whom self-styled Republicans must either repudiate or support, there will be none. Until then, nothing can be a party issue.

Republicans Against Themselves

There are also two major factions within the Republican Party, the eastern internationalists and the one-time isolationists of the Middle West. That fact explains the reluctance of most prominent Republican politicians to force the issue of foreign policy into the election of '52.

The difficulty that faces the one-time isolationists in raising this issue is not so grave as that which inhibits the eastern Republicans, but it is still a difficulty. A serious examination of the Administration's pro-Soviet policies brings in question the entire policy of the United States in the recent war and even to some extent in the earlier war. It raises the question of war as an instrument of national policy, and this the one-time isolationists desire to avoid. In their hearts they object to the consequences of both wars, but instead of objecting to the political goals toward which the two wars were directed—a distressing, cold-blooded issue to raise in the emotional atmosphere of a democracy—they keep silent about their real grievance and object to war as such. Foreign wars, they see, have involved the United States in manifest disasters, and it is hard for them to credit the reality of a kind of war quite outside their experience. The United States was never before in danger, and they find it difficult to sense that it now is.

So this naturally nationalistic wing of the Republican Party are left in the quagmire of semi-pacifism because of their fallacious conclusion that no war can be really necessary to the life and welfare of the United States. Thus they back into approximately the same position that the eastern internationalists occupy frontally and by choice: that no war of national interest should be fought because the purpose of world politics is not national welfare and survival but collective security and international peace.

But it is primarily the eastern internationalists among the Republicans who are unable to make Democratic betrayal to Russia the central issue of the '52 campaign. These are the Republicans of the suburbs of the large eastern cities. They are by no means all the eastern Republicans, but they are the most vocal and command the most money and the best press. They are not only fearful of a strong nationalistic policy; they would deplore it as morally wrong. They have been well trained by the past literary generation to be more than a little ashamed of their own country and acutely conscious of whether they were fully abreast of the current intellectual style. Since for many years the intellectual fashion has been not only internationalist but even covertly leftist, only a Babbitt could be so hopelessly outdated as to concern himself with gaining crude practical advantages for the United States. That the survival of a state depends on the maintenance of its advantages would be too immoral a fact for them to recognize.

Naturally these Republicans demand that the Party nominate a man with internationalist views, who will accept the current clichés of the eastern press and the slick-paper magazines about collective security and "international" cooperation. They can not make a real issue of the rise of the Soviet Empire. They can not admit to themselves that this Empire is an immense power and a deadly menace. To do so would not only make nonsense of their pet international theories but establish the sound political judgment of men they have been taught to despise. It simply can not be made respectable to expose the Soviet Empire and its American apparatus for what they really are. Too many prominent intellectual, literary and academic figures would emerge tinged with political idiocy if not with treason. Too many eastern Republican politicians would look imbecilic for sitting on the sidelines through such a gigantic betrayal. If the truth about Hiss was hard for the eastern intelligentsia to take, the truth about the entire Soviet apparatus would be staggering.

Babbitt Up-to-Date

From these basic considerations comes the formula that the Republican candidate must appeal to the "forward-looking elements," the body of "liberal opinion" supposed to be attached to neither party. To do this, of course, he must be an "internationalist" and possess that vague but indisputable quality of intellectual respectability. He must have no part of the repute of a Joe Martin, a McCarthy, or even a Taft. At the moment Eisenhower best fills the bill. The political fallacy of this opinion—which the Republican Party has accepted with known results since 1940—is not in point here, but the real meaning of the definition of the desirable candidate.

What is the practical mechanism for determining what Republican candidates could fill these specifications? Who presumes to speak for the "forward-

looking elements?" Manifestly the "liberal" commentators of press and radio. Their names are familiar: Elmer Davis, Lippmann, the Alsops, Doris Fleece, Stokes, Childs, Mellett, Pearson, Eleanor Roosevelt. Beyond these there are a few technically anonymous sources of similar views, the publicly unidentified editors of the *Washington Post*, the *New York Times*, the *New York Herald Tribune*, and the *St. Louis Post Dispatch*.

This group is the generator of what is accepted as "liberal" and "internationalist" opinion. Certainly it does not come from such "reactionaries" and enemies of the UN as Fulton Lewis, Pegler, Sokolsky, Lawrence, Sullivan, Frank Kent, the editors of the *Washington Times Herald*, the *New York News*, *Chicago Tribune*, the Hearst and Scripps Howard papers. Could these men establish a man as either a "liberal" or an "internationalist?"

These two lists contribute the bulk of the political comment reaching almost all those Americans directly reached by any political comment at all. The first interpretation of political events, the first character estimates of a man, reach public attention through these men and women. Roughly speaking there are no other important sources of political information available to the American people.

Now, since the second group listed above are considered completely reactionary, "liberal" political opinion is confined by simple mathematical elimination to the first group. They and they alone can speak for "liberalism" and the "forward-looking elements."

The question remains concerning intellectual respectability. Who can confer or withhold this label? Who has pictured Senator Vandenberg as a great statesman and Senator Taft as muddled and reactionary? Who has unceasingly built up George Marshall and unceasingly belittled Forrestal and Louis Johnson? The point is not whether these views of American public men are correct or erroneous, but that they are held by people who think of themselves as liberals and internationalists—including a large group of eastern Republicans. The further point is that these are precisely the estimates of public men which the first group of commentators has promulgated for many years.

These being the sources of "liberal" and "internationalist" public opinion, these being as a whole the group that proclaims who is and who is not intellectually respectable in American politics, it is obvious that, if the Republican Party wants a candidate who conforms to these specifications, he must be a man generally acceptable to this group. Yet these political commentators have for nearly twenty years been almost the intellectual proprietors of the Democratic Administration, thereby gaining a public importance that opposition could never have given them. For them to approve any Republican candidate except one foredoomed to defeat or certain to continue the same administration under a different party-label would be well beyond the elastic limits of human nature. Even if there were no question of harmony of political objective, their

mere livelihood and public prestige require them to work for the continuance of the same basic administration in Washington.

This is the nettle that the Republican Party must grasp or it will again fritter away its efforts in a senseless, foredoomed election. It can not have a candidate who will be considered liberal and intellectually respectable unless, like Willkie, he is already a prisoner of the Democratic Administration or, like Dewey, doomed by the boredom and indifference of the "reactionary" Republicans.

Furthermore, if the Republicans want a candidate who will please the "liberal" commentators, what sort of campaign can he wage? For what can he attack the Administration that will not bring down their abuse upon him?

Probably he could talk about government corruption in minor offices—he could not mention the cost of the President's establishment: it is not "liberal" to get personal in politics except against the enemies of the Soviet Empire. Probably it would be permissible to deplore high taxes and government expenditures. He could argue for restricted free enterprise and deplore the march toward statism. But can such a campaign win an election? Obviously no one is going to get very angry about it one way or the other. No one is going to feel that it is really vital to cast his vote for the Republicans. Those who do not object to the present Administration are not ignorant of these things. Reminding them of what they already know and discount will gain no votes.

Nor would this sort of campaign be of any use with those opposed to the Administration. They, too, are a little cynical about political virtue. It is not for sins but for vast crimes that they detest this Administration, even though they sense them rather than know them in precise detail. To go to people who are mortally worried for the life of their country, who are sick with dread at the prospect of the vague disasters that this Administration seems to bring ever nearer; to go to these people with chatter about RFC scandals, the need for "sound money" and a "free economy," or with opposition to "creeping socialism," or any other superficial, wordy campaign that would not shock the "liberal" commentators, is simply to confirm them in their despair.

The Way to Defeat

For the Republican Party to refuse to pitch its whole campaign on the Russian policy of the United States is to insure its defeat. The vast growth of Soviet power is implicit in every problem disturbing Americans. Everyone is aware that the Roosevelt and Truman administrations had something to do with the growth of that power. Some think they deliberately aided its growth, knowingly contrary to the interests of the United States. Others think they honestly miscalculated, honestly blundered, but generally did the best they could. But everyone is aware that Soviet power has become

immense. Everyone is aware that this power today is a danger. For the Republicans to ignore this danger, to fail to make it the central thesis of their campaign, is to ignore the only issue to which people will pay serious and consistent attention because it is the only issue they know is real. It is the only issue upon which the Republicans can get enthusiastic voters, and without them the election might as well be conceded.

A campaign on the pro-Soviet record of the Dem-

ocratic Administration would at once be labeled "dirty." It would be the "McCarthyism" so deplored, *and so dreaded*, by the Democratic high command and by every "liberal" commentator. This might seem on its face to recommend it to the Republicans—as it perhaps does to the bulk of the Party—but it seems to terrify the pundits of eastern Republicanism. They are willing to win but not at that price. Yet that price may be the survival of their country.

Modern School for Scandal

By TOWNER PHELAN

NO DECENT person approves of the smearing of innocent people. Character assassination is just as vicious when practiced by the *left* as by the *right*. The real test of a person's sincerity is whether he is against smearing itself, or merely against particular cases of smearing. There is not the slightest doubt that our professional "liberals"—that is, the political, academic, and journalistic protagonists of today's totalitarian liberalism—are bitterly opposed to Senator McCarthy. But the record shows that they are not opposed to "McCarthyism." What they really resent is that the smearing technique which heretofore has been almost a monopoly of the "liberal"-left has been turned against them.

Few of the millions of sincere people who are shocked at the current manifestations of smearing realize *why* they were not shocked by earlier manifestations of smearing. They were not shocked because smearing by the "liberal"-left was disguised by adroit propaganda as a crusade against evil.

To show that this is the case, let's look at the record. In examining the record of smearing by the "liberal"-left, we are in no way defending the reprehensible tactics of McCarthy. McCarthy has hurt—not helped—the many sincere and patriotic people who are fully justified in being alarmed and deeply concerned over (1) the Administration's thus-far-successful attempt to prevent the full facts about Communist infiltration in government from coming to light and (2) its lax and half-hearted efforts to oust Communists, fellow-travelers, and Communist sympathizers from government positions. McCarthy's attempt to impugn the patriotism of General Marshall is exceedingly harmful to those who believe that General Marshall's policy in reference to China was mistaken and has had disastrous consequences. In a democracy, it is entirely proper to criticize the wisdom of Marshall's policies. It is utterly despicable to attack his patriotism.

The record shows that smearing by the "liberal"-left has been just as vicious as that of McCarthy. The fact that smearing by the "left" has been adroit and skillful, whereas McCarthy's smearing

has been crude, clumsy and self-defeating, does not place the "liberal"-left smearers on any higher moral plane than McCarthy. Smearing by the "liberal"-left has been, and is still, employed on a scale that makes McCarthy's efforts seem puny. It has been one of the principal factors in transforming the United States from a Federal Republic to a Welfare State on the road to totalitarianism.

Smearing is as old as the human race. But it was not until 1928, when Charles Michelson became press agent of the Democrat National Committee, that smearing became a mass-production, assembly-line business. Joseph Goebbels was his apt pupil. Alva Johnston, in "Hundred-Tongued Charley, the Great Silent Orator," termed Michelson "a master of insinuation and innuendo."¹ He said Michelson:

... had the advantage of being trained by William Randolph Hearst for thirty years in the literary skill and political ethics. ... His method of smearing Hoover was unparalleled in the history of the United States.²

Harry Elmer Barnes, the historian, ascribes the origin of "the smearing device" to:

The propaganda strategy perfected by Charles Michelson ... and extended by Joseph Goebbels ... seeking to destroy the reputation of an opponent by associating him, however unfairly, with some odious quality, attitude, policy, or personalities.³

The "liberal"-left consistently employ smearing and object to it only when it is turned against them. It is highly ironical that Mr. Justice Black who doth protest too much his passionate devotion to the Bill of Rights, was elevated to the Supreme Court as a reward for a vicious campaign of McCarthyism which involved a flagrant violation of the Bill of Rights. As Senator Black, he conducted an investigation of lobbying which was primarily a smearing campaign. To obtain ammunition for his smears, Senator Black illegally seized thousands of telegrams from the Western Union files. The Supreme Court of the District of Columbia held

¹ *Saturday Evening Post*, May 30, 1936, p. 6.

