

Socialism Grips Norway

Trygve J. B. Hoff

The Great Confrontation
William Henry Chamberlin

Is Lobbying Honest?

Frank Chodorov

Gold versus Paper

Ludwig von Mises

Dark Eyes, Red Hearts

Peter Schmid

a marriage . . . of business and education

If our beginners in higher education were offered the privilege of alternating between college and business, hospital or law office, in equal relays of three, four or six months, business to pay the costs, would not business and education both benefit? Would not our colleges have more beginners and our businesses better suited ones? How much more intelligent would be the choice they finally make of a career! Under such a system our institutions of learning, like our businesses, would function continuously throughout the seasons; no more would future doctors or engineers spend their summers washing dishes.

We, in the railroad business, need a clearing house for the interchange of the most advanced ideas and methods used on all our 130 great railroads in all departments. There are problems of

ticketing, refrigeration, bearings, brakes, commutation, express, equipment, terminals. I can think of scores where the promise of reward to our stockholders from such an up-to-the-minute education center would be, to steal the title of a recently published book, MERELY CO-LOSSAL. I am sure other industries suffer as costly deficiencies in the specialized education of their upper age groups. If education does not offer such clearing houses for every industry business sooner or later will.

PROPOSED: So organize that one-half of the time of the youth undergoing higher education is shared with business so that it may be more effective and self-supporting, hence more universal. . . Make of our universities and colleges industry clearing houses for the advance technical education of executives. . . Establish equality of pay and a system of interchange of teachers and executives to the end of more proficient professors and better hosses.

(From an address by Robert R. Young at the Fifth Barnard Forum, New York)

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WE HAVE SOMETHING TO SELL EVEN WE CAN'T BUY

Though they can't be bought, we have 62 of them in inventory.

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To some people where they work is just the place to go to every morning five days a week and come home from at night. But the people who work at Field's . . . like these 62 veterans . . . believe their place of business is more than this, and they are right. Inherent in a job at Field's is opportunity.

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It is our people who are the spirit of growth and good will of Marshall Field & Company.



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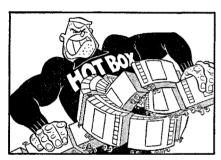


YOU'LL NEVER KNOW HOW CLOSE CHICAGO and Kansas City are—till you ride the Burlington's new Kansas City or American Royal Zephyrs.

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"HOT BOXES" (overheated friction bearings) cause most freight train tie-ups. Railroads are finding the answer to "hot boxes" in "Roller Freight"—freight cars on Timken tapered roller bearings.



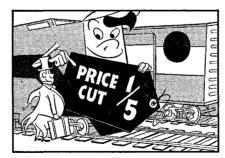
60 MILION car-miles without a "hot box" is the record of one railroad's "Roller Freight". By contrast, freight cars on old-style friction bearings average only 212,000 car-miles between set-outs for "hot boxes".



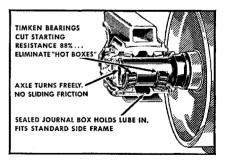
"ROLLER FREIGHT" can travel at sustained high speeds without frequent inspection stops. Inspection man-hours can be cut 90%. In Timken bearings, tough cores absorb shock, hardened surfaces resist wear.



RAILROADS WILL SAVE an estimated \$190 million a year, net a 22% yearly return on the investment when they all go "Roller Freight". One railroad cut running time in half on a livestock run, upped its livestock business 30% in two years.



complete Assemblies of cartridge journal box and Timken bearings for freight cars cost 20% less than applications of six years ago. Applications are available for existing cars. Other products of the Timken Company: alloy steel and tubing, removable rock bits.



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THE TIMKEN TAPERED ROLLER □ BEARING

TAKES RADIAL □ AND THRUST □ LOADS

OR ANY COMBINATION □

Copr. 1953 The Timken Roller Bearing Company, Canton 6, O. Cable address: "TIMROSCO".

Watch the railroads Go ... on TIMKEN Tapered Roller Bearings

A Fortnightly

For

Individualists

Editor Managing Editor HENRY HAZLITT FLORENCE NORTON

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Our Contributors

HAROLD LORD VARNEY, editor and writer, was adviser to the government of China from 1947-49. He is a frequent contributor to national magazines.

WILLIAM HENRY CHAMBERLIN, a regular contributor to the FREEMAN, is now on a threemonths' tour of Europe and the Middle East gathering material for articles. "The Great Confrontation" (p. 733) will form part of a book to be published in the fall by the Henry Regnery Company.

TRYGVE J. B. HOFF is well known on both sides of the Atlantic as a distinguished scholar and as the publisher and editor of the Norwegian economic weekly Farmand.

FRANK CHODOROV, co-editor with Frank Hanighen of Human Events, is author of the recently published One Is a Crowd.

LUDWIG VON MISES, whose article in the issue of May 4, "Agony of the Welfare State," has been widely commented upon by our readers, is author of Human Action and The Theory of Money and Credit, which is soon to be published in a new enlarged edition by Yale University Press.

HOWARD E. KERSHNER has served as executive vice president of the International Commission for Child Refugees. He is president of the Christian Freedom Foundation and editor of its paper, Christian Economics. The French government recently named him a Chevalier of the Legion of Honor.

PETER SCHMID, Swiss correspondent and author, has just spent a year traveling in Latin America, where he was assembling material for a book, now near completion.

Among Ourselves

Trygve J. B. Hoff, whose article on socialism in Norway we publish in the current issue, writes us that he found this particular article hard to write. He has studied socialism, he tells us, since he was a young student. The sympathy that he originally felt for it has now been supplanted by a strong skepticism. "It is unpleasant to criticise one's own country and its policies to a foreign public," he writes, "and though I have tried to write coolly and disinterestedly, and to suppress my skepticism, I am afraid that I have not succeeded very well." The editors of the FREEMAN do not agree with this judgment. The calm picture that Trygve Hoff gives of what socialism has meant in Norway is one calculated to deter the citizens of other countries from urging further socialism in their own. We plan to print similar full reports from other countries of what socialism and economic controls have meant to them.

What Thoughtful Americans Are Saying about

"THE PEOPLE'S POTTAGE" . . .

and Garet Garrett, its author

Here in one book are three penetrating studies of our political and cultural way of life. Garet Garrett, a relentless critic of our alien ideologies, has written a book every true American should have.

Read what other freedom-loving Americans have to say about THE PEOPLE'S POTTAGE... then get your own copy of this forceful book which not only points out the pitfalls into which we have fallen but also shows how this nation can return to sanity and real progress.

internal danger now facing America

"Garet Garrett . . . is one of the best political and economic minds and one of the outstanding pamphleteers of our time, and I know no one who has better stated the internal danger now facing America."—HENRY HAZLITT, Editor of The Freeman.

a true mirror

"THE PEOPLE'S POTTAGE holds a true mirror before America. Those who look are stunned. Our destiny hinges upon what we do to correct the picture which Garet Garrett so clearly presents."—GENERAL BONNER FELLERS, author of Wings for Peace.

he recognized the trend

"Despite the fact that this country is the grandest nation in the world, there are men in power anxious to turn us into a collectivistic society... to the eternal credit of Garet Garrett he recognized the trend early, and shouted himself hoarse trying to arouse the citizenry. His writings belong in the home of every American who loves our one nation indivisible, with liberty and justice for all."—FRANK E. PACKARD, Executive Vice-President, Western Tax Council, Chicago

frightening but truly American

"... this (book) proves beyond doubt that we have gone far on the dizzy journey toward the mechanized and bureaucratic slave state. Every library and every school in the nation should urge the study of this frightening but truly American book."—FELIX WITT-MER, Author of The Yalta Betrayal and other books.

most realistic appraisal

"Garet Garrett's three trenchant brochures represent perhaps the most realistic appraisal of the dominant trends in American life which has been written in this generation. They are indispensable to anybody who wishes to understand 'the strange death of liberal America' and desires to do something to check these dolorous and fatal trends in our political and economic life."—DR. HARRY ELMER BARNES, Historian and Author, Editor of Perpetual War for Perpetual Peace.

'must' reading in colleges

"It seems to me the three monographs... presented a most wonderful exposure of ... the most hypocritical and damaging government experience in the history of our country. I wish they could all be made must reading in our colleges."—EDWARD A. CABANISS, President, Joseph Dixon Crucible Company.

courageous and stimulating

"... I find his [Garet Garrett's] writings courageous and stimulating. He is accurate as to facts, incisive in his reasoning, and, therefore, reaches irrefutable conclusions."—SPRUILLE BRADEN, former Under Secretary of State and Ambassador.

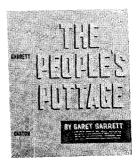
unbalancing and destructive forces which threaten our nation

". . . It has long been my considered judgment that these three monographs represent some of the very best analyses which have been made of the problems of these times. Indeed, I have found in these monographs more help to the understanding of the unbalancing and destructive forces which threaten our nation and this civilization than I have found in any other writings on the problems of our time."
—W. C. MULLENDORE, President, Southern California Edison Company.

a believer in the Constitution and its Bill of Rights

"Garet Garrett is a profound thinker. He is a believer in the Constitution and its Bill of Rights, which has proven to be the long and well-tested safeguard of our liberties since 1791. He is opposed to any change in the Constitution unless it is changed by the provision of the Constitution itself—and not via the back door in the shade of the night."—EDWARD F. HUTTON, New York City.

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The CAXTON PRINTERS, Ltd.

Caldwell, Idaho

Teeman

MONDAY, JULY 13, 1953

The Fortnight

In our last issue we expressed the fear that the President's "Don't join the book burners" speech might only add to the hysteria-about-hysteria already so rampant. The result has been worse than we imagined. The next development was the appearance of front-page stories reporting that there had indeed been some literal book burnings -by the President's own Department of State! Secretary Dulles set the number of "books" burned at eleven-whether eleven copies or eleven titles was not made clear. (This rather important distinction was neglected in most of the subsequent press enumerations also.) Apparently made aware of some of the implications of his off-thecuff speech at Dartmouth, Mr. Eisenhower tried to correct it at his press conference a few days later, but he hardly clarified his previous meaning when he said that it was all right for the State Department to burn the kind of book "which is an open appeal for everybody in those foreign countries to be a Communist."

The next development was an "exposure" by the New York Times that "several hundred books" by more than forty authors had within the previous four months been removed from the shelves of American libraries abroad. It is hard to say whether this list was more noteworthy for its revelations of the titles that had been removed from the shelves or for its revelations of the titles that had been acquired in the first place. What excuse was there, in an official information service ostensibly devoted to combatting Communism, for stocking the pro-Communist books on Asia by Owen Lattimore and the propaganda novels of Howard Fast? Perhaps there was no urgent reason for removing the detective stories of Dashiell Hammett; but what necessity had there been for acquiring them? And the inclusion of Whittaker Chambers' Witness in the books taken off the shelves gave justifiable ground for Senator Mc-Carthy's suspicion that "somebody is trying to make the State Department look silly in the handling of this program."

This was the already baffling status of the question before the American Library Association removed it from the realm of sense and rationality altogether by publishing its manifesto entitled "The Freedom to Read." This declaration is hysterical beyond belief. It assumes a state of facts which exists only in the hyperbolic imaginations of its framers. Innocent foreigners will gather from reading it that there are wholesale burnings of books going on all over the country, and that no one who has written a book with the slightest "controversial" tinge can now get it published—if indeed, he is lucky enough to keep out of jail or escape hanging for the attempt.

This A.L.A. manifesto, to be blunt, is dishonest. It diverts attention from the real issues by the ancient trick of raising a false one. The first real issue (not even mentioned in the manifesto) is whether it was sound policy in the first place to spend the taxpayers' money in order to set up government-selected and government-run libraries either for foreign "education" or for foreign propaganda. These libraries necessarily represent arbitrary choices and purchases of books by government bureaucrats. The government gives its economic support and its implied imprimatur to the books that it stocks. It says in effect: "Mr. Owen Lattimore's book, which we have put on our shelves, is informative and worth reading, whether you agree with it or not; but Mr. J. F.'s book, which is not on our shelves, is beneath notice; you are safe in neglecting it." This, at best, is paternalism, favoritism, and discrimination. The A.L.A. manifesto talks as if the only form of injury, "censorship," or "suppression" is for the government libraries first to buy a book for their shelves and then to take it off. But the author of such a book gets the royalties when it is bought and the publicity when it is removed; whereas the author whose book has not been taken at all gets neither. Yet the A.L.A. manifesto yells bloody murder about the fate of the first author and is completely silent about the fate of the second.

If we grant that there should be U. S. government propaganda libraries abroad to combat Communism, then it ought to go without saying that

the least the bureaucrats in charge of such libraries could do is to refrain from stocking them with propaganda by Communists and for Communism. No doubt there is a case for carrying reference copies of the works of Marx, Engels, Lenin, and Stalin. But if there is a case for government sponsorship of the works of Owen Lattimore and Howard Fast, we should like to know what it is.

The real question, which is not even mentioned by the A.L.A. manifesto and its hysterical supporters, is whether our government libraries abroad in fact carry the best anti-Communist books and the best defenses of American free enterprise-or whether the librarians who did or do the stocking even know which these books are. No one can answer this question until he has seen the whole list of books and periodicals carried. This is a piece of information which the defenders of "the freedom to read" have so far shown no interest either in getting or supplying. Did or do the government libraries carry the relevant works of James Burnham, William Henry Chamberlin, Whittaker Chambers, David Dallin, Max Eastman, John Flynn, Eugene Lyons, George Orwell? Did or do they, on the level of theoretical analysis, carry the defenses and explanations of free enterprise by F. A. Hayek, Ludwig von Mises, Frank Knight, Benjamin Anderson?

The question is one in which the framers of the A.L.A. manifesto manifest not the slightest interest. Instead they pretend disingenuously that there is a real threat in this country to the freedom to publish and the freedom to read; and that this threat is only against the "Left" and comes only from the "Right." It is time they asked themselves in all candor whether it is not they who are trying to discredit, intimidate, and suppress all criticism of government library choices and college textbook choices.

The Eisenhower Administration started out as if it really meant to put a halt to the Roosevelt-Truman inflation spree. It refused to resume the policy of trying to force the Federal Reserve System to peg government bonds. It tried not to flood the market with new short-term government issues. It put out a long-term bond issue at 3\frac{1}{4} per cent. But as soon as the money market got just a little tighter, and firms began to complain that they could not float their bonds at the preceding low rates of interest, the Treasury and the money managers got scared and started to reinflate. The Federal Reserve System on June 24 announced that, effective July 9, it was reducing the amount of funds that it requires member banks to keep in reserve against their demand deposits. The New York Times correctly described this measure in its news columns as a move to "expand bank 'credit by an estimated \$5,780,000,000 . . . in anticipation of Treasury plans next week to raise about \$6,000,000,000 of new money to meet government running expenses." Or in still plainer terms, the government is back in the business of printing flat money for deficit financing.

