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Among Ourselves

The FREEMAN considers the forthcoming conference at Geneva of an importance ranking with Munich and Yalta, perhaps transcending both. In order that our readers might have background information on some of the major issues to be discussed there, we are devoting more space than usual to this event. First there is FREDA UTLEY's evaluation (p. 514) of what transpired at Berlin and what she foresees for Geneva. Miss Utley is author of one of the most authoritative books on the Far East published in recent years (*The China Story*) and is well acquainted by study and experience with the aims and purposes both of the Chinese Communists and their Soviet backers. A report from the COUNTESS WALDECK in Paris (p. 518) tells what M. Bidault hopes to gain at Geneva and why he is wrong. Our third story, by HILAIRE DU BERRIER (p. 516), focuses geographically and politically on the major subject on the conference agenda—Indo-China—and gives some hitherto suppressed facts about why American aid to the "liberator" Ho Chi Minh is today costing American taxpayers millions of dollars to combat Communist aggression. Mr. du Berrier spent ten years (1937-47) in China and Indo-China, three of them in a Japanese prison camp. He was employed by OSS in Shanghai for a time after the war.

On the domestic front HARLEY L. LUTZ, renowned tax expert, gives some hard-headed and practical-minded answers (p. 519) to a question much in our minds—can taxes be reduced and if so how? Dr. Lutz has been living with the unhappy subject of taxation for over thirty years, has written a score of books and innumerable articles about it.

ROBERT WOOD JOHNSON has long been a champion of good government and of America's basic freedoms regardless of the political party in power. To this end he has examined the Democratic and Republican ledgers over the past fifty years and come up with some conclusions that cannot fail to impress both parties (p. 523). During World War Two he served as Brigadier General in the Ordnance Corps and as vice chairman of the War Production Board. He is chairman of the board of directors of Johnson & Johnson.

The recent furore about time on the air, involving Edward R. Murrow, Senator McCarthy, Adlai Stevenson, the Republican Party, Fulton Lewis, Jr. *et al*, gave rise to various technical questions that were unresolvable without consulting an indisputable authority. We found him in the person of JAMES LAWRENCE FLY, a soft-spoken, gentle-mannered Texan, who was for five years (1939-44) Chairman of the Federal Communications Commission, is now a director of the American Civil Liberties Union and a practicing lawyer in New York City.

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This Is What They Said

From Our Readers

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THE *Freeman*

MONDAY, APRIL 19, 1954

The Fortnight

It is difficult to imagine what useful purpose the United States, Britain, and France had in mind in calling for another meeting of the United Nations Disarmament Commission. There has been not the slightest indication that the Soviet leaders intend to back down from their avowed position as our enemy. Talks with them about disarming inevitably get nowhere and merely give them an excuse to denounce any plan put forward by the West as a plot for United States world mastery.

Nor can we find any propaganda value in this request. A more effective propaganda move, it seems to us, would be to demand some acts of good faith before sitting down at more conference tables and piling up more words. One would be if the American delegation to the Geneva Conference should announce at the outset that there will be no conversations until every American citizen held prisoner by Red China is unconditionally released, including the hundreds of American airmen believed held in Manchuria in outrageous violation of the spirit of the armistice. How can we expect the men in the Kremlin to entertain sincerely the prospect of disarming when they have not yet shown any respect for the most elementary rules of peace?

One might have thought that Dean Acheson would be content to be forgotten. But here he bobs up in the *New York Times Magazine* as a critic of current foreign policy, as self-assured as if he had never shared a platform with the Red Dean of Canterbury, invited the invasion of Korea, and connived at the loss of China. All that Mr. Acheson offers to the American people is more fringe wars, fought with one hand tied behind our backs, and a cautious defensive foreign policy, adjusted to the pace of our most dubious "allies." The American people voted decisively against this package in 1952. They are not likely to buy it again from Mr. Acheson, Mr. Stevenson—whose trumpet always seems to sound retreat—or anyone else.

President Eisenhower's recommendations to Congress for moderate reductions and easements in our tariff barriers make excellent sense for a

country in America's economic position. As the President said: "The United States stands ready and able to produce and sell more than the rest of the world can buy from us." If we curtail direct subsidies to foreign countries, as we are doing and as almost all Americans desire, it is plain that we must either export less or import more. It is true that a number of factors still impede the free functioning of a free economy—a condition requisite to free trade. Among these are exchange controls, cartels, government subsidization of industry. As these are overcome, however, old-fashioned high protectionism will prove increasingly impractical.