² *Ibid.*

³ "The Struggle Against the Historical Blackout," p. 18.

that this violated the Bill of Rights. Out of more than 300 Congressional investigations, *only* that of Senator Black and one other have been condemned by our courts for proceeding illegally. David Lawrence denounced Senator Black's illegal seizure of telegrams in these words:

The right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures . . . has become a dead letter.⁴

Nation's Business said:

By innuendo and insinuations which have their basis in malice and not in fact, Senator Black and his Committee are now engaging in the practices of character assassination.⁵

But no "liberal" voice was heard in condemnation of ex-Klansman Black's smear investigation and violation of the Bill of Rights. On the contrary, Senator Black became the hero of the left wing and was made a Justice of the United States Supreme Court. The attitude of the "liberals" toward smearing depends on "whose ox is being gored." As Robert K. Carr said in 1948:

The inquisitorial tactics of Congressional liberals a dozen years ago infuriated conservatives. . . . More recently the cry of unwarranted interference with the citizen's right of privacy has been heard on the left.⁶

It is a strange commentary upon the psychosis of "liberalism" that the vast majority of those who are most vocal in their denunciations of "McCarthyism" are currently out-McCarthying McCarthy. A conspicuous exception is Senator Margaret Chase Smith. The current "liberal" attitude toward communism may be summarized as follows:

It is "smearing" to condemn anyone who was a Communist or a fellow-traveler in the thirties. As one of Hiss's friends said: "Of course Alger was a Communist—we were all Communists then." It was even all right to be a Communist in the early forties—wasn't Russia our loyal ally? But any ex-Communist who not only renounced communism but also tried to help his country by giving the government information about his former Communist associates is a "moral monster." Disloyalty to one's country, if later repented, should be overlooked—betrayal of fellow Communists is an unforgivable sin. The smearing of conservatives is a patriotic duty—the smearing of "liberals" is dirty business.

Acting upon these views, our professional "liberals" have engaged in a vicious campaign of smearing while at the same time they have made the heavens ring with their outraged protestations against smearing. Whittaker Chambers, Louis Budenz, Elizabeth Bentley, Freda Utey, and all former Communists *who exposed their former Communist associates* have been smeared by the "liberal" press to a far greater degree than any smearing done by

McCarthy. It is easy to smear ex-Communists because *all* Communists will lie, steal, perjure themselves, spy, commit murder or any other crime to further communism. They will do so because, as Diana Trilling, former fiction editor of the *Nation*, points out:

. . . idealism is the very nature of the Communist commitment. To the committed Communist, personal morality as we conceive it is bourgeois morality, or no morality at all. The only morality to a Communist is revolutionary morality, and according to revolutionary morality Hiss performed a moral act because he was furthering the revolutionary goal.⁷

The report of the Royal Canadian Commission on the Communist spy ring in Canada emphasizes that the people who became Communist spies were actuated by misguided *idealism*. If, as the "liberal"-left passionately affirms, people who are not now Communists should not be criticized for having been Communists in the thirties or early forties, why is it that the ex-Communists *who put their loyalty to their country ahead of loyalty to their former Communist comrades* are smeared as "moral monsters"? Honest liberals are the first to ask this question. We again quote Diana Trilling:

The defenders of Hiss have made Chambers out to be a sort of moral monster. They have dreamed up or transmitted on hearsay all manner of impalpable personal charges to explain away the palpable evidence. . . . the homosexual charge, for instance.⁸

Lattimore as Slanderer

Assuming his sincerity, the last person on earth to engage in smearing should be Owen Lattimore. Nonetheless, Lattimore has done a first-class job of smearing. When Louis F. Budenz testified against Lattimore, he appeared, not as a voluntary witness, but in response to a Senate subpoena. Budenz, former editor of the Communist *Daily Worker*, testified that he had been informed by highly placed Communists, Earl Browder and Frederick Vanderbilt Field, that Lattimore was a Communist. This was hearsay evidence. It is not admissible in court. It does not prove that Lattimore is a Communist, nor does it make Budenz a "moral monster." Senator Henry Cabot Lodge, Jr., who heard Budenz's testimony, said:

But one doubt which never occurred to me is that Mr. Budenz was insincere or untruthful in his testimony. In fact, such a possibility appears as utterly fantastic and inconceivable.⁹

That Dr. Lattimore should indignantly deny Budenz's charges is understandable. But it is wholly inconsistent with Lattimore's role of outraged innocence that he should, *without producing any evidence whatsoever*, call Budenz: "a professional

⁴ "The Star Chamber Lives Again," *Nation's Business*, November, 1935, p. 26.

⁵ "How To Improve Congressional Inquiries," *New York Times Magazine*, August 29, 1948, p. 24.

⁷ "Memorandum on the Hiss Case," *Partisan Review*, May-June, 1950, p. 493.

⁸ *Ibid.*, p. 487.

⁹ *Report of the Committee on Foreign Relations*, Part II, July 20, 1950, p. 17.

character assassin . . . underworld character . . . twisted and malignant personality . . . and a professional informer."¹⁰ The essence of Lattimore's attack upon Budenz was, to quote Senator Lodge, that Budenz's "testimony was actuated by commercial motives in order to promote his lecture tours or the sale of his writings."¹¹

Lattimore was guilty of the very things he most complained of, of making charges *whose only basis was suspicion*. Lattimore's suspicion may be explained by a significant statement in his cable to Bert Andrews, of the *New York Herald Tribune*, when McCarthy made his charges. Lattimore's cable included this statement: "Hope publicity will result in wide sale of my books."¹² Did Lattimore ascribe to Budenz his own evident hunger for profits? The McCarthy charges, far from injuring Lattimore, made him a hero of the "liberal"-left, made "Ordeal by Slander" a best seller and created a lucrative demand for Lattimore as a lecturer and writer. He gained the very fruits he accused Budenz of seeking.

Eugene Lyons's review of "Ordeal by Slander" entitled "Lattimore: Dreyfus or Hiss?" in the distinguished Socialist weekly, the *New Leader*, says that "Ordeal by Slander" is filled with "slanders throughout the book — without a shred of proof against Louis Budenz, Freda Utley, Alfred Kohlberg and others."¹³ Lyons's review is far more damaging to Lattimore's reputation than McCarthy's wild charges—and it is not protected by Senatorial immunity. Why has Lattimore not sued Lyons and the *New Leader*? Lattimore makes much of McCarthy's hiding behind Senatorial immunity—yet Lattimore says: "All but one of McCarthy's charges were duplicates of those made by Alfred Kohlberg . . . in 1947."¹⁴ Then why has Lattimore not sued Kohlberg?

We are not at the moment concerned with Lattimore's guilt or innocence. Our purpose is rather to show that professional "liberals" are themselves guilty of "McCarthyism," that they invented the technique, have had a near monopoly of it, and oppose it *only* when it is turned against them.

Left-wing smearing is directed first to *silencing* the articulate opposition—all writers and intellectuals who do not slavishly follow the "liberal" party line. Harry Elmer Barnes, the historian, says this about the smearing technique of the "liberal"-left:

The American Smearbund, operating through newspaper editors and columnists, "hatchet-men" book reviewers, radio commentators, pressure-group intrigue and espionage, and academic pressures and fears, has accomplished about as much in the way of intimidating honest intellectuals in this country as Hitler, Goebbels, Himmler, the Gestapo, and the concentration camps.¹⁵

It is, of course, an overstatement to compare the

slick job of thought control done by the "liberal"-left in this country with the concentration camps of Germany. But there is not the slightest doubt that our left wing has had extraordinary success in *smearing* and, to a large degree, *silencing* the intellectual opposition. Smears against the political targets of the "liberals" would be far less effective were it not for the silencing of intellectuals who do not toe the totalitarian-liberal line.

The "Liberal" Smearbund

The late Oswald Garrison Villard, one-time editor of the *Nation*, in his article "Bookburning, U. S. Style" told how intellectuals who oppose the official "totalitarian-liberal" thesis are silenced. Mr. Villard criticized in particular the *Saturday Review of Literature*, the book review sections of the *New York Times* and *Herald Tribune*, *Harper's* and the *Atlantic*. He said:

Lately, however, I had almost begun to wonder if there is not an agreement among certain newspapers to attack certain things that they dislike and notably books which challenge some of the pet theories and political pretenses of our leading dailies. . . . The remarkable fact is that today any book which attacks Franklin D. Roosevelt . . . can not be assured of a fair press and just reviews. . . . Any layman on observing the treatment of [Morgenstern's] "Pearl Harbor" would almost be justified in thinking that . . . there was a coming together of newspaper minds to send the book and its author to Coventry. . . . Thus, of all the daily literary columnists in New York City, only one noticed the book. . . . The *Saturday Review of Literature*, which is supposed to cover impartially the whole field of literary activity, has completely ignored "Pearl Harbor" despite the fact that the latter worked its way up on the best-seller list two weeks after publication.¹⁶

Mr. Villard pointed out that other books challenging the official thesis received similar treatment. He said of the "liberal"-left "smearbund":

But to condemn books by deliberately ignoring them, or to choose critics who are known in advance to be certain to attack a book, is neither to serve literature nor the truth, nor to play the game honestly and fairly.¹⁷

The *Nation*, which Mr. Villard once edited, can no longer conceal how hollow are the pretensions of "liberals" to believe in free speech. The *Nation* refused to publish a critical letter from its former art critic, Clement Greenberg, which charged that del Vayo, the *Nation's* foreign editor, has consistently followed the Communist "party line." Furthermore, Freda Kirchwey, editor of the *Nation*, threatened, if Greenberg's letter were published elsewhere, to sue him and the publisher for libel. The *New Leader* accepted Miss Kirchwey's challenge and published Greenberg's letter with a scathing denunciation of the *Nation*.¹⁸ Thereupon, the *Nation* sued Greenberg and the *New Leader* for

¹⁰ *New York Times*, May 3, 1950, p. 1.

¹¹ *Report of the Committee on Foreign Relations*, p. 17.

¹² Owen Lattimore, "Ordeal by Slander," p. 8.

¹³ *New Leader*, September 2, 1950, p. 17.

¹⁴ "Ordeal by Slander," pp. 31-32.

¹⁵ *Op. cit.*, p. 9.

¹⁶ *Progressive*, April 28, 1947, p. 8.