From the Winnipeg Free Press we learn that the C.C.F. government of Saskatchewan closed down in June the fourth of its socialist ventures. This was a woolen mill at Moose Jaw. It lost \$144,614 in 1952. Its cumulative losses over the years have been \$523.216. The official announcenment said that the close-down was due to "depressed conditions in the textile industry," increased imports from abroad, etc. The woolen mill followed the socialized tannery and shoe factory in which \$155,-763 was lost, the Fish Board and filleting plants which lost \$364,264, and the Provincial Housing Corporation whose deficit was \$42,400. "All these losses," comments the Free Press, "were borne by the taxpavers of Saskatchewan. . . . Under socialism they were committed willy-nilly." Why doesn't one of these foundations that loves to subsidize "research" pay for an annual compilation of the real history and deficits of socialized ventures all over the globe-from the huge losses of the French and British railways to those of the New York subways and the TVA? It would be a real contribution to knowledge.

We do not believe in detailed economic forecasting, any more than in crystal gazing of any other kind. The economic forces are too complex, and it is not given to mortal man to foresee the future. So we do not intend to predict a depression simply because some people are predicting continuance of the boom. Occasionally it is worth while, however, to point out the fallacies on which most economic forecasts, optimistic or pessimistic, are based. The other day, to take one example, an exuberant stockbroker got into print with a prediction of practically perpetual prosperity on the ground that our population has been increasing. The present rate of growth in population in America, he pointed out, is the equivalent of adding a new community of 50,000 people every week. Maybe it is. And obviously that would make more consumers. But it would also make more people seeking jobs and more people turning out goods that they had to sell in order to keep the jobs. If mere growth of population can bring prosperity, then China and India ought to be enormously more prosperous than we are. The truth is that when population grows beyond a certain density, it means mainly that there are more people per acre of farm land and more people to share limited natural resources. Old Malthus' ghost has an obstinate sort of vitality. We may deport it from the United States in disgrace, only to have it turn up with a grim triumphant smile in Pakistan.

Conceived in Liberty

One hundred and seventy-seven years ago the representatives of the thirteen British colonies in North America asserted the inalienable rights of life, liberty, and the pursuit of happiness. They pledged their lives, their fortunes, and their sacred honor to the cause of independence. This is not a long span in the life of a nation.

But during this period of less than two centuries the United States has grown from an agricultural community of some three million people, sparsely scattered along the Atlantic seaboard, into the most highly industrialized nation in the world, with 160,000,000 inhabitants. Flourishing cities and towns and mechanically cultivated farms have replaced trackless wilderness and almost empty prairies. From a new nation with an untried form of government that counted for little in the councils of European statesmen, America has become the strongest free power in the world.

Except for the one great and terrible schism of the Civil War, when the two unsolved issues of slavery and secession were fought out to a decision, Americans have achieved and enjoyed a remarkable combination of individual liberty and national unity. People of many racial stocks and varied religious faiths have blended into an American type. The inauguration of a new President lacks the antique ceremonial color of a British Coronation. But, especially when it follows a shift of power from one party to the other, it is the world's most impressive symbol of orderly self-government. It expresses two fundamental principles of a free society: that the will of the majority, within clear constitutional limitations, shall prevail, and that the majority shall not oppress the minority.

Abraham Lincoln, most eloquent of American statesmen, summed up the American Idea in three words of his Gettysburg Address: "Conceived in liberty." It was "to secure the blessings of liberty to ourselves and our posterity" that the Constitution was "ordained and established."

But it was not only during the French Revolution that many crimes were committed in the name of liberty. This noble ideal, like many other words with fine historical associations—liberalism, for instance, and democracy—has been profanely invoked, especially in modern times, by its worst enemies. The men who led the American Revolution and framed the American Constitution showed a rare prescience in foreseeing and, so far as possible, guarding against the reefs on which many experiments in free government have been wrecked.

The American Revolution was made against a royal government. But the Founding Fathers knew that tyranny has many roots and may even begin in the guise of zealous concern for the rights of the people. As Alexander Hamilton wrote in the first of the Federalist Papers—a storehouse of wisdom in political science:

... Of those men who have overturned the liberties of republics, the greatest number have begun their career by paying an obsequious court to the people, commencing demagogues and ending tyrants.

In striking contrast to the doctrinaire fanatics who shaped the course of revolution in France, the first American statesmen were keenly conscious of the dangers of absolute popular sovereignty. They created a government of limited and divided powers, with specific functions for the legislative, executive, and judicial branches, and they wrote into the Constitution every conceivable safeguard against the possibility that one of these branches might usurp the proper functions of the others.

Madison suggests in Number 48 of The Federalist that "legislative usurpations, by assembling all power in the same hands, must lead to the same tyranny as is threatened by executive usurpations." In short, the Founding Fathers grasped the essential truth that excessive power is always to be distrusted, and can best be curbed by a carefully constructed system of governmental checks and balances.

Along with liberty, buttressed against encroachments of mob or dictator, an essential element in the American Idea is individual opportunity. Democracy, a word that is tossed about with equal facility on both sides of the Iron Curtain, has a positive implication, the right of every individual to rise as far as his character and ability will carry him, regardless of his birth. It also has a negative side—a tendency toward envious leveling. John C. Calhoun, one of America's great conservative political thinkers, pointed out the incompatibility of liberty and equality when he wrote:

... As individuals differ greatly from each other, in intelligence, sagacity, energy, perseverance, skill, habits of industry and economy, physical power, position, and opportunity, the necessary effect of leaving all free to exert themselves to better their condition must be a corresponding inequality between those who may possess these qualities and advantages in a high degree and those who may be deficient in them.

American democracy has not escaped some of the evil fruits of leveling, such as the high and almost confiscatory burden of that monstrous leviathan, the progressive income tax, and the qualitative deterioration in the humanistic side of education.

But individual opportunity still remains greater in the United States than in any land in the world; and this is an enormous and incalculable asset. Liberty, opportunity, individualism. This is the American heritage. So long as the American people preserve this heritage, conscious of how much they owe to the men who won freedom by arms and preserved freedom by wise laws and institutions, they may be confident that America will emerge strong and triumphant from the storms and trials of the future, as it survived the stern ordeals of Valley Forge and Gettysburg.

Incredible Truce Terms

Elsewhere in this issue we publish an article by Harold Lord Varney on our lost opportunities in Korea. If we accept the assumption that we should have involved ourselves directly in an infantry war in Korea, and if we accept the testimony of both General MacArthur and General Van Fleet that victory in such a war was within our grasp at any time up to 1951, then it seems to us that Mr. Varney's conclusions follow inevitably. If, on the contrary, we begin with the premises that we got ourselves bogged down in a foot-soldier war in Asia through a series of Truman-Acheson blunders and usurpations, and that superior Chinese numbers plus our immense logistical problem have made victory impossible, then we must agree that the Eisenhower Administration had little choice except to withdraw or to patch up the best truce it could get.

Even these premises, however, cannot excuse the needless surrender of a moral principle. The FREEMAN wrote editorially in its issue of June 1: "Should we weaken on this primary moral issue, should we allow direct or indirect pressure to be used against the approximately fifty thousand prisoners (about 35,000 North Koreans and 15,000 Chinese) who have expressed the strongest objections to returning, we would have little right or reason to expect that soldiers in the armies of Communist governments will ever surrender to us in the future . . . There was one clear, simple solution . . . These men should have been immediately and unconditionally released, the North Koreans to mingle with the South Korean population, the Chinese for resettlement in Formosa or in overseas Chinese communities. This very act would have been a moral victory. . . . "

Without consulting South Korea, beyond comparison our most important fighting ally and the nation chiefly concerned, we combined with our U.N. token allies in consenting to put the fate of these prisoners in the hands of a five-nation commission on which neither Korea, nor the United States, nor even our U.N. allies were represented, though pro-Communist India and two Communist satellites were. Syngman Rhee's chief crime, apparently, is that he did what in honor and humanity we ourselves should have done long ago.

The Ordeal of European Democracy

Such developments as the chronic paralysis of effective government in France (a horrible example of the impotence that can be produced by a factious, hopelessly divided, and all-powerful legislature) and the frustrating deadlock that is threatened after the Italian elections, show that the ordeal of free institutions in western Europe is far from over. There is little if any danger that democracy will be discredited by its failure to make possible the first function of government, which is to govern.

The avowed purpose of the late war was to extirpate totalitarian tyranny (then conceived exclusively in terms of nazism and fascism) and restore systems based on political and civil liberty. In the countries behind the Iron Curtain the failure was complete and resounding. Nazi conquest and local fascist tyranny were merely replaced by Soviet conquest and local Communist tyranny.

In western Europe the problem of getting an affirmative majority for any regime threatens to rob parliamentary government of sense and content. A two-party system, such as prevails in the United States and Great Britain, by the test of historical experience is best adapted to stability and continuity of administration. But continental Europeans are seldom willing to divide along such simple lines. The normal picture in a continental parliament is at least half a dozen fairly substantial parties, to say nothing of splinter groups, organized along political, economic, and sometimes religious and ethnic lines.

A coalition form of government can work; the two big parties in the United States may be described as loose coalitions, with no firm discipline and with room for individuals of quite varying viewpoints. But a condition for a successful coalition is a spirit of mutual tolerance and understanding, which permits give-and-take and compromise. It is just this spirit that is so often lacking in European politics.

Democracy in Germany's Weimar Republic could be considered mortally sick, if not dead, when there were more Nazis and Communists (both on principle rejecting free institutions) than members of the more moderate parties in the Reichstag. The situation is not quite so desperate in France and Italy at the present time; but there are ominous points of similarity. A familiar pattern in the European political scene is a left wing of Communists and fellow-traveler Socialists, a right wing of extreme conservatives, nationalists, and neofascists, and a center committed to middle-of-theroad policies at home and a pro-American orientation in foreign policy.

There are signs that this center is being seriously eroded. Even a mild form of stacking the electoral

cards, which has been resorted to in France and Italy, has not yielded the hoped-for results. The method has been to give the combination of parties polling the largest popular vote a bonus of extra parliamentary seats. This was expected to favor the moderate parties, which are more willing to work together, as against Communists and nationalist extremists.

But although this method was used in the last French elections, the French Assembly, even with fewer Communists, is as unmanageable as ever, unable to muster a majority for any measure that involves some small degree of sacrifice and unpleasantness. And the moderate conservative regime of Alcide de Gasperi in Italy has been gravely weakened by its decline of support in the Italian election and seems to be at the mercy of shifting and unstable coalition arrangements.

There is some likelihood that a difficult deadlock

will emerge from the next German election, which will be held this year. Chancellor Adenauer's government has achieved a remarkable measure of political and economic revival. But in a country where there are so many unhealed wounds of war the psychological temptation to vote against is stronger than the impulse to vote for. There is little prospect of a Communist upsurge in Germany; but a victory for the Social Democrats might produce disastrous consequences for the German economy and for German foreign policy.

The largest and most important countries of western Europe are all suffering from a bad case of political negativism. The most convinced ideological democrat is puzzled as to what the answer should be when it is impossible to get even 51 per cent agreement for any program of action. When the ship of state flounders, there is grave danger that it may be boarded by a pirate captain.

Our Failure in Korea

By HAROLD LORD VARNEY

Unless Syngman Rhee's surprise release of the North Korean prisoners snags the truce negotiations, Washington is in a fair way to lose a war.

It is not an alluring prospect for self-respecting Americans. In the 164 years of our national history no Administration, strong or weak, has ever accepted defeat in a foreign war. After their first instinctive rejoicing over the end of bloodletting, the American people are going to feel rather nauseous about the outcome. They are going to ask the truce-signers, why was it necessary for our national leaders to accept such a national humiliation at a time when our power overshadowed the world?

Not that the Korean run-out will be acknowledged as a defeat. The clever phrasemakers who write government handouts are going to sell it to the American people as a shining victory over aggression. The stalemate is going to be transformed by the magic of words into a success. We will be fed plausible stories about Red China's war weariness and craving for peace. However, all such pap may be dismissed as the most transparent kind of rationalization after the event. We have lost a war.

Unfortunately, it has not been a minor war, or a mere "police action" as Harry Truman used to put it. It has been one of America's most deadly ordeals. It has cost us over 136,000 human casualties. It has cost our faithful allies, the South Koreans, over 2,000,000 corpses, military and civilian. Its financial cost—\$15,000,000,000—is close to the total for our participation in World War One. And this does not include the additional billions which we have poured out in rearmament, nor the

\$1,750,000,000 which we have promised for Korean economic rehabilitation. By any accepted test, the Korean War has been a major war for the United States.

But such an inventory tells only part of the story. Behind these stark figures looms the appalling fact that the acceptance of defeat in Korea means the final and the total loss of Asia. It completes the disaster which we suffered when Communism took China in 1949.

What is most tragic about this shabby outcome is that Korea offered us an extraordinary opportunity to give Communism a virtual coup de grace in East Asia. Victory in Korea could have given us unchallenged hegemony in the Far East. Instead, we have chosen stalemate. A recapitulation of the forfeited opportunities in Korea is an almost unbelievable commentary on the incompetence of our high-level national leadership during the last three years. No reflection is intended upon our heroic commanders in the field. The blunders were made in Washington.

Let us glance briefly at the five major opportunities which we have muffed in Korea:

1. The opportunity to solve all our Asiatic problems by a smashing and prestige victory over the Korean and Chinese Communists. Such a victory was within our grasp any time up to 1951, as Generals MacArthur and Van Fleet have pointed out. We threw away this chance in order to follow the will-o'-the-wisp of NATO. Instead of massing overwhelming superiority in men, guns, tanks, and planes in Korea, where we were fighting a shooting

war, we diverted a large part of our equipment and men to Europe where no visible war was in prospect. By this blunder we permitted the Red Chinese to build up military superiority and to force us into a hopeless war of position.

2. The opportunity to use the Korean crisis as a chance to wipe out Mao Tse-tung's rule in China and to restore a pro-American government to China. It is so vitally important to American security that China be restored to the free world that this should have been our Number One objective in the fighting. Mao virtually delivered himself into our hands in November 1950 by attacking our troops. We could have seized this opening for a bold frontal attack upon Red China, and our "allies" would have had to accept our decision. Instead, we allowed ourselves to be talked out of this logical move by silly warnings about a "third World War"—something which Russia was patently unready to launch.

The Chinese Communists would have collapsed like a house of cards if we had undertaken the following operations, all of which were within our power: (a) a tight blockade of the China coast, including Hong Kong; (b) another Inchon operation behind the Yalu River line at any one of the following points: Antung, Hulatao, Yingkow, Chinwangtao, or even Tangku; (c) equipment and support of Chiang Kai-shek's Formosa army to make a southern landing either in Chekiang or Kwangtung, and establish a third front in Mao's rear; (d) systematic bombing of all Manchuria and North China railway lines and bridges to paralyze troop and supply movements; and (e) preparedness to use the atom bomb to relieve any situation where we encountered unbeatable opposition. There can be little question that the unhesitating application of these measures would have toppled Mao's regime, which was still unstabilized in 1950 and challenged by large numbers of Nationalist guerillas throughout China. Moreover, such a strategy would have immediately ended the Korean War on our terms, as Mao would have been forced to pull back his troops to defend China itself.