The President brought forward a too little regarded economic fact when he pointed out that more than four million American workers depend on international trade for their jobs. This is something to weigh in the balance when the protectionist cry of the "menace" of cheap foreign imports is raised. The chances are that severely curtailed exports would destroy more employment opportunities than expanded imports; and expanding, not contracting trade is one of the surest signs of world economic health. The regulations easing American investment abroad suggested in the President's message also deserve approval. On strictly economic grounds President Eisenhower might well have advocated the elimination of the "escape" and "peril point" features of our tariff legislation. These represent serious handicaps to the foreign exporter in the American market. But the President probably asked for as much as he can hope to get from a Congress where the individual members are subject to local pressures from both business and trade unions.

The Soviet announcement that full sovereignty is being granted to the puppet regime in East Germany is, of course, strictly phony. As there will be neither free elections nor a withdrawal of Soviet occupation troops, nothing will really change. Yet even a phony gesture may have a psychological effect. Communist propaganda in Germany is already hammering on the theme that the Soviet zone now possesses a sovereign government, while West Germany is still bound by the fetters of the occupation statute. The best answer to this

propaganda is to speed up the grant of full sovereignty to the Federal Republic, wiping out the last vestiges of occupation mentality and practice. This would have occurred some time ago, if it had not been for French stalling on the EDC, the ratification of which is linked up with a treaty restoring German sovereignty. It is good to learn from a statement by Ambassador Conant that America is thinking in terms of restoring German sovereignty, regardless of the fate of EDC.

At first the agreement of German Chancellor Konrad Adenauer and French Foreign Minister Bidault to accept as a basis of discussion a plan for "Europeanization" of the Saar looked like a hopeful move toward compromise and harmony. This plan, drawn up by a Dutch member of the European Consultative Assembly, would relax the present one-sided French political and economic domination of this coal-rich little corner of Germany without giving the area back to Germany or disregarding French economic interests. This is far and away the most favorable voluntary agreement with Germany which France can hope to obtain. Subsequent developments which, one trusts, may be deceptive, indicate that the French government is trying to exact from Adenauer concessions which even his authority and prestige could not carry through the Bundestag—perhaps in the hope this is a possible means of killing the European Defense Community treaty.

In the midst of all the demands that our colleges have the "academic freedom" to teach Marxism and espouse socialism, it is almost nostalgic, but seriously heartening to learn of a college that wants to discuss freedom and competitive enterprise. A summer institute of graduate studies on those latter topics has just been announced by Claremont Men's College, Claremont, California. The lectures and seminars will run from June 14 to June 26, and attendance will be limited to the holders of thirty all-expense fellowships which, by the grace of freedom and competitive enterprise, will be awarded by the college. Information on the fellowships may be obtained directly from Professor Arthur Kemp, at the college.

A story from Britain during the fortnight provides one of the best examples so far of what might be called life in a closed circuit. Seems that quite a few patients who have been treated by socialized doctors in England have decided to sue the government because their ills, allegedly, did not abate as expected. And to handle the suits against the government, whom could the patients get? Why, socialized lawyers, of course—attorneys serving under the government's legal aid program; each man jack of them ready, willing, and able to thump the table against their fellow civil servants, the physicians.

Nuclear Assumptions

Current official thinking and proposals concerning nuclear problems seem to be based on two assumptions: first, that the Soviet Union has in present operation a vast and successful nuclear enterprise, which has already been able to accumulate a large store of fissionable substance and metagonic weapons; second, that the United States no longer possesses any atomic secrets of great importance. These assumptions must be understood in relation to the Administration's military doctrine, according to which the defense of the United States must rest primarily on air power plus nuclear weapons.

Against the implicit background of these assumptions, the Administration has made two proposals. It has called for the creation of a "peacetime pool" of fissionable substances (U-235, plutonium, etc.), skills, and knowledge, and the use of this pool to develop peaceful applications of nuclear energy. The operation of the pool is to proceed according to a fundamental Marxian premise: from each according to his ability, to each according to his need. Each nation will contribute to the pool according to its nuclear possessions; the fruits of the pool will be allocated where they "will do the most good"—i.e., where they are, by some sort of humanitarian reasoning, most needed.

The second, more recent proposal of the Administration is to relax the secrecy provisions of the present Atomic Energy Act.

Just as an hypothesis, let us suppose for a moment that the two basic assumptions are not true. Let us suppose, that is to say, that the Soviet Union does *not* have a successfully operating large-scale atomic enterprise together with a large stock of fissionable materials and nuclear weapons; and that we *do* possess important atomic secrets. On such an hypothesis it does not seem likely that there would be much enthusiasm for the Administration's proposals. From them the United States could only lose, and the Soviet Union only gain. And losses in this field are to be potentially measured in terms not so much of billions of dollars as of tens of millions of human lives.

We are not prepared to state flatly that the assumptions are in fact false. But it is certain that they have never been publicly proved, nor has any evidence ever been publicly presented that would be sufficient to convince a reasonable man of their truth. We are asked to believe them on the word of (mostly unnamed) "authorities."