¹⁷ *Ibid.*

¹⁸ *New Leader*, March 19, 1951, pp. 16-18.

libel.¹⁹ This fascist attitude of the *Nation* was too strong for the stomachs of many "liberals." For example, Harvard's left-wing Arthur Schlesinger, Jr., wrote the *Nation* protesting the censorship of Greenberg's letter.²⁰ Sidney Hook, Professor of Philosophy, New York University, said the *Nation's* action "is typical of the double standard of morality of all totalitarian liberals."²¹

Frank C. Hanighen, editor of *Human Events*, tells how "totalitarian-liberals" try to suppress free speech. He says that the late Ben Stolberg was:

... so bold, in the thirties, as to expose the Communist ramifications in the American labor movement. To use a journalist's expression, the story was "broken too soon." ... And "liberals," in and out of editorial offices, found the Stolberg frankness too strong a medicine. ... Ben was black-listed and his hitherto familiar by-line disappeared from national magazines. His is but one case of the general boycott imposed on writers of independence.²²

The "Liberal" Thought Control

The extraordinary success of the left-wing "liberals" in silencing, intimidating, and smearing non-conforming intellectuals is due to the fact that the left wing (including both "liberals" and Communists) is solidly entrenched in the *key positions* that largely determine what the general public is to be allowed to hear and read. They dominate book publishers, book reviews, Hollywood screen writers, and hold key positions even in conservative newspapers and periodicals. We quote some pertinent observations from James Burnham's "The Suicidal Mania of American Business":

Businessmen are ignorant, abysmally ignorant, about what communism is, what Communists are. ... In their million-copies magazines, they print articles skillfully advancing the Communist line. While the *New Leader*, the finest anti-Communist paper in the country, and a journal of real distinction, tilts permanently on the verge of bankruptcy, and barely keeps going because of ... the enlightened backing of David Dubinsky, the businessmen write their checks to newspapers and magazines run by Communist united fronts or hospitable to Communist-line authors. How many Communists and fellow-travelers, how many Communist causes have drunk deep of the many-millioned streams which Marshall Field has poured into journalistic gutters! Funds from the great foundations are dispensed to Communist-line writers, artists, teachers. ... Whittaker Chambers is fired from his job ("allowed to resign" in the formal phrase) by the lord of streamlined business journalism; and Alger Hiss is coddled by the businessmen trustees of the Carnegie Endowment. How strange that Hollywood and Broadway, which so readily and easily ground out pro-Soviet movies and plays during the war and immediate postwar period, seem so inhibited in their output of anti-Communist productions.²³

We have a right to expect objectivity and in-

tegrity from members of the faculty of a great university, such as Harvard. But Professor Arthur M. Schlesinger, Jr., of Harvard, has shown neither regard for the truth nor objectivity in his smearing. His attack on Charles A. Beard in the June 1950 issue of *Harper's*, says:

Charles A. Beard ... dedicated two volumes to a trenchant attack upon the very foundations of Roosevelt's prewar policy—a scorching indictment which a number of isolationist journalists, such as John T. Flynn and George Morgenstern, have lived off ever since. ...²⁴

Now, the statement that Flynn and Morgenstern "have lived off [Beard's writings] ever since" is demonstrably false. Only one of the two volumes of Beard to which Schlesinger referred—"President Roosevelt and the Coming of War, 1941"—dealt with the events leading up to Pearl Harbor. It was published in 1948. Flynn's book, "The Truth About Pearl Harbor," was published in 1945. Morgenstern's "Pearl Harbor" was published in January, 1947. This is proof that Professor Schlesinger's statement is utterly false. How far afield Professor Schlesinger wanders for the purpose of smearing is shown in "America Must Choose," in the May 1951 *Progressive*. This article was a debate on foreign policy between him and Dr. A. J. Muste who advocated pacifism and withdrawal from Europe. While agreeing with Schlesinger's position that the defense of western Europe is vital to the United States, we are shocked at this irrelevant smear in his article:

I do not expect that Mr. Hoover or Senator Taft would give a thought about what happens to decent people of Europe. ...²⁵

Is Professor Schlesinger ignorant of the fact that Herbert Hoover organized and administered the relief provided through the American Red Cross after World War I that prevented millions of Europeans from starving? Hoover fed the hungry *without regard to their political views*. In startling contrast, UNRRA, under "liberals" LaGuardia and Lehman, gave supplies to Soviet satellite governments so that they could compel hungry people to *become Communists or starve*. UNRRA was authorized to withhold supplies to prevent them from being used for political purposes. This power was exercised only once, and then to compel Chiang Kai-shek to send food to the Chinese Communists.²⁶ When Mr. Hoover's humanitarian record is compared with LaGuardia's and Lehman's prostitution of relief to underwrite the spread of communism, it is a gratuitous libel to say that Hoover would not "give a thought about what happens to decent people of Europe."

Senator Taft said: "Nobody is going to abandon Europe—we all agree that if Russia attacks Europe we would go to war with Russia."²⁷ This is evidence that Taft does care "what happens to decent people

¹⁹ *Ibid.*, April 30, 1951, p. 27.

²⁰ *Ibid.*

²¹ Letter to the editor, *Time*, April 23, 1951, p. 7.

²² Frank C. Hanighen, *Human Events*, January 31, 1951.

²³ *Partisan Review*, January, 1950, pp. 51-55.

²⁴ Arthur H. Schlesinger, Jr., *Harper's*, June, 1950.

²⁵ *Progressive*, May, 1951, p. 15.

²⁶ "European Supplement," *Human Events*, May 23, 1951.

²⁷ *New York Times*, May 22, 1951, p. 4.

of Europe." However much Schlesinger may disagree with the foreign policy views of Hoover and Taft, there is no excuse for his outrageous smears. Another example of smearing by "liberals" is the editorial note in the *Nation*, March 10, 1951, on the death of André Gide, who was hated by the Communists because he had renounced communism. The editors of the *Partisan Review* called the article a "defamation of Gide," and said that, in the guise of telling "what the French are saying about Gide," it reported *solely* what the Communist press said. The *Partisan Review* ascribed this smear to the *Nation's* "pro-Soviet bias."²⁸

Space limitations prevent our citing more than a few examples of smearing by the "liberal"-left. Far more serious than the damage done to individuals is the success of "liberal" newspaper editors and columnists, hatchet-men book reviewers, radio commentators, etc., in seeking to impose totalitarian thought-control on the United States. In this article we have barely scratched the surface of the "liberal" campaign to control public opinion and suppress free speech for all except "liberals" and Communists. The "liberals," like the Communists, believe in free speech—but *only for themselves*.

²⁸ *Partisan Review*, May-June, 1951, p. 366.

Song for The Times

"Years before McCarthy had made any impact on the national scene a thoroughgoing loyalty and security program had been instituted by the Government. . . . The fact is that the Government is and has been as well protected [by the loyalty program] against disloyalty or subversion as any Government could hope to be."

Editorial, the *New York Times*, August 16, 1951

I have joined so many front-groups
Even Joe McCarthy's floored.
But no one can ever touch me:
I've been cleared by the Loyalty Board.

*Hi-de-ho, and hail subversion,
They cleared Remington and Hiss.
Reddest herring turns to sturgeon
With an editorial kiss.*

I pay dues to good old Stalin;
I'm not worried, praise the Lord!
Let the FBI report it:
I've been cleared by the Loyalty Board.

*Too-ra-lay, and clear the docket,
Pixies stole the A-bomb, too.
Stuff those secrets in your pocket.
Joe McCarthy is a schmoo!*

If the government suspends me,
Ten-to-one my job's restored.
When the heat's on, Dean will make me
Chairman of the Loyalty Board.

RALPH DE TOLEDANO

A RATHER fantastic statement was made not long ago that our government was "a cesspool of corruption" because we have had to conduct a clean-up crusade on higher levels. The weakness of men in high places would never have been possible if there had not been weaknesses below them.

ELEANOR ROOSEVELT, "My Day," July 21, 1951

Officials and bureaucrats carrying out their economic tasks for the government do not become any wiser or better by virtue of titles and impressive powers. They are merely more irresponsible.

ERIC JOHNSTON, speech at Lafayette College, October 27, 1944

The biggest thing was in making clear to Stalin that the United States and Great Britain were not allied in one common bloc against the Soviet Union.

FRANKLIN D. ROOSEVELT after Teheran, quoted in "As He Saw It" by Elliott Roosevelt

The United Nations . . . marks the maximum of agreement between America and Russia.

OWEN LATTIMORE, *Virginia Quarterly Review*, spring 1948

Continuity of policy—even in fundamentals—can find no place in a Socialist program. It is this complete severance with all traditional theories of government, this determination to seize power from the ruling class and transfer it to the people as a whole, that differentiates the present political struggle from all those that have gone before.

SIR STAFFORD CRIPPS, "Problems of A Socialist Government," 1933

After delivering the peoples of Europe from Hitlerite slavery, and Manchuria and North Korea from the Japanese imperialists, the Soviet troops withdrew from the liberated countries as soon as their liberation was completed. This was also the case in Norway and on the Danish island of Bornholm, in Czechoslovakia, and in Manchuria.

COL. N. NIKIFOROV, *USSR Information Bulletin*, February 24, 1950

I think it is an accurate and not immodest statement to say that I helped formulate the Yalta Agreement to some extent.

ALGER HISS, testimony quoted in "Seeds of Treason" by de Toledano and Lasky, 1950

The Freeman invites contributions to this column, and will pay \$2 for each quotation published. If an item is sent in by more than one person, the one from whom it is first received will be paid. To facilitate verification, the sender should give the title of the periodical or book from which the item is taken, with the exact date if the source is a periodical and the publication year and page number if it is a book. Quotations should be brief. They can not be returned or acknowledged.

THE EDITORS

Profits vs. Socialism

By JOHN L. BECKLEY

SOMEWHERE the ghost of Lenin is rubbing its hands in pleasant anticipation, elbowing its wispy confrères and gloating: "What did I tell you?" The father of international communism has been dead for more than a quarter of a century. Yet it was he who recommended the basic Communist strategy for defeating the United States. Lenin said: "We must force the United States to spend itself to destruction."

Today that strategy—so little understood by the American public that it is virtually a secret weapon—is perilously close to success. The cold-hot war of the Communists is burdening us with tremendous expenditures. Within the next two years it will bring us face to face with a stark and sobering financial crisis.

Even before Korea, the United States was laboring under a debt of \$257 billion—about \$1700 for every man, woman and child in the country. Taxes to pay current operating expenses of Federal, state and local governments were already running at the rate of 25 per cent of the national income. Now we must double and redouble our arms program. We must speed the rearming of Europe and fight a war in Korea which has become a war with Red China.

To complicate the problem, the debts we created in World War II are coming back to plague us. Between 1952 and 1955, more than \$30 billion in war savings bonds will be due and payable. Preparing to defend ourselves in the event of another global war, we are still embarrassed by the question, how to pay for the last one.

But the great expenditures ahead of us are the gravest problem. If we mishandle them, they can defeat us more surely than the atomic bomb, the armed might of Russia or the inexhaustible manpower of Red China. Big government spending is all the more dangerous because we have lost our fear of it; we have become callous and indifferent to government borrowing and huge deficits. Yet big government spending—carried far enough—can strangle our free-enterprise economy. That is what Lenin foresaw and what the Communists are counting on. They believe that our system can not stand the strain of huge expenditures over a prolonged period.

Communist economic philosophy is noteworthy for its loopholes, but in this case the Soviet reasoning is frighteningly close to correct. We are caught in an economic maze from which there is only one sure route of escape—and we may not recognize it until too late. That is, ruthlessly to eliminate non-essential spending—Federal, state and local—then to tighten our belts and levy whatever new taxes

are necessary to balance the budget and pay the cost as we go. No one group must be taxed heavily enough to kill its incentive to work and to produce. More production is our only chance of defeating the Communists without ruining our standard of living.