- 3. The opportunity, by bringing off a spectacular victory in Korea, to regain the respect of such fence-sitting nations as Burma, Indonesia, and India. Such a victory would have created a psychological situation which would have disinclined these nations to follow Mao Tse-tung's lead in the future. Everyone wants to be with the winner. Vice versa, the American failure in Korea will definitely range these "neutralists" with the Communist bloc in Asia.
- 4. The opportunity to create a strong alliance of West-oriented nations in Asia to counterbalance Russia. Mr. Acheson torpedoed such an attempt, initiated by the Asiatics themselves, in 1949. It was still possible to set up such an Asiatic NATO in 1950. But what Asiatic nation in its right mind would now trust us after the exhibition of our irresolution, first in China and now in Korea?

5. The opportunity to readjust our relations with our so-called "allies" and regain freedom of American initiative in the Far East. The repeated refusal of Great Britain, India, and other U.N. allies to back our play in Korea gave us justification to detach our Asiatic policies and to adopt a course based solely on American self-interest. The enunciation of such a policy would have saved us from most of the frustrations which led us to defeat in Korea. We muffed this chance. In consequence, we have lost a particularly advantageous opportunity to escape intolerable foreign involvements and to place our foreign policy upon the sound basis of American self-interest.

International Bush-Leaguers

These five forfeited opportunities will stand before the American people like specters in the evil days which may lie ahead. Never has a nation had such a gratuitous chance to redeem its past mistakes and to redress its balance by one all-out military thrust. Never has a great nation so ignobly bungled the chance. Having attained paramount power in the world, are we too faltering—too racked with Hamletian self-doubt—to use that power to advance the interests of America?

Some fatal quirk in the American character seems to turn us into veritable bush-leaguers when we face other and weaker nations in the international arena. Transcendently great in technology and economic imaginativeness, our genius stops at the water's edge. Possessing supreme world power, we are afraid to use it unilaterally, and we erect an unnecessary United Nations as a dreary vehicle for the sharing of our hegemony. We bribe when we could command. We compromise and appease when we could halt opposition to our will by a simple gesture. We carry on our back a whole continent of vacillating "allies," and we allow them to veto our decisions in matters of the most vital national interest. And to complete the absurdity, we do all this in the name of idealism, and we rationalize our ineptitude by smug phrases about the new world order.

The Korean debacle has objectified this national fault in black relief. It has been a nightmarish revelation of just what is wrong with us.

Let us face the naked truth that we have muffed the Korean chance because we have been more concerned with placating Britain than with advancing our own American interests. In the name of fidelity to our "allies," we have walked out on two allies who were willing to fight for us—Syngman Rhee and Chiang Kai-shek—in order to please a third "ally," Britain, which was not even willing to abandon its profitable trade with the enemy we were fighting.

Until the United States looks these ugly facts in the face, it will be doomed to other and greater Koreas, as the world shadows lower.

The Great Confrontation

By WILLIAM HENRY CHAMBERLIN

America and Russia are locked in a struggle that will determine the future of the world. We must face squarely the strengths and weaknesses of both.

"There are, at the present time, two great nations in the world which seem to tend toward the same end although they started from different points; I allude to the Russians and the Americans... The Anglo-American relies upon personal interest to accomplish his ends, and gives free scope to the unguided exertions and common sense of the citizen; the Russian centers all the authority of society in a single arm. The principal instrument of the former is freedom, of the latter servitude. Their starting point is different and their courses are not the same; yet each of them seems to be marked out by the will of Heaven to sway the destinies of half the globe."

There are few examples of prophetic insight so conspicuously vindicated by the course of events. When Alexis de Tocqueville wrote these thoughts (1835-1840) the young American Republic counted for little in European politics. Russia was already a great power, though somewhat later in the century Great Britain and France successfully invaded Russia during the Crimean War—a venture neither would embark on today.

But there were elements of fundamental strength in the future of the United States and Russia which de Tocqueville comprehended in making his forecast. Both countries possessed, for the needs of their growing populations, untapped resources of continental scope. In the Russian Far East, as in the American Far West, there were only sparse settlements of primitive tribesmen.

Neither Russia nor the United States felt any economic pressure to build up overseas empires which might become restive and break away. Both held vast stretches of land which only awaited migration for development. A thoughtful observer could foresee the time when both America and Russia could undertake enterprises of internal development beyond the possibilities of the comparatively small and crowded European countries.

Moreover, America and Russia each symbolized an idea, carried to its final conclusion. The United States represented a new experiment in social equality and individual opportunity, within a framework of free institutions, protected by a system of checks and balances against excessive concentration of government power. In Russia, in our time as in de Tocqueville's, all the authority of society was and is indeed centered in "a single arm." Stalin was a far more absolute ruler than

Nicholas I because he added to the unlimited political authority of the tsars complete control of the national economy.

More than a century and a half elapsed after the American Revolution before America and Russia came face to face in the arena of world politics. The Second World War fulfilled de Tocqueville's prophecy of a supreme confrontation. In spite of America's wish for friendship, this relation could not from the very start have been amicable. The cushions that had formerly softened American-Russian contacts had disappeared. Every continental European nation except a few minor neutrals had been overrun and shattered by Nazi Germany. Germany itself had been finally hurled into complete defeat. Great Britain, technically a victor, emerged from the war impoverished and weakened, no longer able or willing to apply those principles of free trade and keen competition on which its rise to industrial power in the nineteenth century was based. The postwar anti-colonial revolts in Asia destroyed or impaired major sources of British wealth.

Prophecies Fulfilled

The destruction of German military power in Europe and of the Japanese empire in Asia left power vacuums which the Soviet Union was quick to fill. The late Jan Christian Smuts, Prime Minister of South Africa, clearly foresaw the shape of things to come. In a speech delivered toward the end of 1943 he summed up the prospect:

Russia is the new colossus on the European continent. What the after-effects of that will be no one can say. We can but recognize that this is a new fact to reckon with, and we must reckon with it coldly and objectively. With the others (Germany, France, and Italy) down-and-out and herself the mistress of the continent, her power will not only be great on that account, but will be still greater because the Japanese empire will have gone the way of all flesh. Therefore any check or balance that might have arisen in the East will have disappeared. You will have Russia in a position which no country has ever occupied in the history of Europe.

Smuts proved as true a prophet as de Tocqueville. Stalin after the war achieved conquests, direct and indirect, which far surpassed those of his most imperialist tsarist predecessors.

The great confrontation of America and Russia, which finally occurred in the twentieth century, soon came to its inevitable impasse: bitter rivalry and antagonism. The United Nations became the divided nations. The allies in the war against Germany became opponents in the cold war that ceased to be cold after fighting began in Korea.

There is no common American-Soviet territorial frontier. The two powers face each other with military, economic, diplomatic, and propaganda weapons deployed along a long global frontier. This runs from the Arctic area of northern Norway, along the frontiers of Yugoslavia, Greece, and Turkey, through the fermenting Near and Middle East, to the steaming rice paddies of Indo-China and the bleak hills of Korea.

Behind the Cold War

The two nations of which the instrument of one is freedom, of the other servitude, stand at the peak of their power in the middle of the twentieth century. Their dispute, incomparably the most important issue in contemporary politics, is most difficult to resolve, because it is not caused by specific disputes about territory or trade which could be easily settled on some compromise basis. The four basic causes of the cold war are of an intangible nature which make the most generous compromise fruitless. They are:

- 1. The conviction of irrepressible conflict. It is an article of dogmatic faith with Soviet leaders, set down repeatedly in the writings of Lenin and Stalin, that a last decisive struggle between the Communist and non-Communist worlds is inevitable. Before this final struggle comes there may be temporary truces and adjustments, but never genuine or lasting peace.
- 2. The persistent bad faith of the Soviet government, a product of Communist contempt for all morality. Soviet diplomatic history is a long record of broken promises and violated treaties. To mention only a few conspicuous examples:

The Soviet government, on its own initiative, concluded treaties of nonaggression and neutrality with its five western neighbors: Poland, Finland, Latvia, Lithuania, and Estonia. (The treaty with Lithuania was first signed in 1926 and twice extended. The treaties with the other four countries were concluded in 1932 and extended for ten years in 1934.) All these pacts were torn up as part of Stalin's 1939 pact with Hitler, when Latvia, Lithuania, Estonia, and large sections of Poland and Finland were conveniently annexed by Russia.

At Yalta the Soviet government subscribed to the principle that "free and unfettered elections" should be held in Poland. Stalin also solemnly agreed that the "liberated" peoples of eastern and southeastern Europe should create "democratic institutions of their own choice." But Polish elections have been fraudulent farces. Communist minorities have imposed a similar pattern of dictatorship and terror throughout the large area under Soviet control. The only exceptions are Finland and, to some extent, the Soviet Zone in Austria.

The Soviet government signed the "Big Three" Potsdam Agreement of August 2, 1945, which contains the following constructive provisions, among many others that were foolish, vindictive, and impractical:

All democratic political parties, with rights of assembly and of public discussion, shall be allowed and encouraged throughout Germany.

Subject to the necessity for maintaining military security, freedom of speech, press, and religion shall be permitted. . . .

During the period of occupation Germany shall be treated as a single economic unit.

All these provisions have been systematically nullified or infringed in the Soviet Zone of Germany.

- 3. The Iron Curtain. No great power in history has remotely approached the Soviet record in methodically isolating its subjects from foreign contacts. This is just as true for the people in the satellite countries. The abatement of mutual fear and suspicion which might come from free and frank intercourse with foreigners, is deliberately made impossible by Soviet policy.
- 4. The Fifth Column. This, like the Iron Curtain, is something formidably new: the government of a great empire acting simultaneously as the head of a vast international revolutionary conspiracy. To reconcile normal friendly relations with foreign governments with direction of movements which aim to destroy these governments is as impossible as it would be to square the circle.

Soviet official repudiation of responsibility for the activities of the Comintern and for the closely coordinated activities of foreign Communist parties is not convincing. For the last quarter of a century of his life Stalin was undisputed master of the Soviet government. And there is the testimony of D. Manuilsky, prominent Russian official in the Comintern that "not one important document of big international significance was issued by the Comintern without the most active participation by Comrade Stalin in its composition." Headquarters of the Comintern were in Moscow, The Soviet authorities have always maintained the closest control over foreign activities in Soviet territory. It would be absurd to suppose that an organization like the Comintern, with its far-flung international ramifications, would have been permitted to function for five minutes on Soviet soil if the Soviet government had not fully approved of and controlled its activities.

The confrontation of the United States and the Soviet Union is far more than the normal antagonism of two leading world powers. It is an irrepressible conflict between two diametrically opposed national ideas, accurately described by de Tocqueville as freedom and servitude.

America was able to develop and grow strong without any serious threat from without. Such familiar features of life in Europe as large standing armies, conscription, and heavy taxation for military purposes, were unknown in the United States until very recent times. This freedom from fear of external attack was very favorable to the smooth development of free institutions. It helped to implant in the American character the spirit of individual self-reliance that does not flourish in a militarized society.

The medieval Russian state, by contrast, was located in a vast plain, with no natural frontiers and many enemies. It expanded in an atmosphere of continuous war, regular and irregular. The early Russian principalities were swamped by the tide of the Tartar conquest. As the Muscovite tsars became more powerful they widened their frontiers in a long series of wars with Turks and Tartars, Swedes, Lithuanians, and Poles. Ultimately Russia, by sheer bulk and size, became a strong factor in European politics. Russian troops temporarily occupied Berlin during the Seven Years War (1756-1763). The stubborn courage of the Russian armies and the rigors of the Russian winter started Napoleon on the road to decline and fall. Both under the tsars and under the Soviets Russia maintained a huge military establishment.

Russia's Tradition of Autocracy

Absence or presence of outside military pressure is not the only reason why Russia and America, as they grew into world powers, developed differing sets of values, especially as regards individual freedom. Autocracy, absolute power of the tsar, was the distinctive principle of Russian political life. Its origins were oriental and semi-oriental. Russian ideas of government were largely derived from the absolutist Byzantine Empire, from which Russia accepted Christianity, and from the Tartar khans who were overlords for two centuries.

Russia remained almost entirely outside the influence of three movements which, in various ways, fostered the growth of individual judgment: the Renaissance, the Protestant Reformation, and the French Revolution. Russian autocracy stood like an immovable rock while most of Europe was evolving in the direction of constitutional regimes, with limitations on the sovereign's power.

There was some softening of the rigid character of the Russian political, social, and economic order during the half century before the First World War. Serfdom was abolished by Alexander II in 1861, only to be restored by Stalin, in the form of the collective farms, seventy years later. The same Tsar introduced some local self-government and gave Russia a modern and civilized judicial system. A national parliament, the Duma, elected on a narrow franchise and invested with limited powers,

came into existence after the 1905 Revolution. But most Russians, apart from a minority of Westernized intellectuals, conceived of governmental power as something far removed, vast, unlimited, beyond their check or control.

A Tragic Revolution

Westernized Russian liberals and radicals and foreigners who admired Russian achievement in literature and the arts and found Russians as human beings congenial looked hopefully for the coming of a revolution that would sweep away tyranny and release the creative energies of the Russian people. The Revolution came; but the tyranny over the minds and bodies of men became only more intense. This is evident from comparative figures of executions and numbers of political prisoners in slave labor camps under the tsars and under the Soviets.

It was a profoundly tragic development, especially for the civilized and humane pre-Bolshevik Russian intellectuals, who counted among their number a high proportion of the finest human beings who could be found anywhere in the world. But the Soviet addiction to methods of barbarous tyranny is not surprising if two historical facts are considered. First, there was the poverty, ignorance, often downright illiteracy, combined with total inexperience in self-government, of the Russian masses. Second, few Russian revolutionary thinkers were genuine liberals. This observation holds true not only for the Bolsheviks, but for Russian rebels of other points of view.

If one studies Russian revolutionary literature one finds very little emphasis on assuring the rights of the individual, on protecting the individual against the state. Property, one of the most fundamental of human rights, is regarded with hostility and contempt. The emphasis is almost always on realizing some kind of social utopia, if necessary by the most ruthless means. The aspiration of the typical Russian revolutionary was not to curb the power of the state, but to capture that power and use it to force people into the mold of some ambitious blueprint of social reorganization that was supposed, in some happy future, to produce a millennium of virtue and happiness.

The founders of the American Republic were equally far removed in their political thinking from the models of Byzantine emperors and Tartar khans and from such revolutionary fantasies as Lenin's belief that absolute freedom would some day emerge from a period of absolute "proletarian" dictatorship. Jefferson and Madison, Adams and Hamilton were among the best-read men of their time. The Federalist Papers, the intellectual background for our Constitution, are full of pertinent historical analogies, drawn from the experiences of the Carthaginian Senate, the Achaean League, the Archons of Athens, the League of Cambray.

This study of history convinced the founders of the American Republic that there were other dangers to liberty besides the royal arbitrariness against which they had rebelled. A mob could be a tyrant as well as a monarch. The people's tribune of today could become the dictator of tomorrow. They reached the conclusion that the best means of assuring "life, liberty and the pursuit of happiness" was to establish a government of limited and divided powers. The Constitution bristles with "Thou Shalt Nots," directed against possible abuses of power.

How completely opposed and contrasted is the Soviet conception of the state as an instrument for the suppression of one class by another. Lenin refers to the state as a machine or cudgel, with which the ruling class crushes other classes. And his absolutist utopianism finds expression in a phrase he borrowed from Engels: "While the state exists there is no freedom. When there is freedom there will be no state."