Apart from the mysteries of "classified information," common sense suggests that we possess many and most valuable atomic secrets. There have never been any secrets about most of the theoretical principles of nuclear science. The secrets concern application, technology, industrial processes, strategy, tactics. Such secrets are not a

fixed set, but are generated daily. In a showdown, the most recent batch, with their relative advantage, might make all the difference.

There are no reports of Soviet tests of *tactical* nuclear weapons. The Administration proposes that our information on tactical use and effect shall be turned over to our NATO allies. It may be granted that without such sharing, coordinated planning is handicapped. But should it not be remembered also that whatever essential information is turned over to the armies of France and Italy is fairly sure to get quickly through to Moscow? It could not be otherwise when the entire social structure of both these countries is heavily infiltrated by Communists, against whom neither is able and willing to take firm measures. Even in England, the Marxification of the physical scientists, Communist control of the monopolistic electrical union, and the larding of the government services with Bevanites, fellow-travelers, and even Communists of the more genteel type does not promote an excess of confidence. It was the British Klaus Fuchs, indeed, who gave Russia the great advantage of a head start on the hydrogen bomb. Yet in the recent Washington revelations of the hydrogen bomb's incredible potency, it was brought out that in spite of that head start, Russia is far behind this country in the development of this weapon.

To the peacetime pool, to which Moscow would have direct access, the Administration proposed to give not merely information but actual fissionable substances.

If the Soviet Union already has an atomic enterprise on a scale and level comparable to our own, maybe it doesn't matter much—though even then one may wonder how many Soviet secrets we would get in return for the secrets we would give. But what if its nuclear projects are quantitatively and in particular qualitatively far inferior to ours? That supposition does not seem out of accord with many things that we do know about the Soviet Union. We know the relatively low level of its industry and techniques. We know that only a few Soviet nuclear tests have been even reported, and all of these are clothed in a maximum vagueness. No American security restrictions apply to the tens of thousands of refugees who have escaped from the Soviet empire during the past decade, and yet none of them has given any direct public testimony concerning Soviet atomic plants or tests. Beria, who was in charge of Soviet nuclear affairs, was shot last year. None of the many satellite benefactors has ever mentioned the presence of satellite observers at any of the alleged Soviet tests. Moscow has published no detailed photographs and movies, as we have.

It would be absurd, and dangerous, to suggest that the Soviet Union has accomplished nothing nuclear-wise. But it is not out of line with avail-

able evidence to conclude that the Soviet accomplishment is far behind ours.

Our nuclear energy project is our most critical material possession, upon which our survival and advance as a nation depend more directly than on any other material factor. It is the job of any governmental Administration to act as custodian for the people, to guard this invaluable nuclear enterprise so that it may be used for the people's protection and well-being.

The recommendations of the Administration are now before Congress. We believe that they should be examined objectively, calmly, and with a due and proper skepticism. There is no occasion for an atmosphere of crisis. There is no need to take the proposals merely on faith. Let the Administration prove its case. Not merely the specific proposals but the assumptions and principles that lie behind them should be submitted to scrupulous examination. Let's check this barn door *before* the horse is stolen.

New York's Dock Strike

The only simple statement that can be made about New York's waterfront difficulties is that business has steadily been diverted to other and competing ports, at least one company has shut down for lack of supplies, and the Port of New York is hardly a satisfactory place in which to do business. Beyond that, the recent disturbances on the docks were no more than the culmination of long mismanagement by the companies, Joe Ryan's union (the I.L.A.), the A.F.L. (that union's parent body), the government of the City of New York, and the labor agencies of the federal government.

Until last year the problem was easy to see, if not to correct. For what bothered labor relations on the docks was corruption, racketeering, and violence, including murder. Evidently, controlling the work of longshoremen was a profitable undertaking from which the longshoremen profited least. There was no mystery about this state of affairs, for these conditions were brought to light from time to time in full and depressing detail.

What is noteworthy about the situation is that nothing was done about it. It was allowed to grow and get worse by all of the parties that might have been expected to assume some responsibility for what was going on. The I.L.A. was unwilling or unable to cleanse itself. The Administration of New York City failed to use its police force where it was badly needed. The A.F.L. winked at the shortcomings of the I.L.A., as it had at Bioff and the Theatrical Stage Employees, or at the behavior of locals of the Building Service Employees, or at the misuse of union welfare funds. The state and federal labor boards viewed the situation with equanimity and indifference. Though

we have a great structure of federal and state labor legislation, enacted to protect the interests of working men, employers, and the public, all it has accomplished is the unionization of American industry by whatever methods the unions saw fit to employ.