This is the hard way out, but there is no other. If we try popular, politically expedient methods of paying for the defense effort, we shall walk directly into the Communist trap. If we try to pass the cost along to business and people with large incomes, we shall stifle the expansion of production. On the other hand, if we try to ease the tax-load by more borrowing, we shall face a new spiral of rising prices, perhaps runaway inflation. Either of these—crushing taxation or runaway inflation—can collapse the profit system and force us into socialism.

FREE enterprise will not die overnight. It will disappear by easy stages as the government feels obliged to take over one task after another. There will be no clear point at which the people can cry: "Stop! This is socialism!" There will be a hundred small steps, each one of which seems necessary and desirable, and each one of which makes the next step logical and urgent. Many of these steps are already behind us.

To Americans, socialism is not a fearsome word. We take the benefits of free enterprise as much for granted as the air we breathe. We assume those benefits would continue under any economic system. The British—at least some of them—are beginning to see what socialism can do to a people and a nation. Says a recent editorial:

In England there is no incentive to bold undertakings. Today it is safer to be a bureaucrat than a maker, and the young men know it. Socialism is competition without prizes, boredom without hope, war without victory and statistics without end. It is not only politically false but morally destructive.

Socialism means the slow death of everything which has made America great. With no profit incentive, the magnificent efficiency of our farms and factories would inevitably start to decay. The productive ability on which we rely to arm ourselves and the world against communism would be gradually impaired. As Socialists—weak sisters of the Communists—we would ultimately gravitate to our assigned orbit around the great Red Star.

The Communist campaign to undermine public confidence in the profit system has gathered such momentum that the Red strategists can virtually sit back and watch it roll. The attack on profits—

the heart of Communist dogma—is now widely popular; labor leaders and politicians have adopted it as a standard technique. They have created doubts, misconceptions and distrust which are rotting the profit system at its very core.

The repeated criticism of profits has completely obscured the most vital and elementary fact of all: the profit system is worth what it costs. Objections to the size of profits are almost as irrelevant as the complaint of a man adrift in the middle of the ocean that his life preserver is not his favorite color. Profits are a small price to pay for the tremendous efficiency and productivity which the profit system brings. If they were two or three times as big as they are today, the profit system would still be the best bet for America. It is the only economic system under which men can be free and the only one which is productive enough to defeat world communism.

For profits are the key to American industrial efficiency. The desire for profit and the fear of loss goads every business organization in the country to greater efficiency. Without this system of incentive, it would be utterly impossible for industry to maintain its fine competitive edge. If we curb the profit motive, what shall we substitute for it? Fear of concentration camps? Americans don't believe in force. More likely we would follow England and slump into a dull, gray, incentiveless socialism.

THE TREMENDOUS growth of U. S. industry since the end of World War II—growth vital to national defense and our standard of living—would have been impossible without substantial profits. Few people realize that during the last five years more than half of the “fantastic” profits that critics have railed at have been poured back into expansion programs—new plants and machinery to increase production.

Dividends to stockholders—the actual pay-off to the millions of people who own a share in U. S. industry—have not even kept pace with rising living costs and the increase in production. Dividends to stockholders of all American corporations in 1939 amounted to 5.2 per cent of national income. In 1949, they took only 3.6 per cent of national income. Is this too high a price to pay for a system which inspires every American corporation to everlasting efforts to increase its productive efficiency?

The politician who decries big business profits but does nothing to cut wasteful government spending is straining at a gnat while he swallows a camel. Taxes to support big government in 1949 cost us seven times as much as dividends to corporate stockholders.

The labor leader who leads the American workingman to believe that corporate profits are a heavy burden depressing his standard of living is serving the cause of the Communists as effectively as though he were a paid agent of the Kremlin. In 1949 the total wages and salaries paid to employees of all American corporations were eleven times as great as the dividends paid to stockholders.

The government itself has encouraged the idea that profits are a heavy burden on the consumer by offering certain goods and services at lower prices than private organizations. The obvious conclusion is that the government—which doesn't charge a profit—can do things more cheaply. This has done much to undo public faith in private industry, particularly in private power companies. But the price the government charges never includes the full cost; part is always hidden in taxes or in debt.

In order to offer electricity at low rates, the government charges off an exaggerated portion of the cost of its power dams to navigation and flood control. These costs are charged to the taxpayer, not the power user. The result: “cheap” power.

The Tennessee Valley Authority, for example, has charged more than \$150,000,000 of its construction costs to flood control. Yet TVA's reservoirs have caused greater economic loss than floods ever did. TVA has permanently flooded farm lands which—even at prewar prices—produced more than \$13,000,000 in crops every year. This was done in the name of preventing flood losses originally estimated by TVA itself at \$1,500,000 a year. Even the United States General Accounting Office was forced to conclude: “It [TVA] has not conclusively substantiated the flood control benefits.”

TVA has charged off another \$150,000,000 or so to navigation. Yet the navigation system it created is worse than useless; it is an expensive luxury. It costs the government more to keep the Tennessee River open to navigation than it would to pay everyone's freight bills and ship the goods by rail. In 1948 the General Accounting Office reported: “The benefits are not sufficient to cover the out-of-pocket expenses.”

These lavish charge-offs—paid for by the general taxpayer—have substantially reduced TVA's power costs. In addition, it pays no interest on the government funds used and no taxes to the Federal Government. C. J. Green, a professional engineer accountant who resigned from the Federal Power Commission after twenty years of service, has made an exhaustive study of TVA's real costs. He estimates that TVA power rates would have to be about doubled if it operated on the same basis as private utilities in the same area. TVA power is cheap only because every taxpayer in the country is helping to pay the electricity bills of the residents and industries of the Tennessee Valley.

The myth of “cheap” government services continues to grow; actually, when the total cost is known, they are prohibitively expensive. When there is no competition, no chance of making a profit and no fear of losing money, the waste and inefficiency which creep in are almost unbelievable. The Hoover Commission, for example, found that the Veterans Administration Insurance Service had an average work load of only 450 policies per employee. Employees of private insurance companies handle nearly four times that number.

The House Committee on the Post Office and Civil Service found that the government had one

personnel worker for every 83 employees; the Army and Navy had one for every 53. The average for commerce and industry is one personnel worker for every 226 employees.

The government way of doing things is invariably the expensive way. The engineering and supervision costs for the Reclamation Bureau's Central Valley project run from 25 to 60 per cent of total construction costs. For private projects of comparable size and nature, the engineering and supervision costs usually run under 10 per cent. They were 5.4 per cent for Boulder and Shasta dams, both handled by private contractors.

With no profit incentive, this kind of waste, inefficiency and paper-shuffling which we now see in government could inundate U. S. industry and agriculture. It would drive down our standard of living and cripple our ability to defend ourselves.

OUR greatest need today is a renewal of confidence and pride in the competitive profit system which built America. Communism thrives on confusion and indecision. Lenin himself has pointed out: "If there had been in Petrograd in 1917 only a group of a few thousand men who knew what they wanted, we would never have come to power in Russia." Today we Americans do not know what we stand for. We have fallen for the Communist line so completely that we no longer recognize its source. With the best of intentions, we are destroying the source of our freedom and strength.

A renewal of faith in the profit system does not mean that we must deify John D. Rockefeller, Henry Ford or the du Ponts. It does not require that we do obeisance before captains of industry. All it demands is the alertness to observe that the system which spurred these men on to great personal gains automatically and simultaneously produced tremendous advances for the Smiths, Joneses and Cohens—benefits they never would have known under a less dynamic system. Despite its obvious defects, the profit system has produced more abundantly for every man than any other in the world. Let us not lose what we have in a blundering search for perfection.

The resentment of profits has resulted in a determined effort to make business and people with large incomes bear the brunt of rising defense costs. Yet the very attempt to do so can kill our economic growth and weaken our chances of defeating the Communists.

Our first need is more production; if we don't get it, the defense program is going to break our backs. But how can we hope to get it without more profits? Even a good engine will not deliver full power with too lean a fuel mixture. Neither will the profit system. It needs good profits, profits big enough to pay for growth and expansion and to encourage people to invest their savings to help increase production. That is the American way—the only voluntary way—to get more production.

Corporate profits for 1950—after all taxes—totaled slightly more than \$22 billion. But more than

half of this amount—roughly \$13 billion—was poured back into new plants, machinery and other facilities to step up production. Heavy new taxes could force industry to curtail such expansion.

The rest of corporate profits—the part paid out in dividends to stockholders—hit a new high in 1950. But that is less impressive than it sounds; almost everything hit a new high in 1950. Actually, dividends to stockholders are lagging behind the rise in prices and the growth of U. S. industry. Government statistics show that since 1939 dividends have increased less, percentagewise, than any other part of the national income—far less than wages and salaries. The hope of dividends is what inspires people to invest their savings in industry. If new taxes force a cut in dividends, it will be just that much harder for industry to raise money for expansion.

The ironic thing is that if we tax away industry's growth money, we shall be immediately forced to try to replace it. What we take away in taxes we shall have to put back in government loans and subsidies—another long stride on the path to socialism. Yet that is precisely what we seem intent on doing.

Painful as it may be, the only way to raise the kind of money we need is to dip down deeper into the lower income-tax brackets. No one knows how big the defense program will finally become, nor how fast we shall be able to spend the money. Nonetheless, it is a safe bet that to balance the budget two years from now we will need at least \$15 billion in new revenue, perhaps \$30 billion.

Yet the Tax Foundation—a private research organization—estimates that if we limited all single persons to a taxable income of \$10,000 a year, and all families to \$20,000 a year, and confiscated everything above those limits, it would add less than \$3 billion to present tax revenues. Even if we confiscated all individual taxable income over \$6000 a year, and all family income over \$12,000, the government would get only about \$5 billion more than it already does under the present law. These estimates are based on official U. S. Treasury figures.

If we ever put such ceilings into effect, America will have lost something far more valuable than any momentary gain in tax collections. We will have taxed away the hopes and aspirations of some of our most forceful and imaginative citizens, people who have the ability to make great contributions to our future progress and prosperity.

Few people realize that the basic principle of our present income-tax law is lifted bodily from the Communist Manifesto. Federal income taxes follow the progressive principle—the bigger the income, the higher the rate. The more money you make, the larger the share which is taken by the government. This is the tax system which Marx and Engels recommended a hundred years ago as a primary tool for destroying the capitalist system.

No matter how large a man's income or how small, taxes must not kill the incentive to produce and to get ahead. When they reach the point where

a man loses his drive and ambition, the country loses more in production than it gains in tax revenues. Our country developed into the world's greatest industrial power under an incentive system. Those incentives are worth every penny they cost. If we destroy them through envy or ignorance, we shall wake up to find ourselves as weak as Samson shorn of his hair.

Washington Letter

By EDNA LONIGAN

THE PRESENT session of Congress will appear in historic retrospect among the most decisive legislative battles in the history of the world.

For months Congress has been attempting to cut down appropriation bills which, most members apparently agreed, called for far higher expenditures than anything needed for the public business. These courageous efforts resulted in cuts which were, in fact, negligible. The reason is that the Administration, buttressed by its bureaucratic lobbies, its propaganda apparatus, and its "machine" organization in every part of the country, can exert more political power than the effective power of the people and Congress combined. Congress must either develop new political weapons, or watch the legislative principle go down to defeat.

So far in our history Congress has been responsible only for legislation—for drafting laws and appropriation bills. It has never had to carry the historic burden of Parliaments—to impose and enforce the rule of law by the only power the Parliament possesses, the power to close the purse and withhold taxes until the executive operates within the code.