Promises vs. Prohibitions

It is profoundly instructive to compare the American and Soviet Constitutions. The former is conceived in terms of natural rights of individual citizens which the state may not touch. The latter is full of promises of material benefits which an all-powerful state will confer on obedient citizens. Says Article 125 of the Soviet Constitution:

In accordance with the interests of the working people and in order to strengthen the socialist system, the citizens of the USSR are guaranteed by law: (a) Freedom of speech, (b) Freedom of the press, (c) Freedom of assembly and meetings, (d) Freedom of street processions and demonstrations. These rights of citizens are insured by placing at the disposal of the working people and their organizations printing shops, supplies of paper, public buildings, the streets, means of communication, and other material requisites for the exercise of these rights.

On paper this seems to suggest a paradise for libertarians. What makes a mockery of these assurances is the fact that the government, providing these facilities, inevitably decides who is to use them. Soviet civil liberties in practice amount to this: that the citizen may read what the government wants him to read, say publicly what the government thinks he should say, and demonstrate for what the government thinks he should demonstrate for. How infinitely surer as a genuine guarantee for the expression of varied viewpoints is the simple negative injunction in the American Constitution, instructing the government to keep its hands off freedom of speech and press!

The richest, most powerful and populous nation of the New World, the largest, most populous and powerful nation of the Old World have come to maturity as world powers at the same time. The Second World War has left as its political legacy a two-power world. More than a rivalry of two nations is involved. There is an antagonism of two camps.

The United States and the Soviet Union may lose their ascendancy in time, as other great powers have declined before them. But for the near future the predominant position of these two nations, "each marked out by the will of Heaven to sway the destinies of half the globe," seems solidly assured. Only in the United States and in the Soviet Union are to be found all the elements necessary to sustain very long the effort and sacrifice required to sustain modern war: population, resources, space, industrial and technological development, large stockpiles of modern weapons. At the present time the strength of the United States and of the Soviet Union is in precarious balance. Should either of these leviathans be greatly weakened, the scales of world power would tilt swiftly and heavily in favor of the other.

All-out war between the two camps, divided by the barricade of the Iron Curtain, is not inevitable. Both sides are conscious of the tremendous losses and risks involved in a final, irrevocable appeal to arms. But true peace, which has nothing to do with Soviet "peace offensive" maneuvers, is also impossible, unless there is some almost miraculous change in the Soviet Union. Barring such a change, strife and tension, struggle with all means short of all-out war, seems to be the destiny of the greater part of the human race in the second half of the twentieth century. The Great Confrontation is here and has already assumed many aspects of an irrepressible conflict.

WORTH HEARING AGAIN

Our Unintelligent Intelligentsia

Our intelligentsia [is] easily the most emotional and voluble, and, as I often think, so far as concerns the realities of international life, the most uninformed, the most injudicious, and the most susceptible to propaganda.

JOHN BASSETT MOORE, as quoted in C. P. Ives' column, The Baltimore Sun, February 2, 1953

As A Lawyer Sees It

The greatest change I've seen in law stems from the relationship between the citizen and his government. When I began in 1895 litigation was between one man or one concern and another. There was very little litigation in the federal courts except on the criminal side. Now the arguments are between a citizen and his government, and with an ever-widening field of government interference.

JOHN W. DAVIS, as quoted in *The New York Times*, April 14, 1953, on the occasion of his eightieth birthday

Socialism Grips Norway

By TRYGVE J. B. HOFF

With a new law for the permanent regulation of prices, the power of Norway's government over business and trade has become absolute.

Socialization has become a foggy term, and so has socialism. Most modern Socialists define socialism by pointing to conditions considered desirable by everybody. Such descriptions are useless as definitions. The following definition has been accepted by the advocates as well as by the opponents of socialism. Socialism means (1) the abolition of private ownership of the means of production; and (2) centralized State direction of trade and business. This definition is not as clear and unambigious as it might appear, because taxation and other devices may undermine, and even eliminate, the right of private ownership, even if such ownership still exists on paper.

Norwegian industry is not formally socialized or nationalized. It is true that the telegraph service and the railways are State-owned, but this has always been so in Norway. Few Europeans consider State ownership of telegraph lines and railways as socialization, though it is admittedly a step in that direction. Even before the war Norway had State monopolies for grain, wines and liquors. Since the war the Labor government has established two more monopolies—for medicines, and for fishing-gear, nets and tackle.

Some State-Owned Industries

The Norwegian telephone companies used to be partly State-owned and partly privately-owned. Since the war there has been a tendency for the State to buy the privately-owned telephone companies. The reason given is the necessity of coordination to attain higher efficiency.

Since the war the Labor government has also tried to acquire holdings of shares in other private companies. The opportunity presented itself very conveniently when German interests in Norwegian corporations, acquired during the occupation, were confiscated as part of the war indemnity. In this way the State has become the greatest stockholder in Norway's biggest corporation—the Norsk Hydro, a nitrate company.

The government has gone farther than taking over war indemnities. On June 1, 1952 the State owned stocks in seventy-seven corporations, and controlled a majority in forty-one of them. The total share capital of these seventy-seven corporations was 496,000,000 kroner, of which the State owned 344,000,000. As a comparison, the total share

capital of all Norwegian stockholding companies is calculated to be 3,000,000,000 kroner.

The shareholding interest of the State is considerably greater than the above amounts indicate. The Vinmonopolet, for example, with its warehouses, stocks of wines and liquors, and retail outlets all over the country, is obviously worth much more than the share capital, a paltry 100,000 kroner.

With the unanimous consent of the Storting, Norway's Parliament, the government has started building a big iron-works, Statens Jernverk, which was calculated to cost 334,100,000 kroner but will in fact cost three times as much. This may be described as a socialist undertaking, not because it is State-owned but because it does not satisfy the private prerequisite that it should be profitable. Even according to the preliminary estimates it will only cover its expenses in boom years; it will lose money in normal as well as in depression years.

Limitation of Dividends

The Labor government has followed other practices which have brought Norway still nearer to socialism. One device is the limitation of dividends. The general rule is that no stockholding company may pay more than a 5 per cent dividend. The results are in some cases so absurd that dispensations are given. One effect of this limitation is that stocks actually are not equities any more, representing real values, but nominal values of the same category as bonds.

Considering the risky character of certain Norwegian industries, such as whaling, shipping, and fur-farming, a limitation of dividends must naturally reduce the supply of venture capital. It has already done so. The number of stock-listed corporations has fallen drastically.

A permanent limitation of dividends means of course the permanent abolition of the shareholders' right to private ownership of the means of production.

It may be added that most big enterprises in Norway are limited joint-stock companies. Some prominent lawyers assert that Norwegian jointstock companies have already been socialized for all practical purposes. In addition to the limitation of dividends a ban has been imposed on the distribution of companies' funds, and on the dissolving of companies, in order to prevent indirect payment of dividends.

The financial benefits from the ownership of the means of production have also been reduced in other ways. Up to January 15, 1953, there existed a ceiling on salaries. It was never quite clear what that maximum was, and the law was permitted to expire.

It is still forbidden to pay corporation officers higher salaries than in 1940. As the index of wholesale prices is 276 and the official cost-of-living index 222 (with 1938 representing 100); this ceiling can hardly be maintained. But it exists today.

House-owners have been compelled to reduce prewar rents by 10 per cent. It is a matter of definition whether residential houses are a means of production, but this decision has at any rate reduced the financial benefits of being a houseowner.

The financial benefits of owning capital goods have been further undermined because the Price Control Office has authority to place special levies or dues on any branch of industry or any business, corporative or not. These levies are partly used for reducing prices of any products that the Price Directorate wants to subsidize. The dues levied for this purpose and the subsidies paid over the State Budget have now reached such heights that they equal the total amount of direct taxes.

The Price Directorate has also the right to confiscate profits in order to subsidize unprofitable firms, in the same branch or in other branches of business. This is the very opposite of competition. The marginal producers are not only not eliminated; they are subsidized out of the profits of the well-managed firms.

Are They Taxes?

As according to the Norwegian Constitution, only the Storting has the right to assess taxes, it has been maintained that levies collected by the Price Directorate are unconstitutional. The Supreme Court decided a few months ago, however, that the first-mentioned levies are not taxes and therefore not unconstitutional.

The groups which disputed the legal right of the Price Directorate to collect these levies were the whaling companies. To them it was a matter of principle rather than of money, as the Treasury would have taken the money anyway. The corporation taxes in Norway vary between 60 and 70 per cent, but individuals may have to pay up to 100 per cent. The maximum income tax rate was formerly 95 per cent, but has lately been reduced to 90 per cent. However, as this limitation will reduce the State income tax only, it cannot prevent 100 per cent income tax in some cases. According to formal definition, high taxes may not be real socialism, but those who pay their whole income in taxes

hold that private ownership under such circumstances is rather illusory.

Moreover, there are other tendencies which undermine the ownership of the means of production and which, therefore, have brought Norway near to complete socialization.

Government Interference

Ownership does not mean the right to financial benefits only. Ownership is also the right of disposal, the right of management.

This right has been seriously undermined in Norway owing to extensive State interference in trade and business. When the leading socialist economists in the 1930s planned the coming transformation of Norwegian society, they maintained that socialization was feasible without formal abolition of private ownership of the means of production. It was considered sufficient that the State should secure for itself the right of disposal. They were right.

Owners and managers are still formally in command, but few indeed are the decisions they may take without the permission of departments and directorates. They cannot import or export goods without a license. Dealings in foreign exchange are regulated, and the current receipts of foreign currency have to be sold to the central bank at the official rates of exchange (which are lower than in the free markets).

The shipowners are not allowed to build, buy, or sell ships abroad without permission. They have even been forced to convert into Norwegian kroner their foreign exchange holdings, obtained through insurance abroad for ships lost during the war. These transfers (which incidently have contributed to the inflation in Norway) have resulted in the shipowners' paying high interest on loans which they have been compelled to contract with foreign shipbuilders, while they get little or no interest on their holdings in kroner.

The Norwegian mercantile fleet, of which nearly 50 per cent was lost during the war, has been rebuilt; but the shipowners maintain that their competitive power has been impaired by the government's refusal to let them build when and to the extent they wanted. From late 1948 to late 1950 there was virtually a ban on shipbuilding. This has cost the shipowners about 1,000,000,000 kroner and the irreparable loss of important markets.

Freedom of management in industry and trades has been still further impaired. In addition to the other difficulties placed in the way of exporting and importing, trade is permitted only at the prices fixed by the Price Control Offices. The *Pristidende* (the publication of the Price Control Office) has decreed official prices for some hundred thousand different goods and qualities of goods. For windowframes alone there exist 721 different prices, and so detailed are the specifications that they baffle

even the carpenters and the building experts.

Freedom of trade and the right of management have been further impaired by the Price Control Offices' prohibition against establishing new businesses without permission. The starting of new businesses in certain trades is also prevented by the foreign exchange regulations. Building of factories and warehouses is forbidden without special license.

To sum up: the owners of the means of production are still in nominal command, but their spheres of activity and power of decision have been so limited that many of them feel they are practically civil servants.

State interference in Norway is certainly extensive. It does not, however, satisfy the second criterion of socialism. Trade and production are not centrally directed. It is doubtful whether they ever can be, as long as Norway remains a country dependent on foreign trade; but there is no denying that the government has attempted to create a centrally directed economy. Even if the so-called National Budget has little by little been reduced to prognoses and bulletins of information, the original role was to draw up "a program for the whole national economy," and the Premier recently confirmed that socialization is the goal.

Difficult to Evaluate Results

It is outside the scope of this article to investigate and evaluate the consequences of the socializing tendencies in Norway. But it is natural for readers to ask what the results have been.

It is too early to pass a final and conclusive verdict. In the first place the government (and the Price Directorate) have not availed themselves of the full powers delegated to them by the "temporary" Price Law. This has been openly admitted. It may be that they first wanted the law made permanent.

In the second place, the socialist experiment has taken place under exceptional conditions. After the war Norway had the advantage of very favorable terms of trade due to the international boom. It has also profited from generous American gifts under the Marshall Plan. According to a member of the government, Mr. Erik Brofoss, Norway would have had a crisis without this help. Finally, prices and wages have been continually rising owing to the inflationary tendencies in Norway's economy. As long as inflation is going on, everything appears rosy.

There are also general reasons why caution is indicated. The consequences of any economic policy are difficult to evaluate because causal relations in economic and political fields are uncertain. Other factors may have either strengthened, weakened, or neutralized the effects of the policy in question. One never knows what might have happened if another policy had been followed.

Finally, the rationality of an economic policy (or of any human action, for that matter) depends on the goals aimed at. Some people seem to consider socialization an end in itself. The Norwegian Labor government does not. Its members have stated quite clearly what their aims are: (1) full employment; (2) equalization of incomes and capital wealth; (3) increased productivity; and implied in that (4) a higher standard of living. The government has also stressed that society above all must remain democratic. Another underlying assumption is that inflation must be avoided.

The first goal has so far undoubtedly been attained. Norway has full employment; indeed, Norway has over-full employment. On the other hand, socialization was hardly necessary for the attainment of that goal. The need for reconstruction and the pent-up demand for capital-and-consumers goods accumulated through five years of German occupation and exploitation had created such a need for manpower that full employment was almost unavoidable.

The Labor government is convinced that unemployment can be combated by Keynesian tactics. Even during the boom period it has faithfully adhered to a low-interest policy. As a result Norway has the lowest interest rates in the world, outside of Switzerland. The government has recently submitted a bill according to which interest rates in Norway are to be kept permanently low. The arguments advanced in favor of this optimistic view are quite extraordinary, but cannot be discussed here.

The possibility that unemployment may also follow from other causes than lack of purchasing power (such as loss of export markets due to high costs, and lower productivity) has not been seriously contemplated in government circles. Some small signs of unemployment this spring thus created considerable surprise and consternation.

The Second Goal

As for the second goal in the foregoing list, there is no denying that there has been an equalization of capital and income. The lot of the well-to-do has deteriorated; the lot of the lowest-paid groups, such as fishermen and foresters, has been very much improved. Such an improvement was probable in any case, due to the high prices for fish and wood products in the postwar period, but it is of course an open question whether the improvement would have really taken place without State interference. The strategically strong position of the workers, however, due to the over-full employment, makes such a possibility appear likely.

On the other hand, the high taxes levied in order to attain equalization have had important sideeffects. When capital taxes are so high that no person can live off income from capital (irrespective of the magnitude of the capital), the propensity to save is lowered. For those who think individual saving is harmful (leading Norwegian planners do), this is all to the good, but the high taxes plus disinclination to save have prevented the attainment of other goals.

Taxpayers at all income levels have become less interested in increasing their income because of the steep progression in tax rates. As a result of the inflationary rise in prices and wages, everybody is in fact taxed at higher progressive rates than before, even if his real income is the same. The inclination to prefer leisure to extra work is not conducive to the attainment of another important goal—a higher standard of living. The high taxes have finally contributed to a widespread disregard of cost minimization. This must be regarded as a disquieting development. Unnecessary costs mean waste in any society, irrespective of political views and status.