To the original problems of the dockers, there have now been added a formidable collection of complications which are not likely to be resolved swiftly and peacefully. There is, first, the jurisdictional dispute between the I.L.A. and the new A.F.L. union of longshoremen. This dispute was the cause of the recent strike.

Last year, when the A.F.L. finally awoke to the character of the I.L.A., it undertook to expel that union and to put in its place a union of its own choosing. The job of starting and establishing the new union was put into the hands of the teamsters' and sailors' unions. As always happens in such cases, the appearance of the new union was the signal for a fight for supremacy between the two unions. That fight is still going on, and at this writing it is not clear which union will win it.

In December 1953 the National Labor Relations Board tried a peaceful settlement of the inter-union dispute by holding a secret ballot of the longshoremen to determine which union the men wanted. This vote was opposed by the A.F.L., since they were not ready for a poll. Anyhow, the I.L.A. won the vote by a slender majority, with more than 4,000 challenged ballots uncounted. Normally, the challenged ballots would have been examined and disposed of and the results of the poll announced.

This was not done, however. For the N.L.R.B., sharply criticized by the A.F.L. and Governor Dewey and his associates, found that the election had been held in an atmosphere of intimidation and delayed bringing it to a conclusion. Why the board and its agents, in a situation so well-known, failed to protect the voters as they went to the polls remains to be explained. The fact is that the vote of December was rendered null and void by a variety of known and unknown influences, and no new poll will be held soon, as the A.F.L. and the Governor want the balloting postponed. Meanwhile, the two rival unions will continue to fight it out. Whichever ultimately wins, the contest cannot be carried on without violence, physical injury, and short or long shut-downs of the Port.

This whole business is a reflection on our public labor policies, national and local. The essence of these policies is to offer the assistance of government in building up powerful labor organizations, to insist that employers deal with these unions, to sit idly by and watch these unions being taken over by skillful and unscrupulous political machines, and to intervene, lamely and ineffectively, when the practice of labor relations has become a public scandal. That is the story of the Port of New

York, of the many welfare funds now being investigated by the State Insurance Commissioner, and of numerous similar situations of which the public will in time be informed.

The Ever-Candid "Friend"

"But of all plagues, good Heaven, thy Wrath can send,
Save, save, O save me from the candid friend."

The author of this well-known couplet is George Canning, wit and minor poet as well as statesman. In his later role as British Foreign Minister he must have felt strengthened in his conviction that an insincere professed friend is more exasperating and sometimes more dangerous than an open enemy. Americans may well share this sentiment. We have already lost too many points in the diplomatic game by paying undue attention to the objections of "friends" who, when the chips are down, are usually found on the enemy's side.

Prime Minister Nehru of India is prominent among these "candid friends." He was running true to form when he recently saw reason for hope in the fact that Red China would be a partner in the Geneva Conference. Equally characteristic was his neutralist speech in the Indian Parliament, in which he formally held the United States and the Soviet Union equally responsible for the cold war, while hinting strongly that the United States was especially reprehensible for using "intimidation, bribery, and pressure" to obtain allies in this struggle.

Why is it that Nehru's neutralism is irritating, while the Swiss attitude of neutrality incurs little, if any criticism? There are two important differences between the two policies. The Swiss provide for their own defense (which could only conceivably be threatened from the Communist side), mind their own business, and offer no unsought advice.

Nehru is an international backseat driver. He did not put a man or a gun on the U. N. front in the Korean war, confining his aid to a small ambulance unit and a few jute bags. But he was continually coming out with defeatist proposals for ending the war by giving the Communists all, or at least 90 per cent of what they wanted.

In the second place, everyone knows that Switzerland, if forced to make a choice, will be on the side of the free nations. Whenever Nehru is forced to take a stand, he inclines toward the Communist side. An excellent example was furnished by the handling of the Chinese and North Korean anti-Communist war prisoners. India voted, along with the Soviet satellites, Poland and Czechoslovakia, for the continued detention of these unfortunate men. This was Nehru's decision, almost certainly taken against the judgment and

conscience of the Indian commandant at Panmunjom, General Thimmaya, who fulfilled his difficult task of handling the prisoners with uprightness, decency, and humanity.

It is Nehru's right, as constitutional ruler of India, to direct that country's foreign policy along the lines of pro-Communist neutralism. But if he elects to assign to his country the role of zero in this age of cold war it is our right to take him at his word.

There is no valid reason under the sun why the United States government should go in for appeasing Nehru or giving him a veto on our Asian policy or coddling him with free grants of American aid that could much better be used for the needs of countries which see eye-to-eye with us on the Communist threat and are ready to stand up and be counted. Nehru and other "uncommitted" statesmen, are entitled to normal diplomatic and trade relations—nothing more.