The British Parliament waged a long fight to establish the supremacy of Law over Power. The American Continental Congress waged the same battle to stop payment of taxes until the ruler consented to representative government. From the signing of the Constitution that struggle was obsolete in American political life, because both parties agreed to abide by the compact of the Constitution. Today the executive is operating outside the Constitution.

Only Congress can compel it to desist. It can do it only by the old method—of withholding funds until its limitations are obeyed.

The struggle of 1776 was against a ruling power with the trappings of the kingship. The struggle today is against a ruling power with the trappings of "democracy" covering a political machine operating in every part of the country under almost military direction from Washington. The Congress can win, but only when it recognizes that its familiar instruments—statutes, hearings, committee reports, votes on appropriation bills—are inadequate to wage war on Power.

The Machiavellian design underlying the present

moves in Asia, at Kaesong, at Tokyo and on Formosa, can be seen only when they are illuminated by an accidental flash of light. The general strategy, as described earlier in the *Freeman*, is to get all foreign (that is, American) troops out of Asia and then, under cloak of "self-determination," let fifth columns batter Japan, Korea, Formosa and the Philippines to rubble. Our government will then "reluctantly" admit that there is a new day in Asia, and the new Communist leaders will turn into Titos, come the millenium.

This plan includes changing our forces in Japan into "UN forces" soon after the Japanese treaty is signed. The President has the same power to do that which he had to transform our forces in Korea into "UN forces." On July 11, Mr. Dulles said:

Another unique feature [of the Japanese treaty] is the proposed treatment of the so-called problem of Japanese rearmament . . . we are planning a new and modern approach, inspired by the principles of the United Nations. That principle is to seek security on a collective basis. A by-product of that is that *national forces are so combined with each other that no national force alone is an aggressive menace.* [Italics mine.]

In diplomatic double talk, this is a commitment that American forces will be so combined with other forces they can not be a threat to the USSR. Mr. Dulles adds, "Under a collective security treaty, these will be a combination of United States and future Japanese forces, and perhaps others"—such as the USSR. In the introductory section of the treaty, Japan agrees "in all circumstances to conform to the principles of the Charter of the United Nations." Anyone who still cherishes the illusion that the peace treaty will leave in Japan American defenses against the USSR ought, in the current phrase, to have his head examined.

On April 18, the President said we would keep American forces in the Ryukyus, particularly at Okinawa, but he made no commitment about Japan proper. On the Ryukyus we would act as trustees, under UN political direction, that is, under the Soviet Union and its satellites. Are all our overseas bases and other military construction designed to be transferred to UN at the next hint of crisis?

Another step in the plan is faintly visible in the shadows. It would be foolish to defy Congress and American public opinion by open recognition of Mao, even though the Soviet Union and the State Department are determined to bring Red China and her vote into the Council of the UN. It is just as easy, and more interesting, to give Red China a "new look."

Mao can not become a Tito. Such mistakes do not happen twice in the USSR. Only a Soviet puppet can get the supplies Red China needs to fight the war. But it would be a loss of prestige for Russia to break openly with Mao. It is simpler to let a dissident Marxist leader "rise up" (under Moscow's steering) and take over the power. The new leader would argue for peace and neutralism. The Western powers could call him a Tito, and give

him food and munitions. Mao would be eased out, and the Soviet Union would be in full control of a helpless Red China.

Meanwhile, the plan is apparently to set up a similar Socialist movement on Formosa which will unseat Chiang Kai-shek. It, too, will be neutralist. What could be simpler than for a neutralist Formosa to unite with a neutralist China, and ask for admission to the UN together? A neutralist Social Democratic government in Japan could join the combination. India would be happy. The UN would be almost unanimous, and the American government would gracefully accede to this happy "democratic" solution.

If this reads like E. Philipps Oppenheim, it is not for that reason to be discarded. William Buckley reported recently in *Human Events* that the Counter-Intelligence Corps is said to be already at work on Formosa, well supplied with funds to prime such an uprising. Whether our top secret agency is also working on the China mainland will be known only when another accidental flash gives us a momentary light.

From Our Readers

Four Types of Inflation

Dr. Walter E. Spahr's letter in your issue of August 27 makes a very good and valid point. It is an *unusual* scarcity of goods or surplus of purchasing power, or both, that results in one type of temporary inflation.

But that is only one type of inflation out of at least four major types. The principal trouble with the doctors who so solemnly prescribe medicine for the disease is that they do not understand that the patient is suffering from two or even three diseases simultaneously.

This country suffers from one serious, permanent and incurable inflation, which may be called cost-of-production inflation. Simultaneously it suffers from a temporary too-much-credit inflation, plus a lesser degree of temporary too-few-goods inflation. The fourth type, paper-money-panic inflation, we do not have, by the grace of Providence only.

The assorted financial experts and legislators who announce that "too much money is chasing too few goods"; or "more production is the only real answer," are doing serious harm and misleading the nation. They are ignoring the real, deep-seated trouble, which is the high production costs which are now frozen into our economy—taxes, transportation and communication costs, and wages. This is the real inflation; it is uncontrollable and it is permanent.

Theoretically, of course, cost-of-production inflation could be checked or reduced. Practically and politically, it can not be done and will not be done. The complete cure would start with repudiation of

the public debt, and what politician would dream of that?

Indirect repudiation we will have, and are having, through the historic and perfectly normal method—depreciation of the dollar.

Philadelphia, Pennsylvania ARTHUR H. JENKINS
Editor, *Farm Journal*

Hobson's Choice

I read an editorial in *Railway Age* for August 20 on the article from your magazine, "Free Men vs. the Union Closed Shop" by Donald R. Richberg, and found it extremely interesting. Please send me ten copies.

The "iron curtain," so to speak, has fallen on the employees of the Great Northern Railway. Management and the union came to an agreement July 2, establishing a union shop, and by September 1 all non-union members of the company (with the exception of a handful of so-called excepted positions) must become members of the "brotherhood" or lose their jobs.

After fifteen years with the company as a free individual, I now must become a slave to the union because I feel that I can't forfeit my seniority, and after a woman reaches thirty years of age jobs are not too easy to find. It seems a hopeless task to change the situation now, but perhaps through these pamphlets we can at least give the more intelligent union members something to think about.
St. Paul, Minnesota AN EMPLOYEE

Harry Stupendous

I greatly enjoyed "Harry Miraculous" in your issue of August 27. Parity for all is long overdue, but to my mind such a plan would be too simple for the present Administration.

I have a plan, which I shall call "Harry Stupendous." It would fit right into the current bureaucratic way of handling things. My plan is simple; just tax everyone 100 per cent, and then remit monthly allotment checks to one and all based on their station in life and current status. Each citizen would be numbered and given a symbol, to show the qualification, the state, the county, and the citizen's number. For example, 1-44-5635789 would be a banker living in Utah, with his serial number. This would enable the Administration to set up the Civilian Classification Commission.

The farmers are now numbered by states, counties and numerals, which was done by the AAA when the producers' pool was effective. Housewives would get the same allowance as domestics; barbers with one chair would get a lower rating than barbers with three or four-chair shops.

My plan would end for all time the question of rising taxes. It would, furthermore, bring down the cost of living since all citizens would have fixed incomes, thus reducing their purchasing power. Production could be forgotten, and we could outcontrol Russia, instead of outproducing her.

Memphis, Tennessee B. D. EDGINGTON



The Cow That Jumps Over the Moon

By CLARENCE A. BRODEUR



THE ARTIST is a nuisance to this generation. Not a Raymond Loewy or a Walter Dorwin Teague; I mean the "long-hair." He has no patron and no market to speak of. He is an orphan child. It is partly his fault, but not entirely so. For the average stomach he is too often grim or melancholic, or again too frivolous. He finds the world a frightful place, and says so; or he turns away and says something light-headed to relieve the pressure. How can he expect the tougher folk to tolerate such antics? He is a little like a baby with two heads and only one eye. People do not know what to do with it; they are sure that it can not be of much use or live very long, and they wish mightily that it had turned out otherwise.

This specimen has been most unkindly classed with the idiot, the bum and the whore. The implication is that, like them, he is a burden upon society, a parasite, or a symptom of its decay. The art educator's current pressure toward socially "useful" applications makes good sense. But in practice it is frequently one-sided, not to say exclusive. The educator often does not himself understand the nature of the artist's best contribution. That contribution embraces more than faultless mechanics, which—though rare enough—are easiest to teach.

Just now there is a visitor waiting in my studio. The young fellow is about to choose his apprenticeship. He has come for guidance, and doubtless, too, for encouragement and praise. But for all his youthful ignorance, he is no pitiful blunderhead suffering from romantic delusions. He has the kind of facility in making things that seems to drip from his fingers. Nature has patently endowed him with the necessary gifts. But what else does he need? Come and listen while I talk to him:

You say that you intend to be an artist. What exactly does that mean? An artist has the constant itch to make things. In an industrialized society, it goes without saying that his talents should work to better our impoverished environment. He should provide better-looking ashtrays, tractors, furniture and wallpapers. But his service goes beyond that. We shall find life pretty dull if that is all he does for us. He must make us some things that are not purely useful and ornamental; things that are more than just agreeable. He is a functionalist of the spirit, as necessary to us as the musician and the poet. He is, in one sense, a poet.

Now poets have one eye and two heads. An extra head; and a very single eye. They starve in garrets. You knew that? To be sure; but then no-

body listens to them either, and that is worse than starving. They suffer the tortures of so many devils; or rather of so many saints, trying to get the devils out of their innards. And they are terribly alone.

This kind of artist is unwelcome in the world because his thinking is strange to it. He jogs people out of their comfortable old ways, asks them to think critically of their habits, and to change them. In this complexion he wears the look of a reformer. Is that his function? Why should he meddle with other people's business? Everyone is entitled to have habits; actually no one could survive without them. Some increase happiness, some diminish or even destroy it. The worst are those which dull our edges, blind us, and condemn us to a narrow and sterile existence.

It is with these habits of blunted perception that the artist is properly concerned. There is no use in asking whether he has the right to be so. He simply can not avoid it. A natural endowment of superior coordination makes a good craftsman; but the artist must add to that the gift of sensitivity. His heightened sensibilities carry him to evaluations which would not occur to the average man, and these he sets forth in his work. In this light he assumes a different aspect. You see that after all he is not a preacher, for he does not expound nor explain; he does not proselytize. Propaganda is not his dish. He merely states the truth as he sees it. But if his work is seen at all, it acts as a reforming agent. Those who look at it are forced to make a comparison between the artist's way of seeing and their own. It becomes an instrument of repentance; that is, of thinking or understanding or sensing *afresh*, in new ways. And this is true whether the artist's gaze is directed at the forms of landscape, or at the forms of war.

PERHAPS you are puzzled by this talk of truth, and particularly of war, as a concern of the artist? You thought that his business was simply to make beautiful things? I believe this is his true, his only function; but it is not altogether simple. Look at this rose. We do not know much about botany, you and I, but we need no scientist to tell us that it is beautiful. If I ask you what makes it so, you will cite its color, texture, form and fragrance; and I shall disagree. We only recognize it by these attributes. Its beauty resides in the mystery that cloaks its origin. We are filled with a sense of wonder at this extraordinary complex that has come from a tiny brown seed.

Now if you paint a picture of the rose, and make of it only a perfect replica in outward appearance, you will have missed your point. For though your picture will recall the beauty at second hand, we shall always prefer the rose itself. If your picture is to be a thing of beauty, you may use the rose's attributes, but the thing you seek to paint must be your sense of awe and wonder.