Misdirection of Resources

Another form of waste is the result of the Price Directorate's policy of putting maximum prices on so-called necessaries of life. This means less profit on such goods, or none at all. Consequently resources are transferred to production of goods which neither the authorities nor the consumers consider important. We get what Professor Wilhelm Röpke has so aptly called "ashtray" industries. The supply and assortment of ashtrays, souvenirs, and lampshades is excellent, while goods that are much needed are not produced.

The socializing tendencies in Norway have had other side-effects in conflict with the government's own program. The government insists that democracy as well as democratic rights must be maintained. The central direction of trade and business has, however, been followed by the loss of one central democratic right—consumers' free choice of goods. What goods are to be produced and imported is in most cases not decided by the consumers themselves, but by the civil servants in departments and directorates.

Another essential democratic right, the free choice of occupation and working place, is in the danger zone. A "Labor Directorate" has been established, and a bill has been passed which gives this institution the theoretical right to direct labor. The authority to do this has so far not been used, but it is difficult to see how that can be avoided if socialism is practiced consistently and "full employment" preserved under adverse conditions.

Finally, it may be mentioned that socialization—or at any rate the means used for the purpose of socializing industry—has had some important moral side-effects as well. The first is that respect for the law has sunk. The regulations have become so numerous that people cannot keep abreast of them, even if they wish to. In addition, many of the regulations are so impractical that it is not possible

to carry them out. An economist (Professor Wilhelm Keilhau in *Norsk Pengehistorie*) recently stated that the present exchange regulations must be evaded, otherwise trade and business would suffocate.

The Price Directorate has decreed that prices for houses, land, and building sites must not exceed those of 1940. The result is that hardly any property is being sold without some extra payment "under the table." This has been openly admitted in Parliament by the Minister of Finance.

The high taxes have caused general tax evasion. This was revealed by a registration of capital immediately after the war. Incidentally, the registration disclosed that tax evasion was just as common in poor communities as in others.

The government and its supporters contend that tax evasion, the breach of exchange regulations, the buying and selling at market prices (i.e., at other prices than those fixed by the Price Directorate) are particularly harmful. They have named such practices "white-collar crimes," and insist that they must be punished with particular severity precisely because they are not considered crimes in the eyes of the public. This may seem surprising to other peoples, but the inner logic of socialism (plus the acceptance of the ends stated by the government) has made this view on crime and punishment a natural one.

State Power over Business

The bill for permanent price regulation has just become law. It is significant that this bill was forced through in a period when other countries—even Great Britain—had abolished or were abolishing price controls.

This new Permanent Price Law is more than a law for regulating prices. It will give the government complete power over trade and business. The State will have the right to decide the compensation paid for all goods, all contributions, and all services, including those of scientists, professional men, and artists.

A business may be denied the right to close up or even to reduce its activities. Likewise-or contrariwise—the starting of new enterprises or the extension of existing ones may be forbidden by the State. What criteria are to be used for making such important decisions is not quite clear. Regional equalization and the degree of unemployment in the different districts may become the deciding factors. The question whether the enterprises are profitable or not will hardly enter. The Labor government views profits with disfavor because it associates them with private capitalism. It is an important aspect of the socialization process in Norway that the authorities do not consider profits as a measuring-stick of rationality, showing whether output exceeds input, whether resources are employed wastefully or not.

Is Lobbying Honest?

By FRANK CHODOROV

How the law requiring lobbyists to register has been used against "typical" groups, all of which are actively opposed to collectivist programs.

The word "lobbying" came by its bad character quite honestly. It designates a method of bribery much in vogue during the early days of our country, to which representative government naturally lends itself. Judging by the newspaper reports of corruption in high places, it is still in style. The late Buchanan Committee tried to change the moral content of the word for reasons which are in themselves of dubious morality. Up to this recent exercise in semantics, however, lobbying has always been associated with the purchase of legislation favorable to the fortunes of the buyer. An on-the-barrel transaction.

Lobbying has been, and is, a conspiracy to defraud the rest of the citizenry. Whether the desired legislation is a tariff, a franchise, a license, or a subsidy, the net result of lobbying is to create privileges for a favored segment of the population and disabilities for consumers and taxpayers. That is what makes lobbying immoral. We are faced with the question: Is it the buying lobbyist who is immoral, or the selling legislator?

The seeking of something for nothing is a characteristic common to all human beings. It cannot be immoral in itself because it is natural. The act of robbery, not the inclination to rob, is immoral. Hence, the lobbyist is wicked only if he succeeds in obtaining legislation that puts his fellow men to disadvantage. But his wickedness is dependent on the government official; it is the latter's willingness to barter away the trust placed in him that makes the fraud possible.

Yet when public clamor against this fraud reached a disturbing point, the legislators managed to shift the onus of immorality from themselves to their lesser partners in crime. It was made to appear that those who asked for special privilege are sinful, not those who granted it. Thus, when the Federal Lobbying Act was passed in 1946, its principal feature was the requirement of registration; all lobbyists must avow their presumably nefarious occupation in writing. Congress might have declared it an offense against society for a public official to accept compensation of any kind, even a campaign contribution or the promise of a job, in exchange for his vote for or advocacy of any bill. Such a law would go a long way toward destroying the lobbying conspiracy, for it would place the fault where it properly belongs.

The worst feature of the registration law is that

it gives the government another police club to be used against the governed. The law was the starting point for the Buchanan Committee's advocacy of a rather novel political doctrine—that it is the duty and right of government to view with suspicion all attempts to influence public thought on legislative matters.

Frank Buchanan is dead. His committee died before him—in December 1950—and since no legislation followed from its findings, reference to it might seem gratuitous, if not ghoulish. But Buchananism is quite alive, for the idea of governmental control or regulation of propaganda relating to public policy—which is the prelude to suppression—pops up from time to time.

The Case of Dr. Rumely

A case in point is that of Dr. Edward A. Rumely, executive director of the Committee for Constitutional Government. Dr. Rumely was recently cleared of a "contempt of Congress" charge by the United States Supreme Court. A lower court had convicted him and sentenced him to serve nine months. The charge arose from his refusal to furnish the Buchanan Committee with a list of the purchasers of books issued by the organization. The books which Dr. Rumely's committee had distributed in special paper editions were against New Dealism and the trend toward socialism. They included John T. Flynn's The Road Ahead, Thomas J. Norton's The Constitution of the United States, and Dr. Melchior Palyi's Compulsory Medical Care.

Despite the legal exoneration, the Treasury Department has, within recent weeks, notified an inquirer that contributions to "such organizations as the Committee for Constitutional Government" are not deductible, even though an exemption status has been established. Buchananism marches on.

In 1950 the House Select Committee on Lobbying Activities was "authorized and directed" by the Eighty-first Congress "to conduct a study and investigation of (1) all lobbying activities intended to influence, encourage, promote or retard legislation." Frank Buchanan, representing a strong labor union district of Pennsylvania, was appointed chairman.

The character and purpose of the "study and investigation" were revealed right from the start. In the General Interim Report (published October

20, 1950) the committee states that it was under great difficulty when it began its work, because of the very large number of organizations and individuals engaged in what it chose to designate as lobbying. It therefore decided to select for study and investigation a few "typical" cases. The selection turned out to be four organizations actively and openly opposing collectivist programs: public housing, rent control, socialized medicine, taxation and spending. None of the many organizations urging increased government intervention was called in; no labor unions, none of the subsidy-hunting educational fraternity.

The study and investigation began with the seizure and impounding of letters and records by methods of questionable legality, and by a telegraphic inquiry addressed to the known supporters of the "typical" organizations, obviously for the purpose of intimidation. But with the methods of the committee—so blatantly unfair as to come up for censure on the floor of the House—we are not now concerned. If the doctrine of the surveillance of thought be admitted, the methods follow as a matter of course; a policy of thought control cannot countenance respect for personal prerogatives.

A Matter of Semantics

The first concern of the committee was with a definition. The dictionary defines lobbying as "bribery, promise of reward, intimidation or any other dishonest means" of attempting to influence legislation. For the committee to accept this definition would have meant restraining its work considerably. Therefore it posited, not a new definition, which might prove confining, but a series of uncharted generalities. "In the final analysis," says the report, "there are only two practical gauges of lobbying activity—intent and some substantial effort to influence legislation."

This is what is known as "proof by definition." You make the definition fit what you intend to prove, and thus safeguard yourself against refutation. It will be seen that the amorphous definition concocted by the committee exempted only the soapboxer, simply because he is without means. And the committee made sure of freeing itself of any possible confinement by adding: "These criteria do not define lobbying, but they do set forth the conditions without which lobbying does not exist. We feel that these are the only criteria inclusive enough to span the entire present system of pressure politics." That is to say, any effort which the committee, or any agency of government, decides to endow with "intent" to affect legislation, and considers "substantial," comes within the scope of surveillance.

The one liberty which underlies all liberty is that of criticizing the government. It is exactly that prerogative that the Buchanan Committee aimed to undermine by its trick of semantics. If it could be established as a principle, and then enacted into law, that any "substantial effort" to influence legislation is properly a matter of government jurisdiction, government could easily destroy that effort by intimidation and harassment. That this was in the minds of the formulators of Buchananism is inadvertently suggested by this admission:

Today, the long-run objective of every significant pressure group in the country is and must inevitably be the creation and control of public opinion; for, without the support of an articulate public, the most carefully planned direct lobbying is likely to be ineffective.

That is exactly the point. Why should "lobbying at the grass roots" be a matter of government concern? Is it not essential to the preservation of our liberties that means for the creation of public opinion be free from restraint?

Effort to Discover Financial Sources

Throughout the hearings there was great urgency to find out who had contributed money for the printing and dissemination of literature critical of New Deal legislation and practices. "I think," declared a committee member, "that the public ought to be able to tell, when the organizations mail out this stuff, who is financing it." This was the burden of one of the committee's legislative suggestions in its final report.

In the first place, this idea of disclosure of financial sources is somewhat at odds with the assumed right of an American to spend his money as he sees fit—with the basic right of property. Putting that point aside, why was the committee, or the majority, so insistent on disclosure? The answer springs to mind even as the question is asked: to put the contributors under fear of possible pressure.

"Where there is nothing to hide, there is nothing to fear," pontificates the Interim Report. But there is something to fear: the vindictiveness of the politician under attack. The likely effect of disclosure was demonstrated even while the committee was discussing it, before it ever reached the legislative stage. Much of the revenue of the Committee for Constitutional Government, at the time of the investigation, was derived from the sale of books critical of collectivism. Many industrialists bought and distributed quantities of these books. As soon as the insistence on disclosure became known, the sales of these books dropped, and so did the revenue of the publishing organization—which was, apparently, what the Buchanan Committee had intended.

The principal commodity in the business of demogoguery is class hatred, and the principal purpose of disclosure is to replenish that stock. The implication which the committee could hardly hide was that those who finance propaganda organizations do so because they hope to gain from the

legislation that might follow from the work; they cannot be patriotic or unselfish for the simple reason that they are rich. Yet how the rich can profit from trying to affect thought of a long-term nature, the committee failed to point out. How could the rich gain from buying and distributing copies of the Constitution?

Besides disclosure, the committee stressed registration. Why? Because unless an organization is registered as a lobby there is no legal reason for peering into its pocketbook. But some of the "typical" organizations under "investigation" insisted that they had no interest in specific legislation, but were carrying on educative efforts only. They maintained that they were not lobbying and therefore not subject to registration. The committee stuck by its arbitrary definition. As one member put it: "The committee has discovered that one of the very effective ways to influence legislation is to operate at the grass roots and possibly to deal in public opinion."

If that constitutes lobbying, then newspaper publishers should be required to register, also publishers of books of a tendential character, and radio commentators and teachers of doctrines that are translatable into legislation. To avoid that trap, the committee made haste to point out that commercial publishers, those who publish for profit and pay taxes, are definitely not lobbyists; only those who sustain losses need watching. The incongruity of this distinction is less important than the thought it suggests: how long might it be before the commercial publishers are put on the roster?

Behind the urgency for registration, and the opposition to it, is a matter that has nothing to do with lobbying. A registered organization loses all claim to tax exemptions. Contributions to its work are not deductible from income, nor may they be listed as "business expense." Thus, registration automatically reduces the income of these organizations—and that is its only practical effect. Did the committee have that in mind?

Lobbying or Education?

Involved in the matter of registration is a definition of education. If a college were endowed to teach classical economics only, and consequently to disparage the Keynesian doctrines, would that college, or its economics department, qualify as an educational or a lobbying institution? Of a certainty, its teachings would, if effective, result in far-reaching legislation. Suppose a university publishing department were to issue a book denouncing the Sixteenth Amendment and advocating its repeal. Would it lose its educational standing? If the government presumed to decide what is lobbying and what is education, and should impose restrictions on one and give privileges to the other. we would be pretty close to a regime of thought control.

The House Select Committee on Lobbying Activities was "authorized and directed to conduct a study and investigation of . . . all activities of agencies of the Federal Government intended to influence, encourage, promote, and retard legislation." The largest lobby in the country is the government. Every agency is so concerned with the enlargement of its powers, personnel, and purse, that toward that end it proposes legislation and carries on "selling" campaigns. For example, the Postmaster General, in explaining his deficit for 1949, listed an item of \$149,000,000 as the cost of delivering government propaganda during the preceding year.

Aside from the costs, aside from the questionable morality of diverting appropriations from the authorized work of the agencies to the unauthorized self-serving propaganda, there is the larger question of the propriety of using the taxpayer's money to condition him to an acceptance of subservience to the State. The acquiescence of the citizenry is a prerequisite for dictatorship.

Did the Buchanan Committee investigate the propaganda efforts of these government agencies? It did not. Rather, it culled out of the Constitution a phrase that by a far-fetched interpretation would justify this propaganda:

Article II, relating to the duties and powers of the President, provides that... "he shall from time to time give the Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient."

This, the report intimates, is ample justification for the propaganda work of many departments. "In connection with the obligation to keep the public informed on matters within their jurisdiction, the departments and agencies carry on extensive information services through press releases, speeches, and publications." A neater whitewash of their lobbying activities could not have been phrased by the agencies themselves.

The report concludes the "study and investigation" of lobbying by government agencies with the statement, "We believe that Government must lead as well as follow"—the usual excuse for a grant of power—and then hastily adds: "There are limits."

What these limits might be deponent sayeth not.

Save Your Neck for Socialism

Do not get off the streetcar while it is still in motion, because Socialism is based on workers who are strong and able. If you suffer an accident, you will cause inconvenience to hundreds of others and thus interfere with the development of Socialist society. . . .

POSTER in Budapest streetcars, quoted in News from Behind the Iron Curtain, April 1953

Gold versus Paper

By LUDWIG VON MISES

A non-inflationary policy is all that is needed for a return to the gold standard and a sound currency system free of political parties and pressure groups.

Most people take it for granted that the world will never return to the gold standard. The gold standard, they say, is as obsolete as the horse and buggy. The system of government-issued fiat money provides the treasury with the funds required for an open-handed spending policy that benefits everybody; it forces prices and wages up and the rate of interest down and thereby creates prosperity. It is a system that is here to stay.

Now whatever virtues one may—undeservedly—ascribe to the modern variety of the greenback standard, there is one thing that it certainly cannot achieve. It can never become a permanent, a lasting system of monetary management. It can work only as long as people are not aware of the fact that the government plans to keep it.