Academic Conformists

President Nathan M. Pusey of Harvard University recently represented American universities and colleges as persecuted islands of free, independent thinking. "The business of colleges," he told a gathering of alumnae of eastern women's colleges, "is to make individuals who will think for themselves. But, perhaps from as early as 1870, the predominant pressures in our culture have clearly been moving with increasing force," to oppose this effort.

Now as always (it is a little difficult to understand why the year 1870 should be taken as a watershed) the nonconformist has his difficulties. If he is worth his salt he thrives on them. But President Pusey's assumption that America's groves of Academe are strongholds of diverse original thought should not pass without challenge. There is too much evidence to the contrary. There are just as many conformists in academic robes as in any other costume, as the following bill of particulars shows.

Item. Involvement in the war before Pearl Harbor was an issue on which the American people were deeply divided. Opposition to involvement was almost nonexistent in eastern colleges and universities, where there was general uncritical acceptance of the slogan: "England expects every American to do his duty."

Item. One might have expected college professors, especially in such fields as history, government, political science, to show more than the average man's capacity to take the long view, to see the future dangers involved in our wartime alliance with the Soviet Union. But if there were any professorial protests against the betrayal of Poland and China at Yalta or the polit-

ical and economic monstrosity of the Morgenthau Plan, they were so muted as to escape the memory.

Item. Where there is diversity in the feeling of the American people about Senator McCarthy's anti-Communist activities, there is almost absolute anti-McCarthy uniformity in academic halls.

Item. This would also hold true for another issue on which the American people in general were sharply divided, the dismissal of General MacArthur because of his win-the-war program in Korea. Supporters of MacArthur were as rare among professors as supporters of McCarthy.

Item. A recent headline in the *Harvard Crimson* could probably be duplicated in many campus newspapers: "Faculty Members Slash at Bricker Amendment. Seven Denounce Proposal as an Unnecessary, Harmful Measure." If there was even one Harvard professor who was in favor of the Bricker Amendment he seems to have kept his views to himself. But large numbers of Americans, including some recognized authorities on constitutional and international law, favor the amendment.

Of course college professors, like all other citizens, have an unchallenged right to line up behind any policies they choose. The point is that the herd uniformity of thought on many issues does not reflect an individualist or original way of thinking. The question also arises whether "the other side" gets a fair hearing in the present American academic atmosphere.

Item. A European economist, a sturdy holder of the classically liberal, anti-statist position in economics, was invited to speak at several American universities. He expressed the following impression after his talks: "The students were very responsive. But I would judge from their questions that they had never before heard my point of view presented to them."

Item. A panel on Anglo-American relations was held under the auspices of a Harvard student organization. The participants were three Harvard professors and an official of the British Embassy in Washington. The British diplomat was easily the most objective, the least uncritically pro-British of the four.

Item. The Harvard United Nations Council invited Owen Lattimore to speak on American-Asian relations at a recent forum. The other speaker was Dr. M. S. Sundaram, Cultural Attaché of the Indian Embassy in Washington. It is easy to imagine how Chiang Kai-shek, Syngman Rhee, and the policy of nonrecognition of Communist China came off at the hands of these two speakers. Would not a genuinely open-minded forum have found a place on the platform for a speaker of the viewpoint of Representative Walter Judd?

In short, there is as much conformity in the academic world as anywhere else. And conformity is not always a synonym for rightness.

A Plan for Molotov

By FRED A UTLEY

There is little doubt that if Molotov had played it soft at Berlin it would have been well-nigh impossible for America to stem the tide of appeasement running high in England as well as in France. As it turned out, the Soviet government refused to pander to the strong desire of our two most valued Western allies to be deceived. But should Molotov, at the conference in Geneva, play the role of the Sun instead of the North Wind, there is little doubt that Britain and France will insist we throw aside our defense cloak.

For ever since Stalin's death practically the whole of the French press and the greater part of the British, encouraged by Winston Churchill, have been propagating the myth that there has been a "change of heart" in the Kremlin. And as if the Europeans had not got enough appeasers or wishful thinkers of their own, the United Press during the Berlin Conference was distributing Henry Shapiro's articles "proving" that since Stalin's death a new day has dawned in Soviet Russia. [See account of these articles by Robert Donlevin, the *FREEMAN*, April 5.] When I asked a representative of one of Germany's largest and most influential newspapers why it was printing Shapiro's stuff, he replied: "Surely since he is sponsored by the U.P. and is representing this great American news agency at the Berlin Conference, Mr. Shapiro must be a reliable authority expressing informed American opinion."