It appears that your simple desire to make beautiful things—which is exactly the right one—is in reality quite complex. You find that to make a beautiful thing is not at all the same as to make a copy of a beautiful thing. You must go to work upon the thing before you set it on your canvas. That is where the element of sensitivity comes in. It is the capacity to grasp extraordinary meanings in ordinary phenomena. There is nothing uncommon about a rose, and nothing uncommon about tragedy. Roses exist by the scores of thousands, and tragedy surrounds us every instant. Back of the rose is the mystery of creation; and back of tragedy is the mystery of suffering. So you are not obliged to restrict your choice of subject to things that seem beautiful in themselves. Even war, or any other form of human ill, may be your springboard. But you will sink to prettiness if you paint only the rose itself; and a mere record of the facts of a tragedy, however stark or bold, turns into melodrama or a horror piece. It is in contemplating the mystery that lies behind all things, great or small, that the artist finds his satisfaction and makes his contribution.

WHEN so stated the matter seems clear as daylight. Yet it is easy to become confused. The evaluations which the artist makes are not transmitted to us in a single set of terms. They enter into his color choices; the rhythm of his forms; the character of objects he portrays (their moral character, if human, and their physical character—texture, weight, opacity); their relationship to one another (position, direction, velocity, tension); as well as into his attitude toward their total behavior. In each of these sets of terms there is possible for us an enormous variety of satisfactions. A given sculpture or painting may be utterly charming, possessed of intoxicating verve, delectable in color, inviting in its texture, sweeping in rhythms, full of electrifying tensions, potent in mood and suggested overtones. It may be any or all of these, and still fail to reach the highest levels of achievement. The attainment of those levels is dependent upon the artist's depth and acuteness of perception; less upon intellectual keenness than upon simplicity and purity of heart. It is a question of aim.

In all the other qualities just mentioned, skill enters to a marked degree, and skill is always likely to seduce us. It may seduce the artist too, for the exercise of skills is as rewarding to their master as is their product to the connoisseur. To be sure, the artist must be master of his technical

controls. The creative workman is always a designer; and there is much about design of which we have not spoken. Fine craftsmanship is justly prized. Sometimes it is impossible to say where craft leaves off and art begins, so great may be the workman's ardor for perfection. We have arrived at an extremely fine distinction. But essentially the test remains the same; the artist's quest is after something deeper than the face of things or happenings, and deeper than his paint. Beauty sometimes speaks in unmistakable accents through the clumsy gropings of an untaught hand. It never resides in virtuosity unhallowed by a dedication to something greater than the skill itself.

PAIN'T has no virtue. It is nothing but mud. Atomic power has no virtue. It brought havoc and destruction to Nagasaki and Hiroshima. Was that a virtue? But in the hands of men it can bring health and rehabilitation, and that is a virtue—but not of the atom. It is the virtue of man. *Paint has no virtue.* Remember that. It is only colored paste. In the hands of a man it became a masterpiece of Rembrandt, but the virtue was in the mind and purpose of the painter. Who can make Kreisler tones on Kreisler's violin?

The vast majority of people, whether in high or low places, usually mistake the copy of beauty for beauty herself. This basic error inevitably fathers the delusion that craftsmanship is art, when in reality it is only the vehicle and servant of the creative act. In approaching art, the crowd looks for the attributes; it may not be even remotely aware of the essence. And this is not strange, since attributes are plainly visible, while essences are hidden. It requires the artist's heightened sensibilities, with which he was born and which he has cultivated through constant exercise, to attain his special sense of wonder and thus become receptive to his evaluations. The connoisseur is simply an artist who relishes rather than practices the art. And so he, too, is as rare as the two-headed baby. Not out of snobbishness but unhappily and of necessity, you will speak to very few people. For you are the cow that jumps over the moon.

Such nimble vaulting is exhilarating business. Your sense of accomplishment will be colossal. The lunar regions are full of intoxicating adventure; also possibly full of unknown terrors. You can not expect to be followed by the timid or the stodgy. Then, too, it takes a young equipment. The rheumatic will remain at home. And there are those who couple moons with lunacy.

If you fear these solitary regions, go and dig canals or sell securities. Or limit yourself to making better ashtrays. But I hope that you will take the extra journey anyhow. Let your hair grow long, at least in spots. The world would be a deadly place if you refused, for all the streamlined trains and tractors you might make, or all the beautiful refrigerators. And who knows? More people than you think may be persuaded to go along for the ride.



A Reviewer's Notebook

By JOHN CHAMBERLAIN

The Communists have an "Aesopian" technique of double-talk by which they convey one set of meanings to their initiated followers and quite another set to the dupes and innocents who take words at face value. But the Aesopian use and construction of language is not confined to the Communists; it has been applied to the American Constitution by the New Dealers ever since 1932. The result is that we have no fixed Constitution; we have merely an elastic document that can be stretched to cover any whim of a majority bent on despoiling a minority or robbing an individual of his supposedly inalienable rights.

This thesis is ably argued by Thomas James Norton in his "Undermining the Constitution: A History of Lawless Government" (Devin-Adair, \$3.) According to Mr. Norton, a Vermonter who has spent forty-six years in the practice of law, the New Deal and the Fair Deal governments have virtually destroyed the force of the Tenth Amendment to the Constitution by an Aesopian, or flagrantly latitudinarian, construction of the General Welfare clause. The Tenth Amendment, as everyone ought to know, says "the powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people." Among the powers *not* delegated to the Federal government is the power to engage directly in commerce. The Constitution nowhere delegates to the Federal government the power to do such things as to control rents, or to develop electric power, or to give money to foreign governments, or to build hospitals, or to set up a National Science Foundation, or to redistribute property, or to levy a graduated income tax, or to provide capital funds for businessmen, or to support agricultural prices. These were among the "powers reserved to the states respectively, or to the people."

Yet there is undoubtedly a clause in the Constitution which reads (see Article One, Section Eight, Clause One), "The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States." Does this clause indicate that Congress has blanket permission to define the "general welfare" as anything that may be thought by a majority to be for the good of anybody? If so, then Congress does truly float "in a

boundless field of power, no longer susceptible of any definition." Such blanket construction of the "general welfare" means that 51 per cent of the people can vote themselves subsidies or other special advantages almost to infinity on the ground that the "general welfare" is thereby being provided for.

But this, philosophically speaking, is nonsense. No true general welfare can rest on the "tax and spend" theory of the New Deal and Fair Deal legislators. The "general welfare" of society can in no wise be considered apart from the security to the individual of the fruits of his labors. If there is no such security, there can be no real incentive to work, to save, or to invest. "General welfare" demands an atmosphere of safety, certainty and continuity. When one group is permitted by law to mulct another, mutual distrust becomes endemic in society. Everybody organizes to get in on the grab. The "general welfare" is shredded to bits and pieces as the big gangs subject the small gangs to depredations at the gunpoint of the tax collector.

Mr. Norton does not, however, rest his argument on a merely philosophical exploration of the content of the phrase "general welfare." He is strictly the constitutional lawyer in his approach. What he seeks to determine is the precise meaning of the general welfare clause to the men who framed the Constitution. According to his researches, which are exceedingly well-documented, such Founding Father worthies as Madison, Hamilton, Wilson and Jefferson thought of the general welfare clause as applying to the "enumerated instances" of its own section of the Constitution. The "enumerated instances" permitted the Federal government to borrow money, coin money, regulate commerce between the states, establish rules for naturalization, declare war, raise and support armies, establish post offices and post roads, protect inventors and authors, and so on. Not a word about subsidies for farmers, or SEC loans for printing companies, or the promotion of health by Federal grants. These and kindred subjects were reserved to the states, and properly fall within the police power of the 48 small republics which make up our greater Federal Republic.

The Aesopian construction of the general welfare clause is not the only instance of constitu-

tional infraction by blurred definition of words. By a similar Aesopian construction of the phrase "to regulate commerce" the Federal government has passed laws that infringe upon the police power of the 48 states in regard to local labor matters. And the Aesopian construction of the phrase "soil conservation" has enabled Washington to move in on local agriculture. In short, the strict meaning of the Founding Fathers has been melted away into nothingness by the disingenuous application of modern semantic fallacies. Chief Justice Hughes once said that "we are under a Constitution but the Constitution is what the judges say it is." This might be amended to read "we are under a dictionary, but the words in the dictionary mean what the New Dealers and Fair Dealers say they mean." Noah Webster and common usage have gone the way of the Founding Fathers and the Common Law. Humpty Dumpty has become our approved lexicographer.

If we were to follow Thomas James Norton and return to the Constitution, would that mean the end of modern "social welfare" activity? Would such things as soil conservation, or good public health measures, or river control, or social security, necessarily go by the board? Not in the least. There is nothing to keep individual states from setting up such things as the Muskingum (Ohio) Watershed Conservancy District. Moreover, the states can compact with each other to create such units as the one which fairly divides the water of the Colorado River and its tributaries. The states can legislate as they please in the field of labor, or of social security, provided they do not despoil the individual of life, liberty or property. And private individuals do not even have to rely on local legislatures; they have the power to set up their own medical insurance societies, their own cooperative housing projects, their own credit unions, their own voluntary soil conservation districts, if they so choose.

Whether Mr. Norton's book will ever reach the multitudes who ought to read it is doubtful. It ought to be taken out of the realm of "lawyer's language" and simplified for the common reader. Nevertheless, it is an excellent book. Mr. Norton thinks our high school and college students should be required to pass an elementary examination in Constitutional law as a prerequisite for graduation. The suggestion is a good one. Mr. Norton's own book might be made required or at least elective reading in college Constitutional law courses. And for younger minds as well as older there exists a remarkably clear book called "Your Rugged Constitution," by Bruce and Esther Findlay (Stanford University Press, \$3.) This book not only prints the Constitution; it also carefully explains just what it is that is denied or guaranteed by each individual provision of the Constitution. The explanatory exposition in the Findlay book is done in non-lawyer lan-

guage, and there are lines drawn through the original text of the Constitution wherever a subsequent amendment has changed it. The pictorial illustrations, by Richard Dawson, add to the clarity and force of the Findlays' job.

INTRICATE HENRY JAMES

Henry James, by F. W. Dupee. *New York: Sloane.*
\$4.00

Of writing about Henry James there is seemingly no end. And yet, in spite of the endless comment, there have been only three full-length books about him in over thirty years—a technical survey by Joseph Warren Beach, a critical resumé by Pelham Edgar with some biographical details, and the thoughts-and-character study by Ralph Barton Perry. The devotees have ordinarily contented themselves with essays in theory. In a sturdier fashion, F. W. Dupee, though not supplying the much-needed definitive biography, has produced a sound, comprehensive full-length book. It may not solve all the mysteries concerning James, such as the mysterious back injury; but it does place him against his times and in the frame of the criticism that has been written about him.

James is no easy author to write about. He lived long, produced much and was secretive. His ambiguity, sometimes conscious and sometimes not, could produce an impenetrable fog. He was a man of the world, a social lion, a critic of society, but he had a strong sense of the privacy of his own private life. He was a moralist, a psychologist and a poet. In these roles he occasionally nodded, like Homer. In his awareness of this, Dupee differs from the overly ardent. James could be fastidious and prim to the point of complete snobbery, and generous and charitable to the edge of caricature. Although he lived for forty years in England, as he grew older he grew more American. His characterization of American innocence and good will set against the guile and evil exposed in his British characters distressed Virginia Woolf and others. Equally, his handling of the American social scene excited local protests. In treating the international scene he was detached: in James's most important work the provincialism of nations was revealed.