The Alleged Blessings of Inflation

The alleged advantages that the champions of fiat money expect from the operation of the system they advocate are temporary only. An injection of a definite quantity of new money into the nation's economy starts a boom as it enhances prices. But once this new money has exhausted all its priceraising potentialities, and all prices and wages are adjusted to the increased quantity of money in circulation, the stimulation it provided to business ceases. Thus even if we neglect dealing with the undesired and undesirable consequences and social costs of such inflationary measures and, for the sake of argument, accept all that the harbingers of "expansionism" advance in favor of inflation, we must realize that the alleged blessings of these policies are short-lived. If one wants to perpetuate them, it is necessary to go on and on increasing the quantity of money in circulation and expanding credit at an ever-accelerated pace. But even then the ideal of the expansionists and inflationists, viz., an everlasting boom not upset by any reverse, could not materialize.

For a fiat-money inflation can be carried on only as long as the masses do not become aware of the fact that the government is committed to such a policy. Once the common man finds out that the quantity of circulating money will be increased more and more, that consequently its purchasing power will continually drop and prices will rise to ever higher peaks, he begins to realize that the money in his pocket is melting away. Then he adopts

the conduct previously practiced only by those smeared as profiteers. He "flees into real values." He buys commodities not for the sake of enjoying them but in order to avoid the losses involved in holding cash. The knell of the inflated monetary system sounds. We have only to recall the many historical precedents beginning with the Continental Currency of the War of Independence.

Why Perpetual Inflation Is Impossible

The fiat-money system as it operates today in this and in some other countries could avoid disaster only because a keen critique on the part of a few economists alerted public opinion and forced upon the governments cautious restraint in their inflationary ventures. But for the opposition of these authors (usually labeled orthodox and reactionary), the dollar would have long since gone the way of the German mark of 1923. What brought about the catastrophe of the Reich's currency was precisely the fact that no such opposition was vocal in Weimar Germany.

The champions of the continuation of the easy money scheme are mistaken when they think that the policies they advocate could altogether prevent the adversities they complain about. It is certainly possible to go on for a while in the expansionist routine of deficit spending by borrowing from the commercial banks and supporting the government bond market. But after some time it will be imperative to stop. Otherwise the public will become alarmed about the future of the dollar's purchasing power and a panic will follow. As soon as one stops, however, all the unwelcome consequences of the aftermath of inflation will be experienced. Those consequences will be the more unpleasant, the longer the preceding period of expansion has lasted.

The attitude of a great many people with regard to inflation is ambivalent. They are aware, on the one hand, of the dangers inherent in a continuation of the policy of pumping more and more money into the economic system. But as soon as anything substantial is done to stop increasing the amount of money, they begin to cry out about high interest rates and bearish conditions on the stock and commodity exchanges. They are loath to relinquish the cherished illusion which ascribes to government and central banks the magic power to make people happy by endless spending and inflation.

Full Employment and the Gold Standard

The main argument advanced today against the return to the gold standard is crystallized in the slogan full employment policy. It is said that the gold standard paralyzes efforts to make unemployment disappear.

On a free labor market the tendency prevails to fix wage rates for each kind of work at such a height that all employers ready to pay these wages find all the employees they want to hire, and all job-seekers ready to work for these wages find employment. But if compulsion or coercion on the part of the government or the labor unions is used to keep wage rates above the height of these market rates, unemployment of a part of the potential labor force inevitably results.

Neither governments nor labor unions have the power to raise wage rates for all those eager to find jobs. All they can achieve is to raise wage rates for the workers employed, while an increasing number of people who would like to work cannot get employment. A rise in the market wage rate -i.e., the rate at which all job-seekers finally find employment—can be brought about only by raising the marginal productivity of labor. Practically, this means: by raising the per-capita quota of capital invested. Wage rates and standards of living are much higher today than they were in the past because under capitalism the increase in capital invested by far exceeds the increase in population. Wage rates in the United States are many times higher than in India because the American percapita quota of capital invested is many times higher than the Indian quota.

There is only one method for a successful fullemployment policy-to let the market determine the height of wage rates. The method that Lord Keynes has baptized "full-employment policy" also aims at reestablishment of the rate which the free labor market tends to fix. Its peculiarity consists in the fact that it proposes to eradicate the discrepancy between the decreed and enforced official wage rate, and the potential rate of the free labor market, by lowering the purchasing power of the monetary unit. It aims to hold nominal wage rates, i.e., wage rates expressed in terms of the national fiat money, at the height fixed by the government's decree or by labor union pressure. But as the quantity of money in circulation is increased and consequently a trend toward a drop in the monetary unit's purchasing power develops, real wage rates, i.e., wage rates expressed in terms of commodities, fall. Full employment is reached when the difference between the official rate and the market rate of real wages has disappeared.

There is no need to examine anew the question whether the Keynesian scheme could really work. Even if, for the sake of argument, we were to admit this, there would be no reason to adopt it. Its final effect upon the conditions of the labor

market does not differ from that achieved by the operation of the market factors when left alone. But it attains this end only at the cost of a very serious disturbance in the whole price structure and thereby the entire economic system. The Keynesians refuse to call inflation any increase in the quantity of money in circulation that is designed to fight unemployment. But this is merely playing with words. For they themselves emphasize that the success of their plan depends on the emergence of a general rise in commodity prices.

It is therefore a fable that the Keynesian fullemployment recipe could achieve anything for the benefit of the wage earners that could not be achieved under the gold standard. The full-employment argument is as illusory as all the other arguments advanced in favor of increasing the quantity of money in circulation.

The Specter of an Unfavorable International Balance

A popular doctrine maintains that the gold standard cannot be preserved by a country with what is called an unfavorable balance of payments. It is obvious that this argument is of no use to the American opponents of the gold standard. The United States has a very considerable surplus of exports over imports. This is neither an act of God nor an effect of wicked isolationism. It is the consequence of the fact that this country, under various titles and pretexts, gives financial aid to many foreign nations. These grants alone enable the foreign recipients to buy more in this country than they are selling in its markets. In the absence of such subsidies it would be impossible for any country to buy anything abroad that it could not pay for either by exporting commodities or by rendering some other service, such as carrying foreign goods in its ships or entertaining foreign tourists. No artifices of monetary policy, however sophisticated and however ruthlessly enforced by the police, can in any way alter this fact.

It is not true that the so-called have-not countries have derived any advantage from their abandonment of the gold standard. The virtual repudiation of their foreign debts, and the virtual expropriation of foreign investments that it involved, brought them no more than a momentary respite. Its main and lasting effect, the disintegration of the international capital market, hit these debtor countries much harder than it hit the creditor countries. The falling off of foreign investments is one of the main causes of the calamities they are suffering today.

The gold standard did not collapse. Governments, anxious to spend (even if this meant spending their countries into bankruptcy), intentionally aimed at destroying it. They are committed to an anti-gold policy. But they have lamentably failed in their endeavors to discredit gold. Although officially

banned, gold in the eyes of the people is still money—even the only genuine money. The legal-tender notes produced by the various government printing offices enjoy the more prestige the more stable their exchange ratio is against gold. People do not hoard paper, but gold. The citizens of this country, of course, are not free to hold, to buy, or to sell gold. If they were allowed to do so, they certainly would.

No international agreements, no diplomats, and no supernational bureaucracy are needed in order to restore sound monetary conditions. If a country adopts a non-inflationary policy and clings to it, then all that is required for the return to gold is present. The return to gold does not depend on the fulfillment of some material condition. It is an ideological problem. It presupposes only one thing: the abandonment of the illusion that increasing the quantity of money creates prosperity.

The excellence of the gold standard is to be seen in the fact that it makes the monetary unit's purchasing power independent of the arbitrary and vacillating policies of governments, political parties, and pressure groups. Historical experience, especially in the last decades, has clearly shown the evils inherent in a national currency system that lacks this independence.

Dr. Mackay's Strange Scales

I am loath to believe that the Rev. Dr. John Alexander Mackay, President of Princeton Theological Seminary and newly elected Moderator of the Presbyterian Church in the United States, was correctly quoted in the press as having said, in a statement issued in connection with the General Assembly of the Presbyterian Church in Minneapolis, May 29: "Anti-Communism is just as dangerous as Communism and sometimes even more so."

I share with Dr. Mackay his concern that hysteria should not be countenanced or practiced by Christians or other responsible citizens in their efforts to destroy Communism. But such concern cannot justify Dr. Mackay's extreme statement.

I have seen nothing in anti-Communist activities that compares in wickedness and cruelty with Communism itself. To oppose slavery is not as bad as slavery. To oppose the murder of countless millions is not as bad as the murder itself. In short, opposition to sin is certainly not as bad as sin.

Has Dr. Mackay followed the testimony of scores of missionaries who have devoted their lives to serving the Chinese people and proclaiming the Gospel? Many of these have been destroyed by the Communists, but others have escaped to tell the story. Burial alive, beheading, and beating to death are favorite forms of Communist execution. One missionary tells of 5,260 executions within a period

of three months, and in a small district near his mission. It was officially reported by Dr. T. S. Tsiang, chief of the Chinese delegation to the United Nations, that the Chinese Communists executed 15,600,000 persons and starved 20,000,000 others to death in the two-year period ending just a year ago. Communist papers report the names of multitudes who have been executed. Some missionaries who have lived in China believe that a secret agreement was made between the Chinese Communists and the Moscow tyrants to destroy no fewer than 100,000,000 Chinese.

The ruthless campaign of Communist destruction of life in the Far East has not been surpassed by any of which we have historical record. The objective is the cold-blooded slaughter of all opposition. That opposition comes in large part from Chinese Christians.

How can a Christian leader equate such evils with opposition to Communism?

It will be recalled that Dr. Mackay has long been an advocate of the recognition of Communist China. On January 16, 1950, an article in the Presbyterian Outlook quoted him as warning against our present "anti-Communist psychology." "No matter what we might think of the social and political aspects of Communism," he said, "the government now in control of China deserves our recognition."

According to the article, Dr. Mackay based this conclusion on the following grounds:

- 1. The excellent behavior of the Communist armies in their conquest of the Chinese mainland.
- 2. The fact that missionary activity had not been disrupted.
- 3. The widespread view that Chinese Communism would take a "different expression" than Communism in Russia and eastern Europe.
- 4. The overwhelming support of the people for the new regime.

We believe Dr. Mackay would find it hard to substantiate these four grounds. In fact, almost the opposite has proved to be true. Surely it is time for Christian leaders to recognize Communism as the anti-Christ it is and to start mobilizing the spiritual power of the Christian world to overthrow this mighty Goliath which has so long defied the Church. Many Christian leaders seem slow to realize that the Kremlin tyrants have declared a war of extermination against all who refuse to bow the knee to them. Any truce or "peace" they make will be only a temporary pause until they can renew their aggression under more favorable conditions.

Church leaders have been partly responsible for the betrayal of Christian leadership in Asia and the rise of Communist control over the most populous part of the world. It is time to awake to the realization that the very existence of Western Christian civilization hangs in the balance.

HOWARD E. KERSHNER

Letter from Santiago

Dark Eyes, Red Hearts

By PETER SCHMID

An unusual woman and a Communist poet personify the competing elements in Chile's political arena.

The first time I took a walk in Santiago, I could scarcely believe my eyes. It is hard to define the beauty of the Chilean women. It is not so much a particular type of face but rather a delicate grace, a mildness which gives their faces an inner radiance without the help of cosmetics.

Chilean women also seem to have more personality than any of their Latin American sisters. Only with their women do Chilean men become meekmannered. "In my house I am the boss, and everybody does what my wife says," is a favorite saying of Chilean husbands. It is the woman who decides upon the education of the children, thus guaranteeing the future of the household. So she can dismiss the small triumphs of the male with generous tolerance.

Throughout Latin America the emancipation of women is under way; already fourteen of the American republics have national woman suffrage. Nowhere, however, has the feminist movement gained such momentum as in Chile, where it is becoming a major political factor. And with its growing strength the movement has also slowly changed its character. It began under the leadership of the pro-Communist Movimiento por la Emancipación de las Mujeres de Chile, and in 1946 culminated in the creation of the Partido Feminino, which, though "progressive," bears deeply religious and traditionalist marks.

When I visited the headquarters of the Woman's Party, I read its "Doctrinaire Principles." There is no mention of equal rights for the sexes in this document. On the contrary, the Woman's Party acknowledges the right of the male to hold the political reins. But, says the "Principles," man has failed dismally in his attempt to shape human society without the help of women. The world is full of injustice, and instead of affording opportunities to the capable and intelligent, education and professional success have become a class prerogative. It is necessary to return to the Christian principle "Love thy Neighbor" as the basis of human society, and this can be accomplished only by women, who are more sensitive and compassionate than men.

But as soon as this charitable logic enters into the rougher climate of political action, it becomes entangled in a hopeless contradiction. On the one hand a woman's life is not supposed to be political; her first thought should be dedicated to her home. But at the same time, the *Partido Feminino* wants to rescue the working classes from the materialist claws of the Marxist parties, and unite them in what it calls a new spiritual movement dedicated to loving brotherhood rather than class struggle.

What is likely to emerge from this conglomerate of idealistic sentimentality and amateurish political conceptions? That is a grave question, especially since the Woman's Party played a major role in the election of General Carlos Ibañez del Campo last August, and has entered the traditional political arena as a kind of enfant terrible.

It was obvious in 1950, when Chile extended the vote to women, that their 350,000 votes would play a major part in the coming presidential election. Gonzales Videla, the radicalist president at that time, immediately tried to woo the women's vote. He sent the beautiful Ana Figueroa as Chile's delegate to the United Nations. He gave women a legal voice in the administration of marital properties. And, shortly before the elections, he reshuffled his cabinet to include a woman lawyer, Adriana Olguin de Valtra, as minister of justice. But these gestures could not compare with the demagogy which worked on behalf of his opponent.

Eva Perón's Disciple

General Ibañez' victory by a tremendous majority can be ascribed to a large extent to an extraordinary woman, Maria de la Cruz, most prominent leader of the *Partido Feminino*. Indeed, political observers in Santiago estimate that of the 430,000 votes cast for the General, at least 250,000 were turned in by the women. Naturally, other factors contributed to the victory. The corruption of the previous regime had resulted in skyrocketing inflation, the brunt of it borne by the housewives.

Ibañez took over the presidency in November 1952. He was elected by a loose coalition of splinter parties of various hues, and many independent voters. But discord has already entered the ranks of this mixed company. Ideologically, the regime has lost all direction and is simply drifting. In view of the social unrest that is shaking Chile today, this situation might become dangerous.

Few, if any, know just where Ibañez stands politically. In 1931 he was forced into exile. After

his return in 1938 he offered himself as a candidate to Chile's Nazis, and in 1942 he tried the same thing with the liberal and conservative parties of the right. He entered the recent campaign without a party and expounded a program that strangely resembled the ideas of Argentina's Juan Perón.

The activities of Maria de la Cruz confirm this resemblance to Peronism. In her headquarters no office is without its autographed picture of her idol, the late Eva Perón. Maria dyed her brunette hair an Evita-blonde and she affects the same madonna-like coiffure. But, unlike Eva Perón, Maria did not discover her social consciousness on a political platform. Even before she became prominent she published her own little magazine, Light and Shadow, and had it distributed on the streets by the blind, who benefited from the small profits.