As F.T.P. Veale, author of *Advance to Barbarism*, wrote me from England:

All that was required of Mr. Molotov was that he should express a few platitudes and make a few gestures. Instantly there would have burst forth a storm of gratification—Stalin and all his works had been swept away, the Russians were again delightful and trustworthy people, and there was no longer any need to worry about taking precautions against an attack by them. If only Molotov had played the modest role expected of him, an already prepared campaign would have been immediately launched—a pro-Russian and anti-German campaign with a strong, thinly disguised anti-American bias.

Leon Dennen, Russian-born correspondent of the Scripps-Howard newspapers, told me in Berlin that it was clear from reading *Pravda* and *Izvestia* that there was strong opposition in the Kremlin junta to Molotov's tactics. Evidently, he said, the Soviet Foreign Minister's opponents were in favor of a softer approach, which they believed could win most from the West. So it may be that although Molotov justified his Stalinist attitude at Berlin by making us agree to the Geneva Conference, the more intelligent men in the Kremlin will have their own way at Geneva, in which case we shall be in greater danger than ever.

The Kremlin can hardly lose, whichever cards it plays. For although the West holds most of the trumps, there is every assurance they will not be played. Moscow can continue to rely for ultimate victory on such factors as:

The weakness, illogicality, venality, and outdated narrow nationalism of French politicians, combined with France's hysterical fear of Germany as contrasted with its ignorance, or blindness, concerning the Soviet menace;

Winston Churchill's overwhelming desire to justify his war record of all-out collaboration with Stalin by achieving "peace" in what time remains to him; coupled with Britain's overriding interest in trade with the Soviet world at any price.

Last, but not least, the influence in America of wishful thinkers and anti-anti-Communists, and the continuing failure of our State Department and press to understand adequately either the nature and aims of the Soviet dictatorship, or the causes of Communist influence elsewhere in the world.

An example of the failure of our "statesmen" to realize what we are up against was Mr. Dulles' radio speech of February 24, in which he said that "we should remain ever watchful for a sign from the Soviet rulers that they realize that freedom is not something to be frightened by, but something to be accepted." Mr. Dulles is, undoubtedly, strongly anti-Communist by religious and political conviction. But this remark shows a failure to understand that the Soviet dictatorship does *not* represent the Russian people. Otherwise he would realize that the men in the Kremlin have everything to fear from freedom, since it would inevitably entail their own liquidation.

Delusions about the Enemy

"Thrice armed is he whose cause is just." But what of the just who discard their armor because they imagine that the enemy also cares about justice or freedom or the "good opinion of mankind." So experienced a columnist as Anne O'Hare McCormick wrote on January 20, 1954, that the American delegation in Berlin had been "astonished" to find the Soviet government was "not interested in what the German people thought," but in "how Russia could get control of the apparatus of power, or at least prevent the West from getting control." As if, in this year of grace, anyone should be astonished to learn the Communists are interested only in consolidating and extending their power!

Another factor in the situation which is of great advantage to the Communists is the nostalgia of the West for the bad old days of our collaboration with Soviet Russia, and the refusal of most

of our opinion makers and politicians to admit their past blunders and lack of principle.

In general the American press, too, avoids re-examining the past in favor of preserving the illusion that Roosevelt's "unconditional surrender" policy and the Teheran, Yalta, and Potsdam agreements were justified. The danger which results from this pretense is that the public can be persuaded that future agreements with Moscow and Peiping are both possible and desirable.

It has already been proved that Mr. Dulles was wrong when he said, following the Berlin Conference, that the Soviet "alternatives to Western planning" are so repellent that even France would recognize the necessity of permitting western Germany to rearm. On the contrary, the French are not only showing less and less inclination to ratify the European Defense Community treaty. On March 19, after Dr. Adenauer's government had managed to persuade the Bonn Parliament to amend the Constitution to permit German rearmament for the defense of Europe, the Allied High Commissioners intervened at French insistence to delay President Heuss' signature to the constitutional amendment. Finally, France was persuaded to withdraw her veto on condition that Germany should never rearm except within the confines of the EDC treaty.

France would never have dared to take such action were it not for the encouragement given at Berlin to the French politicians who want peace at any price in Indo-China, and who, having never liked the European Defense treaty, would be delighted to sacrifice it for the sake of an entente with Moscow and Peiping.

As the *New York Times* said in an editorial February 25: "The Geneva Conference can become a trap only if France permits herself to be lured into abandonment of the European Defense Community and her own safety in return for a 'peace' in Indo-China that can be broken the next day."

The one thing wrong with this statement is the word "only." For, as the *New York Times'* own Paris correspondent reported on March 21, U. S. officials have "reluctantly come to the conclusion that the French government wants to preserve the European Defense Community issue as a bargaining point at Geneva," on the assumption that throwing EDC into the discard will be "the price exacted for a settlement in Indo-China."