The childhood of the Jameses was incredibly unconventional. When the children were young, the family was uprooted from New York and traipsed about Europe in the wake of an erratic, if kindly, father. On the children the elder James showered his unorthodox educational theories and optimism. Did young Henry turn to Europe to escape his father's influence, as Justice Holmes sought to be free of the Doctor? A potent influence was the older-younger brother relationship between William and Henry, for Henry, all his life, looked up in admiration to William.

Roughly, Dupee divides his book into the back-

ground of the family, the early works, the middle period, the stay at Lamb House, and the last lonely years. He provides some fascinating pictures of Henry and the life he led, setting them against those distant days, while reviewing the major books in chronological order.

Of the middle years, when misfortune overtook James after his early success, Dupee writes with sympathetic understanding. This was a period of great trial, when James was sickened with despair. His three long novels, "The Bostonians," "The Princess Casamassima" and "The Tragic Muse," were failures with the public, and James found editors increasingly reluctant. As Dupee notes, the practice of the serialized novel induced ill effects. There are, however, some rare good things in "The Bostonians" where James, experimenting, portrays the abnormal spinster, Olive Chancellor, an unconsciously improper Bostonian. Ironically, it was with the printing of "The Bostonians" that the elder brother, William, who had asked Henry for God's sake to speak out, intervened, shrilly protesting the comic use of Elizabeth Peabody as a libel. Nor did the pragmatic psychologist note the subtle project of Olive, set down in fresh and minute observations that offered original and penetrating insight into the "friendships between women which are so common in New England."

Upset by William's strictures, James avoided the American scene for many years. There was nothing wrong with his satire of Boston; its reformers were often fussy and trivial. The real defect of the novel was technical; it was imperfectly dramatized. The theme demanded concentration of the conflict, yet in the middle portion James became involved and diffusive. Looking back, it seems too bad that he was scared off the Boston scene, for he might have written a comedy that would have made the whole country (save Boston) laugh. He knew the subject thoroughly and saw it from both the inside and outside.

With a gracious bow to Leon Edel—the authority on James's experience in the theater—Dupee considers the venture in playwriting. Until the plays of James were edited by Edel, with his factual and entertaining prefaces, this was a shadowy aspect of the master's life. Seldom discussed, this phase had been brushed aside as a trifling folly. Nevertheless, to James it was a glorious, heartbreaking experience, which his "Notebooks" prove beyond a doubt. After the plays were published the literati glanced at them, noted no masterpieces, sniffed elegantly, and dropped the matter: Professor Harry Levin, for example, didn't even think the five years James spent in playmaking worthy of mention.

It seems to me that Dupee himself doesn't fully recognize the impact of the adventure in drama; because it was in the struggle with the theater that James overcame the darkling dejection caused by the failures of his long novels. He churned with ideas from the stimulus of the dramatic experience,

the effects of which can be traced in his later novels, almost all of which first originated as scenarios for plays. Directly from his work in the theater evolved his "scenic method." When James strictly adhered to his new discipline, he realized that perfect poem to Paris, "The Ambassadors"; and when he relaxed his control of this method, he lapsed in proportion and emphasis as in "The Wings of the Dove."

One may disagree on points with Dupee and still enjoy and admire his stimulating and compact book on the intricate James, about whom there probably will never be any general agreement. Dupee's chapter, "Final Years," is a beautifully rendered portrait of the old Lion. As a critical biography, this book is an excellent addition to the American Men of Letters Series; and the House of Sloane has done itself proud in the printing and format.

EDWIN CLARK

THE HEALING WORD

Paracelsus: Selected Writings, translated by Norbert Guterman. *New York: Pantheon. \$4.50*

Pascal's Pensées, translated by H. F. Stewart. *New York: Pantheon. \$5.00*

Some ages are better for thinkers than others, but all are bad. Paracelsus, whose contemporaries were Da Vinci, Michael Angelo, Durer, Holbein, and Erasmus, was as despised in Martin Luther's time as he would be now. There is some difference; Paracelsus was a great doctor, and also a noble writer, but today he would be a better doctor—and a boor. Some say that what we need are physicians and not culture, which is why we are so sick. We have medicines for dropsy, the gout, consumption, but what recipe is there for the reader of most contemporary reviews?

The life of Paracelsus is so typical that one is inclined to laugh rather than weep. He had almost every gift and nearly every tragedy. Paracelsus was the illegitimate son of a Swabian nobleman who was a physician, and a peasant woman of the Benedictine Abbey. The poor woman probably toiled in the sculleries; her famous son later worked in various cellars and alchemic kitchens where he searched for the philosopher's stone, the elixir, or a precious root or herb. He was a wild, Faustian nature, with a large, bald skull and furious eyes. He was also very irascible and deeply religious, particularly in his humble feeling for the poor and the hurt, always going to the hovel of a German or Swiss peasant just as Christ tarried at the pool of Bethesda to cure the leper and the blind.

Paracelsus detested the academic physicians of his day, and they abhorred him; he preferred a barber, a gypsy or any plague to a textbook surgeon, whom he regarded as worse than the gallows. A patient in sixteenth century Germany was generally a martyr to the blessed cause of Hippocrates and Galen.

For a very short space of time Paracelsus had fame; he had cured a renowned printer of an apoplectic stroke, and was appointed city physician of Salzburg. He lectured in the rough German Vulgate instead of Latin, held a public burning of a celebrated medical almanac which had destroyed more people than wars, disease and slander, and denounced the town fathers. He also had abundant sympathy for the German peasant revolt which Luther so fiercely quelled. After a year at Salzburg, Paracelsus had kindled the most exquisite antagonisms. A great traveler, he had celebrated foes in every part of Europe. In 1526 the Salzburg fathers issued a warrant for his arrest, and from that time on Paracelsus was a miserable itinerant and seldom spent two nights in the same bed. His swollen zeal for truth was taken for malice, and his hatred of fraud regarded as the grossest egotism. "Believe in the works, not in the words," was his creed and the pith of his life.

After his flight from Salzburg he went from one town to another, like some hunted Vulcan with medieval crucibles in a Ben Jonson or Goethe play; he was such a miserable waif that he did not know his father had died until four years after he was buried.

More gifted as a writer than the learned Erasmus, his fate was far worse than that of the Humanist, for he was without a patron and friendless. The writings of Paracelsus have nevertheless had a profound influence upon German mysticism; and the gifted prose of Marsden Hartley, the American painter, has in it some of the medievalism of Paracelsus, whom Hartley admired.

Paracelsus wrote treatises on open wounds, smallpox, paralysis, tumors, and also eleven tracts on consumption and dropsy; for him the art of medicine was in experience and in love. He had enormous faith in the "healing word," which when uttered by a sublime intelligence can be scripture. Paracelsus was supposed to have been hurled from a cliff by envious physicians; it is also a legend that he was poisoned by the powder of diamonds. Another legend is that he kept always at his side some magical simple for the cure of the sick.

This Pantheon book has some fine reproductions of woodcuts from Durer, Holbein and others; there is also talent in Norbert Guterman's translation, which is scriptural without being at all specious. The opening line of Paracelsus's "Credo" is defiant and droll: "I am different, let this not upset you." I, for one, am not disturbed, and I hope the good, discerning reader will feel the same way.

We have too many books, most of which represent our pride. Pascal, the enemy of pride, in a fit of asceticism sold his library, keeping only his Bible, St. Augustine, Montaigne, and very few others—to which should have been added Pascal's own "Pensées."

Few realize or care to understand how pessimistic good Christian doctrine really is; there was no more loving or disenchanted man than Pascal. He

had as chaste a nature as St. Francis's, and he was also as filled with fierce cosmic ennui as Dostoevski. Pascal so feared pride, ambition and lust that he wore a belt of nails which he pressed against his skin every time he had a vain, spiteful or brutish thought. Anybody earnestly desiring to cure himself of malice, greed or ambition should read the maxims of Paracelsus and the undying "Pensées" of Pascal. Paracelsus had the old, large, planetary feeling about man, regarding him as a sun, a moon, the Milky Way; Pascal had the same spatial attitude toward human beings, even their sins. It is better to feel this way; otherwise, we fall into a terrible, wizened misanthropy. Our hatred of falsehood and hypocrisy should enlarge us no less than our love.

EDWARD DAHLBERG

THE TRADE CYCLE

Business Cycles and National Income, by Alvin H. Hansen. *New York: Norton. \$6.75*

The interpretation of the trade cycle—the recurrence of periods of feverishly booming business invariably followed by periods of depression—as first developed by the British Currency School and later perfected by modern economics runs this way:

There prevails on the part of public opinion a reluctance to look upon interest as a phenomenon uniquely dependent upon the general state of economic conditions. People are loath to comprehend that the discount of future goods as against present goods is not a specific characteristic of the market economy, but an inexorable category of human valuation which would direct the decisions of the planning board of a socialist system no less than it determines the conduct of every individual in a capitalistic system. People believe that artificially lowering the rate of interest by expansion of bank credit is a blessing for everybody except idle capitalists. They fail to realize that it is impossible to substitute additional bank credit for non-existing capital goods and that therefore an artificially created boom must collapse and turn into a slump. They hail the illusory prosperity which such credit expansion in its initial stages brings about, and are bigoted enough not to recognize that the following depression is the inevitable consequence of the preceding orgy of speculation.

Against this theory, which is commonly called the monetary or circulation credit theory of the business cycle, there have never been raised any tenable objections. Even the report of the League of Nations "On Prosperity and Depression," prepared by Professor Haberler, admits that an author who wants to explain the business cycle in a different way "often tacitly assumes—or ought logically to assume—the willingness and ability of the banking system to expand credit on existing terms" (p. 7 of the new edition, 1939). Nonetheless, governments stubbornly cling to the policy of artifi-

cially lowering interest rates by credit expansion. Scores of authors try to defend this policy by producing spurious explanations of the trade cycle and by passing over in silence the monetary theory. As they see it, the recurrence of economic crises is inherent in the very nature of the unhampered market economy.

The originator of this fallacy was Karl Marx. It is one of the main dogmas of his teachings that the periodical return of commercial crises is an inherent feature of the "anarchy of production" under capitalism. Marx made various lame and contradictory attempts to prove his dogma; even Marxian authors admit that these ventures were utterly futile. Yet Marx and Engels and all their disciples down to Stalin and his henchmen have built their hopes upon the expectation that the crises will return again and again, each time more threateningly, and will finally induce people to abolish economic freedom and establish socialism. Hosts of pseudo-economists, while emphatically protesting their anti-communism, have unreservedly adopted this fundamental thesis of the Marxian creed. They are intent upon demonstrating its correctness, and design programs for what they call a "positive counter-cyclical policy." In effect all these programs aim at the substitution of all-round planning by the government for private initiative. In order to remedy the disastrous consequences of the government's policies of credit expansion and inflation, they suggest more and more government interference until any trace of the individual's freedom will have disappeared.

Professor Hansen's book is the latest product of this daily swelling literature. It does not add any new idea to those advanced by its predecessors. It merely repeats what has been said again and again and has been irrefutably exploded a hundred times. It tries to revive all the specters of confused economic thinking such as general overproduction, general overinvestment, acceleration principle and so on. It presents an inadequate account of the opinions of previous authors, omitting the most important contributions. It includes ample historical and statistical material, badly assembled and interpreted.

Professor Hansen's endeavors to discredit those who contend that the only efficient means to prevent the reappearance of crises is to abstain from any kind of credit expansion and inflation, would not deserve any special attention if they were not symptomatic of the prevailing tendency in academic and official circles. The views held and propagated by these circles are even more fateful than the policies they try to vindicate.