When I met Maria de la Cruz she talked without interruption about love, spiritualism, and socialism. But my skepticism was not quite as pronounced as it had been when I read her "Principles." This woman obviously believes what she professes. The Communists concentrate their heaviest fire on Maria and her party, whose ideology threatens their position. But her leaning toward Peronism and the idea of fighting the devil by employing Satan are far from appealing to many Chileans.

The Chilean people have a biting political wit, comparable to that of the French, which immediately recognizes and exposes a ridiculous situation. Maria de la Cruz has naturally become a main target of their political satire. Thus there is little possibility that Chile's political scene will take on the trappings of Peronism.

Communism among the Intellectuals

Immediately after my arrival in Santiago I bought a collection of magazines, and dropped in at the editorial offices of the ones which seemed most interesting to me. The popular weekly *Vistazo* (Outlook) had attracted my attention because it combined seemingly objective reporting with veiled pro-Communist and anti-American statements. The staff consists mostly of younger people who, I learned after some talking, are militant Communists. But they leave the outright smear campaigns to the party organ *El Siglo*. By their assumed moderation they widen their audience.

At the home of the Chilean correspondent of a well-known magazine, I discovered a copy of *Truth*, an anti-American Argentine weekly notorious for its especially undisguised lies. "Silly," I said, "to lie so openly." He smiled. "No," he replied, "it's quite a good paper. It exalts the spirit, it delights the heart." I thought at first he was joking. Then he told me that he was a Communist and wrote his dispatches actually against his own convictions.

Almost all the young intellectuals I met were either outright Communists or sympathizers. Delegations from nearly all parties, including the conservative, attended the "peace" congresses in Peking and Vienna.

There are various explanations for the virulence of Communism in Chile. A most important one is the influence of the poet, Pablo Neruda, whose position among Latin American intellectuals is comparable to that of T. S. Eliot in Anglo-Saxon circles. He started as an individualist aesthete, and discovered his Red leanings only during the Spanish civil war. Since then Neruda has become a political poet. During World War Two the man who once created some of the finest love poems in the Spanish language wrote hymns to the heroes of Stalingrad.

In 1948 Neruda was slated to be arrested for insulting President Gonzales Videla. But, strangely enough, though the police knew where he was hiding out. Neruda was not arrested. With a passport from former President Alessandri he escaped to Argentina and from there to Europe. Shortly before the last election, Gonzales Videla allowed Neruda to return to Chile, in the hope that he would agitate for the Communist candidate and thus take votes away from Ibañez. But the poet's political enthusiasm seemed to have been dampened, for he made only a few academic statements. He remains a party-line Communist, however-an ardent advocate of "social realism." and thus, like so many other Communist artists, a victim of party doctrine.

"I have realized," Neruda said to me when I visited him in his villa in suburban Santiago, "that a poem is good only if one can recite it over a loudspeaker to ten thousand people. That is the poetry of our time." When I protested that he was too subtle an artist not to lose his innermost substance in proletarian platitudes, I had the impression that he secretly agreed with me. But his answer was a vitriolic smear of those "imperialists who try to conquer the world in the name of cultural freedom."

Chile is remote from the danger zones of the world. There is a lack of first-hand knowledge of the realities of Communism, coupled with an almost naive lack of skepticism toward Red propaganda. People talk of "imperialist exploitation" by the American mining companies. But nobody stops to think that of the thirty-six cents paid for a pound of copper, sixteen cents go for labor, twelve cents to the state's Central Bank, four cents to the government, and only four cents are left as profit for the mining company. People talk of the mountains of gold Chile could earn by trading freely with the Soviet bloc (if the military pact did not exist), and since fantasies are pleasanter than facts, American counter-propaganda lags far behind.

The poor and illiterate people in Chile, who would logically seem to be most accessible to Red propaganda, scorn it—as do their Indian brothers in the Andes countries and Mexico. And with intellectuals alone one does not make a revolution.



Cultural Subversion

By MAX EASTMAN

Czeslaw Milosz is a Polish refugee poet who has a wife and two children in the United States and is unable to join them thanks partly to the McCarran Act, partly to anonymous denunciations. He was never a member of the Communist Party, but he worked for the present Polish government until 1951, serving as cultural attaché, first in Washington, then in Paris. His devotion to poetry, his wish to write—as a poet only can—in his own language accounts for his long forbearance of the Soviet incursion. If there remained any doubt of his detestation of that "stupefying and loathsome phenomenon," it is dispelled in a glow as from an atom bomb by this brilliantly intelligent and sincerelyspoken book. (The Captive Mind, Alfred A. Knopf, 251 pp., \$3.50.) It is one of the few indispensable books for those who want to understand the march of the Communist epidemic throughout the world.

Others in plenty have described the physical process by which the Kremlin spreads its imperium: the underground conspiracy, the political intrigues, the infiltrations, the organized lies and slanders, the deportations, executions, assassinations, the dolling-up of puppets, the march-in of the Red Army. No one else has described how, surrounding and enveloping this process like an induced current, the "New Faith," as they call itand they compare it to early Christianity-creeps into the minds of the intellectuals and the intelligentsia. Milosz makes a distinction between these two terms, using the latter, it seems to me, rather ambiguously. At any rate, he is speaking of the people who dominate the culture of a nation and privately determine what its public opinion is going to be. To grasp this intellectual phenomenon and put it in relation to the verified truths and assured values of our Greco-Christian civilization requires a great deal more scholarly knowledge than most poets, as we know them, possess. I do not think Mr. Milosz has fully or lucidly accomplished this task. He has many of the bad habits of the purely literary mind. He makes simple assertions of fact where facts are complex. And he is still captive to certain problems which, but for the monumental philosophical hoax of dialectic materialism, would never occur to a rational being. But I must pay a tribute to his wealth of ideas and the easy grace with which he moves among them. "When Poles are intellectual." an experienced friend tells me, "they really are intellectual!" And I am ready to believe it.

Although presented as a unit, The Captive Mind divides itself into three parts. The first three chapters describe the general situation of thoughtful people in the satellite countries, their forlorn looking to the West for help, their falling back upon a very inward sort of play-acting to conceal their "unbounded contempt for Russia as a barbarous country." Mr. Milosz knows of but one precedent in history for this cultivation of what may be called total histrionics. It is a practice called "Ketman," found in Persia by Gobineau and described by him in his Religions and Philosophies of Central Asia. Mr. Milosz writes:

The people of the Mussulman East, says Gobineau. believe that "He who is in possession of truth must not expose his person, his relatives, or his reputation to the blindness, the folly, the perversity of those whom it has pleased God to place and maintain in error." One must, therefore, keep silent about one's true convictions, if possible. "Nevertheless,' says Gobineau, "there are occasions when silence ... may pass for an avowal. Then ... not only must one deny one's true opinion, but one is commanded to resort to all ruses in order to deceive one's adversary. One makes all the protestations of faith that can please him, one performs all the rites . . . one exhausts all the possible means of deceit. Thus one acquires the multiple satisfaction and merits of having placed oneself and one's relatives under cover, of not having exposed a venerable faith to the horrible contact of the infidel, and finally of having, in cheating the latter and confirming him in his error, imposed on him the shame and spiritual misery that he deserves. Ketman fills the man who practices it with pride.

Ketman, Mr. Milosz assures us, is widely practiced in the satellite countries, the feeling of superiority over those unworthy of knowing the truth about Russia and about Communism being "one of the chief joys of people whose lives do not in general abound in pleasures." How widely practiced it is he does not say, but he gives us the satisfaction of knowing that a certain Persian told Gobineau: "There is not a single true Moslem in Persia."

This satisfaction is short-lived, however, for in the second part of his book Milosz relates the spiritual history of four intellectual friends of his whose reactions to the Sovietization of Poland were less astute and offered less hope either for Poland or for the race of man. This is the most absorbing part of his book, the most masterly, the least subject to any question or objection. Each chapter is a little jewel—if jewels can be terrible things—of character study and narrative art. I was not surprised after reading them to learn that the author, who now lives in Paris, has won a European literary prize with a novel.

In his last two chapters, Mr. Milosz reverts again to the general problem, dealing especially with the relations between Communism and Christianity, and extending his field to include the Baltic countries. What he says here about Catholics who accept the party line will startle some readers into realizing the menace of this process of cultural subversion, the scope of its ambitions. Its engineers in the Kremlin are aware, he tells us, that the existence of a large number of loyal half-Christians in the subjugated areas of Europe would be useful to their plans for an imperium. They tolerate and support these "Christian patriots," as they are called, in order to evade a head-on conflict with the Church.

The transition from Christianity to a cult of History [that is, to Marxism] takes place imperceptibly. Without doubt the greatest success of the Imperium would come if it could install a party-line Pope in the Vatican. A mass in the Basilica of St. Peter's in Rome performed by such a Pope, with the assistance of dignitaries from those subjugated countries which are predominantly Catholic, would be one of the most important steps toward the consolidation of world empire.

I leave this brilliant, if at times unsatisfying, book with a feeling that it would do both America and Mr. Milosz good if our government could dig up enough freely functioning common sense to let him cross the ocean. A real participation in American life, about which he makes some rather superficial remarks, might cure him of certain faults he has acquired by living in what he himself describes as a "literary ghetto." There is no literary ghetto over here. Even the Partisan Reviewers have a hard time keeping up that slightly hoity-toity intellectual preciosity which separates the true litterateur from the man who merely writes down his thoughts, fancies, and passions, and publishes them in a paper. It would improve Mr. Milosz a lot to forget about being "an intellectual," and see if he couldn't be a little more like Mark Twain or Walt Whitman.

The book is beautifully made, and is translated by Jane Zielonko with skill and artistry. Thanks to the necessity of leaving most of the dramatis personae anonymous there are not too many untransliterated Polish names to clog the mind and mix vexation with the emotions. I take this occasion, however, to renew my plea to the Poles to transliterate their names with some regard for the values of the English alphabet instead of filling our teeth with bunches of unpronounceable letters. Cheslav Milosh is the author's name, and why not let us know it?

This Sorry World

The House of Strangers, by Edith Simon. 311 pp. New York: G. P. Putnam's Sons. \$3.50

That she intends deeper significance in this novel than its surface tale of a group of archaeologists quarreling with each other as they excavate a prehistoric settlement in Scotland is indicated by the titles the author gives the four parts of her book: "The Past-Masters," "The Ever-Present," "Dry Rot," and "The Break of Life."

The story is seen through the eyes and feeling of a war widow, who has been persuaded to try to conquer her hatred of life by getting a job on the archaeological project. She finds a jangling group living together in a huge old mansion. These are the Past-Masters. Their quarrels and plots against each other are the Ever-Present. The old mansion develops dry rot in various of its rooms. This undoubtedly represents the Dry Rot in our contemporary civilization. The heroine, whose sensibility is expressed in such sentences as "I was sorry for the world because it was so beautiful," marries one of the two feuding directors of the project, conquers her previous resolution never to condemn "anyone I loved, yet safely unborn, to the pains and possible horrors life might bring to them," and bears a child. This is the Break of Life.

The tale is ineptly told. Characters are thrown at us helter-skelter. The many conversations are contrived and literary. Miss Simon works too hard at her descriptions; carefully noted details are accumulated, but they don't put the reader there. She gives many unimportant facts about furniture, food, and often-repeated daily routine. The barbs the characters let fly at each other are venomous and vulgar. Everybody in the book has a smattering of Freudian theory.

Since the characters come from all layers of society. I judge the author intends to make them representative of present-day English life as a whole. If they are, England is in a state of demoralization, for the people in this book have given up all inherited standards of social courtesy, moral probity, and delicacy of feeling as a result of gulping down a lot of vaguely understood psychological and social theory. But of course they are no more representative of England than the characters from some of our own novelists are representative of us. Miss Simon may simply wish to show us fashionable decadence, and to point to a more robust future by marrying her shadowy heroine to a hardy Scot. Many of her passages, however, seem to imply that she shares the mental indigestion of her characters. Her heroine reminds her husband that in the thirties "one believed not only that intelligence and all the talents are equally latent in all human beings, dependent only on favorable nurture, but that these factors are indeed introduced by the fortuities of environment and luck . . . anybody could be Mozart or Shakespeare, if only they tried hard enough." Did the highly praised author of *The Golden Hand* ever believe anything so naïve herself? And after knocking down this straw man, must we go back with her protagonist to the conviction that progress is impossible?

ALICE BEAL PARSONS

Pessimist's Delight

The Quest for Community, by Robert A. Nisbet. 303 pp. New York: Oxford University Press. \$5.00

Everyone who is convinced that the world is going to hell in a handbasket will get a great deal of satisfaction out of this scholarly treatise on what the author terms "the towering moral problem of the age, the problem of community lost and community regained."

That we have lost "community" is conclusively and repetitiously set forth in a series of convincing arguments buttressed by an imposing array of quoted authorities, reflecting a vast deal of research and an unusual capacity for sound historical interpretation. The conclusion is that it is too bad, and that something ought to be done about it. The author suggests what ought to be done, but presents no blueprint as to how to do it. In these days, such restraint in a professor of sociology deserves a medal.

Unfortunately for the layman, a large share of the book is written in "pedaguese" and considerable labor is involved in translating it into English. In the vulgar, the main premise of the book, as near as I can tell, is to this effect. Two centuries ago a man's life centered in the community and was subject to local friendships, associations, and authorities which were close to him personally and both sustained and controlled him by usage and custom: family, guild, church, social class, etc. The Capitol? The Federal Government? They were remote.

But people rebelled against their community chains. A man got tired of not being able to do anything that wasn't approved of by the preacher, or the mayor, or papa, or the guild, or his wife's Aunt Minnie. So up sprang a crop of proponents of individual freedom. The world had several revolutions, the ancient community bondage was broken, and men became free individuals in a nation, instead of integral parts of community groups.

So we got democracies composed of millions of people who collectively were the government, but who individually became just so many atoms knocking around in social space without anything local to tie to any more. Sure, they were free now, that's what they'd wanted—but to whom could they turn? Their old community props were gone. This gave Big National Government its chance, and it moved in its big way.

Today Big National Government is taking over, one by one, the functions formerly fulfilled by the community. Rest easy, little man. Government will take care of you. You'll get security. In fact, you'll get more than that. You'll get government running every facet of your daily life, until finally you find that in the name of freedom you have bought a bondage far more hopeless than that from which you escaped.

The remedy? Reverse the trend. Get national government out of community affairs, and put communities back into business as social and political entities. "Create new contexts of association and moral cohesion within which the smaller allegiances of men will assume both functional and psychological significance. . . . Freedom thrives in cultural diversity, in local and regional differentiation, in associative pluralism, and, above all, in diversification of power."

These last words have a nostalgic flavor of states' rights and local self-government. Remember? But Nisbet has a hint that goes even deeper into American history. He says: "Freedom . . . lies in the interstices of authority." The Boston Tea Party boys made their way through such an "interstice." Let's hope we can always maintain a healthy disrespect for authority. As the tenant on my farm said to me: "Would you mind if this year we told the government to go to hell?"