At Geneva Mr. Dulles will have to contend not only with the French appeasers. He will also face the more formidable opposition of the British empire. Sir Gladwyn Jebb has publicly stated that the Chinese Communists should be admitted to the U. N. provided they "purge themselves" of their aggression in Korea and Indo-China. Mr. Lester Pearson, Canada's Minister of External Affairs, has declared that we ought to take "a more realistic, less emotional look" at Communist China, provided she refrains from any "fresh

acts of aggression." And Mr. St. Laurent, the Canadian Prime Minister, after conferring with Nehru, announced in Manila in March that Canada must sooner or later recognize Communist China as "the government that the people want." Meanwhile Adlai Stevenson has been busy preaching the old Lattimore line, as when he said in a speech at Harvard March 19: "In Asia Communism has the advantage of the great weight of the New China's power and attraction."

Betrayal of Asian Allies

The stage is set for our abandonment of the Chinese Nationalist Government, and in the course of time, also of Syngman Rhee. The betrayal, urged upon us by the British and French, need not take the obvious form of recognition of the Peiping government and its admission to the U. N. What the Communists want now is not *de jure* recognition of Peiping but trade with the Western world for the purpose of preparing themselves to attack and destroy us in the future. They will be well satisfied if we agree to supply them with the sinews of war even if we remain outwardly loyal to our old ally, Chiang Kai-shek.

It is all too obvious that Mr. Dulles faces not only a hard, but a well-nigh impossible task at Geneva. He cannot at the same time satisfy Britain and France and the American people and Congress. The former are clearly ready to let the Far East go for a few paper promises from Moscow and Peiping, making it possible for France to retire gracefully from Indo-China, and for Britain to resume unrestricted trade with Red China and the rest of the Soviet empire.

The Secretary of State's speech on March 29 shows that he will make a valiant effort not to give way to appeasement pressures. But since the American people are prepared neither to risk war now before Moscow is ready to attack us, nor to appease the Communists for the sake of peace in our time and to please our faint-hearted allies, there seems no solution for Mr. Dulles' problem. He may have only himself to blame for the impossible assignment he is faced with at Geneva. However, it seemed to me while in Berlin during the first two weeks of the conference that Dulles, having first adopted a high moral and also politically realistic position, was being forced to climb down from it by Washington as well as by Paris and London. For instance, according to information given me by two correspondents who attended his highly select small press conference on Sunday February 7, Dulles stated he had had a two-hour conversation with Washington the day before, and went on to say that he would go along with Bidault on the Far East. He is clearly slated to be the scapegoat for America's irresoluteness and for the shortsighted selfishness of our Western allies.

How We Helped Ho Chi Minh

By HILAIRE DU BERRIER

The war in Indo-China today is no accident. Plans were laid in China in 1941; stepped up by American aid which went for arming the "agrarian reformers."

In ages past, natives shunned the jungles along the Seam Rap River of Indo-China. Phantom armies, they said, swept ceaselessly through the forest led by weeping queens on shadowy elephants.

Today armies are there but they are not phantoms of the vanished empire of the Khmers. Crack divisions composed of some 120,000 men of Ho Chi Minh's Red rebels have cut Indo-China in two and are bleeding France white in both men and money—one-fourth of her officer cadre and more money than France has received in Marshall Plan aid in the disheartening years since World War Two theoretically closed its ledgers. Aid to France has thus been more than nullified by the lone struggle in Indo-China.

But there *are* ghosts in Indo-China—the same sort of ghosts that haunt the record of America's part in the fall of the Chinese mainland. For in Indo-China, too, the background of the Communists' rise to power follows a grimly familiar pattern: an American-fostered propaganda line that the Communists were agrarian reformers; that their leader Ho Chi Minh was a "good man" despite his Moscow training; that forces opposing the Communists were reactionary and not to be listened to.

Moreover, in Indo-China, American aid initially armed the very troops the French are fighting today. Thus, in the horrible topsy-turvy of diplomatic blunders we find ourselves paying 80 per cent of the war cost in Indo-China to combat a foe we actually encouraged with our help.

A Lulling Tune

The Institute of Pacific Relations was given a full report on Indo-China as far back as July 1950. It was, in effect, a Wedemeyer-like report, detailing the Communist build-up and pointing to future aggressions. The report was rejected in its entirety.

Instead, I.P.R. and the American public listened to a more lulling tune. The pace of the "line" on Indo-China was set in *Harper's Magazine* in a series of articles by Harold R. Isaacs. These articles, in turn, were the by-product of a reporting trip Isaacs had just completed for *Newsweek*, to which he was then contributing as an authority on the Far East. Isaacs' line was simple and to the point—the Communist point: Ho Chi Minh was a

patriot, fighting the evil colonialism of the French. Isaacs' view aroused a number of readers.