For the methods of reckless inflation and credit expansion engineered by the present Administration will inevitably, sooner or later, result in an economic debacle. Then people, indoctrinated by the official tenets, will argue: "The last desperate attempts to salvage capitalism, the New Deal and the Fair Deal, have entirely failed. It is obvious

that capitalism must lead to a depression. No other remedy is left than to adopt full socialism." The teachings handed down in most of our schools as well as the passionate utterances of the Communists on each side of the iron curtain will not allow of any other interpretation.

As against all this talk it is imperative to instruct people in time that the trade cycle is not a phenomenon inherent in the unhampered operation of the market economy, but, on the contrary, the inevitable effect of manipulation of the money market. People must learn that the only means to avoid the recurrence of economic catastrophes is to let the market—and not the government—determine interest rates. There is but one pattern of positive counter-cyclical policies, viz., *not* to increase the quantity of money in circulation and of bank deposits subject to check. Deficit spending by borrowing from the commercial banks is the surest way toward economic disaster.

LUDWIG VON MISES

THE LARGER PERIL

The Hand of the Hunter, by Jerome Weidman.

New York: Harcourt, Brace. \$3.50

The author of "I Can Get It For You Wholesale" has taken a shot at that popular formula—twenty-four hours in the lives of a group of marooned people. This time it is the passengers and crew of the "Sirith," a British ship anchored in the ice-packed harbor of Halifax, awaiting orders to join a convoy during the late war. They have been waiting eleven days when the story opens.

Among the passengers is Vincent Sloate (the hero of the book), a forty-two-year-old accountant on his way to London to audit a set of books; his cabin mate, a twenty-seven-year-old radio script writer named Nat Roland; a Mrs. Neville, an attractive Englishwoman on her way to London after having received word that her husband and three children have perished in a bomb raid.

Mr. Sloate has already done some adjusting before the story opens. For instance, there was the matter of danger. This voyage through U-boat-infested waters in this old "melon rind" might very well turn out to be fatal.

There were two categories of people on the "Sirith"—the passengers who were there by choice and the crew who were there by the choice of others. The surprising conclusion Sloate reached was that, while almost none of the passengers would have cared to exercise his or her right to demand transfer to another and safer vessel, almost every member of the crew would have leaped at the chance of such a transfer. In other words, volunteers always choose the larger peril. Their pain strengthens the ideal. They are among the chosen.

Then there was Nat Roland—a type Sloate knew existed but otherwise completely foreign to him. It wasn't right that anybody so young should be so sure of himself. He dominated the tiny cabin

with his overpowering self-confidence and doused Sloate with his easy and somewhat brash philosophy:

"'Life is a script,' he said. 'The bits and pieces have to be shoved and padded and trimmed at the edges. They have to be under-played and exaggerated and distorted. All the pieces must fit into a half hour of running time with clean breaks for the commercials. If they don't, you get nasty phone calls from the sponsor.'

"'For God's sake,' Sloate said, his voice quavering, 'I'm not—'

"'Let's keep Him out of it. After all, He's got Himself a sustaining program. Let's stick to my kind of show.'"

In the meantime Sloate has collided with the beautiful Mrs. Neville and has heard gossip linking her name with the purser's. This makes Sloate aware of her as a woman and he begins to feel stirrings unbecoming in a happily married man and doting father. Later, when he catches the pair in what he mistakenly thinks is a compromising position, he knocks down the purser and decides to leave the boat. Mrs. Neville dies of a virulent attack of flu, and as Sloate sees her body being carried off he begins to realize how shaken and changed he is. He is

like a barometer accustomed for years to recording fluctuations no higher than "Set Fair" and no lower than "Much Rain" that has been thrust without warning into an area swept by a typhoon. Unaccustomed to violence and unprepared for recording it, the glass containing the mercury had blown its top.

Not until much later would he be able to make sense of the reading. In the meantime there he was facing his patriotic duty once more. He would go to London. Not only that, he would come back. One could not be mauled about like this, and one's values turned topsy-turvy in vain.

Not a profound book, but a civilized one and very often amusing. Worth reading.

ALIX DU POY

BRITAIN SINCE 1945

The Cautious Revolution, by Ernest Watkins.
New York: Farrar, Straus and Young. \$5.00

Perhaps the most difficult task in today's world is the self-imposed one of the contemporary historian. In addition to all the classic mental impedimenta of the professional historian, he must be possessed of almost superhuman capacities for objectivity. He must have an infallible sense of direction that will permit him to steer accurately through the narrow channel of fact, avoiding with equal care the Scylla of propaganda and the Charybdis of prejudice.

Not unnaturally, there are few men writing of today's events who are endowed with either the rudiments of these qualities or the patience to

develop them. One of the rare exceptions is Ernest Watkins, staff writer for the British opinion weekly, the *Economist*. In "The Cautious Revolution: Britain Today and Tomorrow," Mr. Watkins has produced a definitive survey and interpretation of the last five years in Britain under a Socialist government; five years that well may prove to be among the most momentous in the nation's life. Eminently readable, written with incisiveness and considerable dry wit, this book is, nonetheless, a staggeringly comprehensive study of the quiet revolution which has overtaken Britain.

Mr. Watkins has divided the book's purview into six main sections: "The Circumstances and the Men," "The Program and Its Consequences," "The Impact of Socialism," "The Labor Government and Society," "Britain's External Relations" and "Britain Tomorrow," thus providing a fine net through which no significant aspect of the Socialist program, its history or its effect, escapes. His portraits of Britain's Labor Ministers are shrewdly drawn and honest appraisals which point up dispassionately, and with equal emphasis, the men's weaknesses as well as their strengths. Armed with at least the beginnings of an understanding of the workings of these men's minds, the reader is provided with an additional insight into their manipulations of current history. Throughout the book, in fact, Mr. Watkins is at his best when explaining people.

Necessarily, the major burden of this survey is concerned with the dry facts of economic life. Britain's struggle for survival since the close of World War II has been fought in the arena of world trade and international finance. Mr. Watkins brings a unique vitality to his explanations and interpretations of the struggle by his sure instinct for providing the connecting links between economic theory and human behavior.

Two sections of the book deserve special attention and commendation: the section dealing with the British press which is written with great verve and wit as well as almost cruelly penetrating insight, and the section devoted to Britain's last General Election, held in February 1950. This chapter is a brilliant summation of all the complex factors that went into the making of the complex result, and it holds a significant key to any near-future elections in Britain.

The one place in which Mr. Watkins falters for the American reader is in his long-distance appraisal of America's rule in Europe and his rather narrow understanding of the American scene in the fabric of Anglo-American relations. In the chapter dealing with the latter, for example, Mr. Watkins states:

Nor had the American scene in 1948 been an encouraging spectacle. Aside from the antics of the Committee on Un-American Activities—not an ideal diversion to those watching from outside—the special session of the Congress in the summer had seemed to find all the elected representatives of a vast and powerful people fighting madly to avoid any action or decision which upset a single

business interest. It led to a feeling of bewilderment, and in some quarters, of a mild contempt. Was this the zenith of "free enterprise" and constitutional freedom?

Fortunately, such gratuitous observations are few and do not detract measurably from the validity of the book's central concentration—the latter-day Battle of Britain.

In his final chapter, Mr. Watkins unburdens himself in what he calls "some personal comments" and it is here the key to his philosophical approach is to be found. He says:

The point I wish to make is that the Labor Government has been grappling with this question of controls precisely as every industrial state must grapple with it and the answers it has found, right or wrong, are part of the common experience of all Western civilization. Any failure, complete or partial, is not a matter for rejoicing. It is a matter for study; it is a part of the preparations for the next experiment.

RENE KUHN

THE PERISHABLES

His Eye Is on the Sparrow, by Ethel Waters with Charles Samuels. *New York: Doubleday. \$3.00*

In reading this book I became aware of the plight of the "perishables," although the train of thought is somewhat remote from the book at hand. Certainly, Mr. Samuels did not intend for me to think about anything. And yet he must get credit for my adventure in thought. There is no mystery: whenever I read a book I do not like, I think of how the material could have been saved. In this case, since the book does not present much material, I thought of how Ethel Waters, a marvelous perishable, could have been saved.

And so—the perishables. The term is not meant to be derogatory. It is merely the descriptive, and realistic, name for those who exert a charismatic effect on an audience as a part of a direct and transient medium. Flesh to flesh, so to speak, plus that *something*.

Entertainers are, of course, not the only perishables, although they are a prime variety. Demagogues, to choose an unrelated category, are even more perishable. In attempting to recapture the essence of the perishable, a post mortem biographer is attempting an almost impossible, perhaps quixotic, task. Modern electronics help, of course. A singer or actor can be heard on records, but something of the direct appeal of personality is gone. With a demagogue, much more is gone—so much, in fact, that one is tempted to ask whether the demagogue even exists outside of his triumphant moment of demagoguery.

Recently, without knowing it, I tested the possibility of life after death for a demagogue. I heard Billy Sunday on a record. He seemed as exciting as warm seltzer. Take Isadora Duncan, in her day a queen of the perishables. I am told that

this pudgy exhibitionist could convince her audience that she was a veil of light. For me she remains only in the form of a few unconvincing photos and a silly and frenzied book—the latter so intent on impressing one with her amorous aptitudes that, being of the modern temper, I naturally suspect that she was frigid. There must have been more to her—and also to Billy Sunday—than my generation will ever know.

A book about Ethel Waters, therefore, can not be expected to do for us what only Ethel Waters herself, gripping our ears, eyes and attention, can do. It can not perpetuate for us the essence of a great perishable. But it should bring us closer to an imperishable, a human being who has stalked through a goodly portion of time and has left marks that can be followed after the walker is gone. Miss Waters has, with unenviable judgment, turned the task of catching her imperishable human qualities over to Mr. Samuels, who hides behind her byline. How well has he told the story of Ethel Waters, the imperishable, to us?

The sorry answer is that Mr. Samuels lacks the sensibility to realize what a sorry mess he has made of the whole thing. He writes the way a scat singer sings. The words don't matter. He is a man in a hurry. He doesn't clutter up his pages with developed incident, insight, or even detail. He thinks he is sweeping you along. You hear a few names of little-known performers, and then they are gone. You spot the names of some well-known performers, and you learn as much about them as if you had stumbled across their names in the phone book. After a while, you get the unreasonable feeling that the longest incident of this sort would have to be padded by Leonard Lyons to make a tight paragraph.

Mostly we miss Ethel Waters. And yet, in some portions, especially in the last third, something of what we imagine to be Ethel Waters comes across: attractively assertive, proud of her knowingness and uninhibitedly innocent, proclamative of her modesty and yet shrilly boastful before the sentence is out, religious in a Holy Roller way and yet contemptuous of Holy Rollers, proud of her people, but *as people*, not as inverse stereotypes, spiritedly defiant of whites and yet pathetically cringing before bigots who run good Aryan white hotels. (The "rules" she sends to hotelkeepers, promising to behave, i.e., to keep out of the way of whites, to have her meals in her room, etc., are as heart-breakingly tragic a document as I have read in quite a time.)

Since this much of a really attractive human being does come across, it might be thought that I am being unfair to Mr. Samuels. However, the book reads as if on occasion the force of Miss Waters's personality just refused to be kept out. There is a turn of language, a phrase, that seems unmistakably Ethel Waters's. The book makes you want to seek Miss Waters out, and to have a conversation with her. You have a strong impulse to advise her to sue.

JULIEN STEINBERG

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