Dr. Nisbet has beautifully summed up government, as my tenant farmer sees it, in these words:

There is the kind of state that seeks always to extend its administrative powers and functions into all realms of society, always seeking a higher degree of centralization in the conduct of its operations, always tending toward a wider measure of politicization of social, economic, and cultural life. It does not do this in the name of power but of freedomfreedom from want, insecurity, and minority tyranny. It parades the symbols of progress, people, justice, welfare, and devotion to the common man. It strives unceasingly to make its ends and purposes acceptable-through radio, newspaper, and document-to even the lowliest of citizens. It builds up a sense of the absolute identity of state and society-nothing outside the state, everything in the state.

By contrast—and this is what should make Dr. Nisbet's book "required reading" for everybody now taking Dr. Eisenhower's course in "Government I"—the author summarizes, in the following masterful paragraph, the proper "role of political government in the democracies":

Not to sterilize the normal authorities of associations, as does the total state through a pre-emption of function, a deprivation of authority, and a monopolization of allegiance, but to reinforce these associations, to provide, administratively, a means whereby the normal competition of group differences is held within bounds and an environment of law within which no single authority, religious or economic, shall attain a repressive and monopolistic influence—this is the role of government in a democracy.

How is government to achieve this role? That, dear sir or madam, the author quite properly leaves to you. He has written "Community Lost." The voters will have to write "Community Regained."

DON KNOWLTON

Shall We Choose Starvation?

The Road to Abundance, by Jacob Rosin and Max Eastman. 166 pp. New York: McGraw-Hill Book Company. \$3.50

Although the dour ghost of Pastor Malthus continues to mock the efforts of Point Four missionaries and other apostles of plenty, there is actually very little doubt that hunger, as a limiting factor of life on this planet, is at least potentially obsolete. The rope that hobbles the modern technological elephant is made out of nothing more substantial than ancient habit and contemporary political ineptitude. Given full release, in what Dr. Rosin calls "a chemistic society," the existing potentials of abundance provided by multitudinous applications of physico-chemistry could probably be realized sufficiently within a century so that mankind would have to find something else to worry about than physical survival.

In The Road to Abundance Dr. Rosin, helped by Max Eastman's expert editing, argues persuasively that we have in our hands the weapons needed to slay all the dragons of scarcity with respect to food, metals, and energy. All we need to do is to mobilize on a sufficient scale, as we did when we developed the atomic bomb and the synthetic rubber industry, our available resources of knowledge, skills, and technological equipment.

What's stopping us, then? A vicious circle, says Dr. Rosin. "A chemistic society is impossible," he writes, "until scientists think along chemistic lines, and such scientists are not produced by a nonchemistic society. However, we have faith in humanity to believe that this vicious circle can be broken. We refuse to admit that scientific conservatism, mental procrastination, and plain ignorance will prevail forever over the vital interests of the entire human race. . ."

The writer shares this faith, but regrets that Dr. Rosin did not include in his excellent but too-short book an adequate analysis of the social and political forces that not only delay the parturition of a chemistic society but threaten to abort it. The result may well be that we shall actually *choose* the road to starvation and destruction rather than the road to abundance.

The roadblock is essentially political and it is not adequately described by the phrases "scientific conservatism, mental procrastination, and plain ignorance." Again and again, in this book, one feels these obstructive forces casting their chilling shadow over the sunny and far from utopian land-

scapes Dr. Rosin is able to sketch out of the admirable breadth of his knowledge.

What would a chemistic society be like? It would be a society freed from the tyranny of the plant and of the mine; a society that would turn its wheels and power its television sets—if we must have television sets even in a chemistic society—by energy drawn directly from the sun and possibly concentrated by means of vast fields of parabolic mirrors.

Such a society could feed itself by growing chlorella, an alga which multiplies itself seven times a day and yields harvests of 55,000 pounds an acre—either proteins or fats, as desired. We might also sieve from the ocean its inexhaustible harvests of plankton.

For a little while we would continue to grow potatoes and the cheap grains for carbohydrates, but only until vast supplies of solar energy became available. Then we would proceed to tap the inexhaustible store of carbon dioxide in the air and synthesize starch from formaldehyde. At that point, writes Dr. Rosin, "'Give us our daily bread' will begin to sound as incongruous as would 'give us our daily oxygen' today. The abundance of our most essential food will be absolute."

To achieve these prodigies machines will be necessary, of course, and machines are made of metals, the supply of which is nearing exhaustion. Dr. Rosin leaps this hurdle with the greatest of ease. Sea water, he points out, is not only incomparably richer in minerals than the mines but is constantly enriching itself with the minerals leached from the eroding land, including about two billion tons of uranium and still greater amounts of the common metals such as iron, copper, lead, and tin. We already get magnesium by electrolyzing sea water; we'll get all the other metals from the same source, or by processing the "dilute abundance" in which many of them are found in the earth—this assuming they are not displaced by new plastics. As for gasoline, supposing that we continue to use this fuel, the answer might be to grow about 35,000 square miles of chlorella, carbonize it into coke, and convert the coke into gasoline.

But when we grow chlorella we are still depending upon the plant for the photosynthesis that utilizes solar energy. Why not bypass the plant entirely, employ photochemical reactions to decompose water, and burn the hydrogen to generate electricity? Or better, generate electric current directly in photogalvanic cells? Promising starts in both directions have been made at the Massachusetts Institute of Technology and the University of Illinois. And Dr. Rosin is probably right in his opinion that "if a fraction of the organized effort invested in the atomic bomb project had been invested in photochemistry, an absolute abundance of energy would already be at man's disposal."

No such investment is in prospect, because ours

is not a chemistic society, which Dr. Rosin defines as "the kind of society that would arise if the natural sciences, with chemistry in the lead, were given a chance to create a genuine abundance of all the necessities of life."

Instead we have the kind of society in which probably half the time of our food chemists—to choose an example in a field where Dr. Rosin does not always write as critically as one might like—is spent not in releasing abundance but in loading the diet of an already malnourished population with scores of dubious chemical additives and ersatzes, the only justification for which is that they make money for somebody—sometimes. Or to put it more broadly, we have the kind of society in which our chemical and other mental and physical resources are largely wasted on silliness, on countless evasions, distortions, and perversions of valid human objectives, and on actual destruction as in war.

What's more, if we are to have any other kind of society, it is not likely to be the chemists who will give it to us. All roads lead to politics, and the release of abundance is finally a political problem, vastly more difficult to solve even than the mystery of photosynthesis.

JAMES RORTY

Wit and Versatility

The First Morning: New Poems, by Peter Viereck. 120 pp. New York: Charles Scribner's Sons. \$3.00

Peter Viereck is a wit, raconteur, ironist, and lyricist who can sing both high and low. He can use invective; he is intelligent and resourceful; and his imagination plays over the scenes around him in such fashion as to transform them even before the poem begins. For example, "Arethusa: The First Morning," a Phi Beta Kappa poem read at William and Mary College in 1951, is based on the theme that the nymph changed into the spring brings life and consciousness with her into these hitherto inanimate waters:

Is being alive just something to get used to, Or always startling, like hoofprints on my mirror?

In these poems trees rise against men to cut them down; a plank addresses the people who have used it over the centuries for a coffin, the sides, and then the end of a ship; returning sons and heroes welcomed with all the appurtenances of love and civilization go berserk, and their father ends in the isolation of a magic and far island. All this could be mere virtuosity and playfulness, and sometimes indeed it is; but for the most part it is poetry of substance and many facets. Wit is not often lyrical; intelligence often strains off the emotion until anagrams of feeling are all that is left. But here the liveliness, the vigor of the perceptions, the willingness to take on any subject, are

pretty well matched with a technical skill that turns his themes to poetic account.

Viereck's lyric poetry is deceptively simple. Words are repeated, girls compared to flowers, but they are also girls that can be whistled at:

If blossoms could blossom
One petal of petals
To whom all other blooms are
As leaves are to flowers,
It would be to the others
As you are, my daughter,
To all other daughters
Whom songs are adoring.
For what am I here for
If not to make love-songs
Of all the world's beauty
Whose birthday we share?

Viereck enjoys attacking his subjects by removing them from their ordinary contexts, by changing their names and habits. In two poems, "The Slacker Apologizes" and "The Slacker Need Not Apologize," he writes:

We trees were chopping down the monsters in the Street to count their rings.

The willow here is the poet and he triumphs both over a weed who merely writes verse, and an oak who stands for an arboreal chamber of commerce and all bounden duty. In "Gladness Ode" the poet is a net fishing the moon from the midnight lake; bad news is brought from Ratisbon to Browning; a gnarled old apple tree answers that permanent target, Joyce Kilmer:

I'll bow my trunk to true simplicity But not to folksy simperings that drool. Poems are made by trees like me, But only God can make a fool.

Mr. Viereck has three poems in German that expertly parody Rilke and Stefan George. He cheerfully goes to battle against the faddists of poetry:

Today the women come and go Talking of T. S. Eliot.

and the new critics:

Because a texte without a Muse in Is but a snore and an allusion. Well, then, let's turn the tables hard: The snobs all snubbed, the baiters baited, The explicators explicated, The avant-garde the new rearguard.

As for Mr. Viereck, he is his own man. There are, of course, perils in such versatility, in the quick hand and eye, and there are lines that betray them. Viereck is sometimes mannered and clever in a way more likely to convulse the undergraduates at Mount Holyoke than their elders. But there is a talent that breaks up the surfaces, that makes poetry a sharp weapon for onslaught and defense, the cherishing of virtue, and the undoing of philosophical hassles that have led to much confused prose.

EUGENE DAVIDSON

CINEMA

Caesar Comes to Town

Joseph L. Mankiewicz and John Houseman have done a fine thing in giving us a Julius Caesar as eloquent and faithful to Shakespeare as the M-G-M movie now on view. And if these gentlemen had any qualms about the outcome of their enterprise, they must have been dispelled on the opening night. From the first moment there was not a sound among the absorbed audience. The immediate impact was that here we had neither a warmed-over stage presentation nor a blood-andthunder movie transmogrification. It was, in its own right, a piece of cinematic excellence. Not only have the camera and the giant screen managed to supply realism without sacrificing dignity; they have actually given continuity to what on the modern stage seems a somewhat disjointed play. More than that, the movie contrives a quite startling measure of freshness. As the actors speak the familiar lines (and what wonderful lines they are), it is almost as though we had read them in our childhood and forgotten-or perhaps never realized -how apt they are, and how modern.

The present production runs two hours, which has meant a certain amount of cutting. Otherwise nothing has been changed, nor-thank heavenshas anything been added. The movie falls roughly into two parts. The first leads to Caesar's realistically gory murder and ends with Mark Antony's speech in the Forum; the second takes in the civil war and the suicides of Brutus and Cassius. Here the cutting has been particularly good. For Elizabethan audiences, with no scenery to help out, the dénouement had to be indicated by sudden switches of locale, with snippets of battles and alarums which nowadays are apt to be confusing. The telescoping action of the camera knits these scenes together; what is superfluous in the new medium is discarded.

In the acting department Louis Calhern as Caesar is masterful and vain, sometimes pompous-a legitimate interpretation, I think, though a bit reminiscent of Mussolini's antics on the balcony of the Palazzo Venezia. John Gielgud makes a brilliant Cassius; with all his envy and scheming he is still very human. This cannot be claimed for others in the cast. A steadfast grimness weighs them down, as if they are overcome with awe at finding themselves playing Shakespeare; as if, in order to induce a properly reverent mood, Mr. Mankiewicz had advised them first to listen to Mr. Milton Cross giving a commentary on the opera and then, to clinch matters, had introduced Miss Judith Anderson in the opening scene of Medea. The stern face and gimlet eyes of James Mason as Brutus, for

instance, may convince us that he is an honorable man, but they are not calculated to arouse our sympathies. Surely he could have unbent a little to his wife kneeling at his feet and imploring his confidence. But no. He strides away, wrapped always in noble thoughts. Poor Portia might as well have been a sack of kindling.

I'm afraid that Marlon Brando is rather out of his class as Mark Antony. There was no denying his excellence in A Streetcar Named Desire, but Shakespeare is something else again. Not that his Antony bears any resemblance to Stanley Kowalski. Far from it. But the part demands a deal more subtlety than he seemed able to give it. "O pardon me thou bleeding piece of earth. . ." should move us to pity and rage; instead it leaves us only embarrassed for Mr. Brando. And, facing the mob in the Forum, he begins with a shout and continues to a roar, until the human lungs (and ears) can scarcely bear more. As for Caesar's wife (Greer Garson) I can only say that among the proud matrons of ancient Rome Mrs. Miniver is a displaced person. And Portia (Deborah Kerr) appears possessed by the unfortunate fear that any emotion other than gazing starry-eyed at her husband may play havoc with her make-up. There was in fact a curious and persistent lack of mobility in the faces of the actors throughout—with the notable exception of Gielgud. They might have been suffering from a mild catalepsy.

By and large the photography hits the right, unobtrusive note; it supplies visual aid which the Elizabethans, whose imaginations were not as dulled as ours, did not require. The columns and arches of the Senate against the background of olive trees and bare hills seem more a part of the action and less like stage props; Rome is not quite so remote with the charmingly intimate squares whose pedestals support innumerable heads of Caesar-or rather of Louis Calhern. One wonders, in fact, how the few glaring errors crept in. Why such a drilled effect in the Forum? The Roman mob should not have been treated as a cross between a Greek chorus and a group of eager grandstand fans at Forest Hills. Did the director and the producer every now and then decide that enough was enough, and take the day off to go fishing?

Julius Caesar is not a masterpiece, but it is firstrate entertainment. Perhaps it is churlish to ask
more. Over the years Hollywood has made a number
of excursions into Shakespeare. The first was in
1916 with Theda Bara (who appeared uncertain
whether she was playing a highborn Juliet or the
vamp in A Fool There Was); fairly recently we had
Macbeth, through which Orson Welles smoldered
his way with such devastating effect that the enterprise went up in smoke. Julius Caesar is not of
that ilk. I cannot believe that anyone could fail to
be engrossed by it.

JOHN VERNON TABERNER

Young man getting ideas

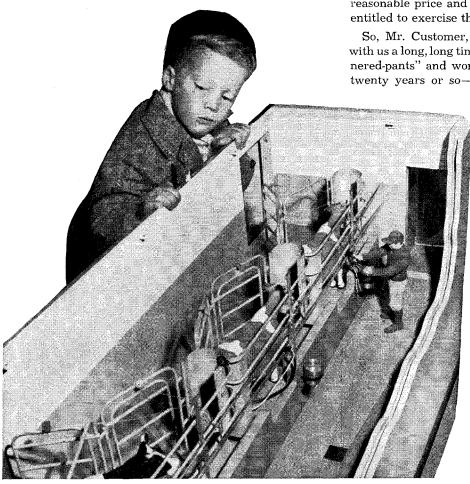
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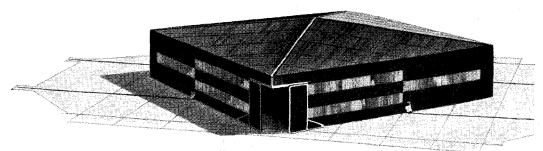
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