Ho, the man Isaacs defended as a sort of local saint, was educated in the Soviet's Orient University and then, in 1925, sent to Canton as an assistant to Borodin. In 1931 the British discovered that he was head of the Southeast Asia Bureau of the Third International, and expelled him from Hong Kong. At the time Isaacs was in Shanghai as a newspaperman certainly in a position to know what was going on. Yet, in the *Harper's* articles he described Ho as a patriot kept alive by "honesty of purpose and absence of illusion."

In 1941 (not 1943 as indicated by U.S. reports of the "tenth anniversary" of Ho's government in December 1953), Ho's Vietminh Front first emerged as a shadow government. It was established, not in Indo-China, but on Chinese soil. The man who planted its seeds was a southern war lord named Chang Fa-kwei. It was his hope actually to take over the rich provinces of Kwangsi, Yunnan, and Kwantung and, eventually, part if not all of Indo-China. Ho, then posing as head of an "exile" government during the Japanese invasion, seemed a perfect foil. Chang Fa-kwei "recognized" Ho. His master plan called for Ho, after American arms had run off the Japanese, to run off the French. Then Chang could run off Ho! The plan benefited only Ho. Chang Fa-kwei is now in Hong Kong, himself an exile from both Formosa and the mainland. Gradually, forces he set in motion encircle him.

Within three years Ho's "government in exile" was given full diplomatic status and established as a going concern in Luchow. Large quantities of American arms, from that moment on, were dumped in Ho's eager hands. He was, of course, supposed to fight the Japanese. There is only one instance on record of any friction between the Vietminh and the Japanese during this period. It was an incident in an isolated village. Eight Japanese were killed.

The Japanese were well aware of what was going on; that Ho would pounce on the French as soon as the Japanese withdrew. So it was to Ho and his American-equipped forces that the Japanese surrendered their arms when they gave up in Northern Indo-China.

After V-J Day American officers arrived in

Saigon, Hanoi, and Haiphong. A pair of them assigned to investigate the situation in Indo-China got in touch with the French "underground" officer who had written the report on which they were acting. The officer was in rags. He had no facilities to entertain them. He had, after all, just been through a war. So had Ho's men, but, unlike the French, they had not suffered. Within twenty-four hours the American officers were firmly in the hands of a well-primed and sufficiently heeled group of English-speaking Communists and former collaborators who efficiently set about denouncing the French and praising Ho—in direct opposition to the demonstrable facts the French were trying unsuccessfully to get the officers to heed.

"Guides" and "Translators"

The efficiency of these "guides" was increased in ever-widening circles as other American missions lavished their vitamin tablets and K-rations on them, while the French remained relatively impoverished. And, as in China, as soon as the Americans became committed to any part of the line being fed by the "progressive natives," they acquired an unshakable vested interest in all parts of the line. Before long such an officer as Major Robert Buckley of the OSS wrote off all French charges against Ho as mere gripes, to be ignored. George Sheldon, a bitterly anti-French observer to begin with, worked with OSS in the area, then returned to Saigon as vice-consul. From that vantage he wrote letters, official reports, and articles (for I.P.R.) supporting Ho's cause against the French. Another American officer, while French officers who knew the situation watched amazed and helpless, donated money to Ho and made a stirring speech on his behalf.

To keep this American support going, Ho used a device that had served the Communists well in China. As if by magic pro-Ho translators always appeared to grab jobs with American missions. A bright young man named Li Xuan was an outstanding example.

In his day-by-day work, Li simply told natives that American aid would come because of Ho. And for the Americans he "translated" their replies to any questions as ringing tributes to Ho. What either side in the conversation really said was incidental and unknown. After a while Li acquired G.I. clothes and went off more and more on his own, linking American aid and Ho for the benefit of the impressionable natives. Finally, after "hitch-hiking" to Shanghai aboard an American general's plane, he instigated there a rebellion of Annamite troops against the French. This time he even posed as an American officer to whip up the fury. A full report on his activities was greeted by the thoroughly buffaloes OSS with the comment: "The French are beefing again."

And so Li went merrily on. From the garrison-

rousing he went to Fred Hamson, bureau chief of the Associated Press in Shanghai, and made an arrangement to work as a "stringer" correspondent in Indo-China. Back home he affixed A.P. war correspondent badges to his clothes and, besides filing news to the international wire service, again used a phony American connection to raise Ho's prestige. When Hamson tried to stop him he simply disappeared.

Meantime, the barriers against any factual reports from Indo-China grew. A North Dakota-born OSS employee was summarily dismissed on orders from Washington after warning against Ho. The reason given: that the man was a Canadian!

Back in America things were humming for Ho, too. When a Vietnam-American Friendship Association held a banquet in New York in 1948 (and it must be recalled that Vietnam, today, is antithetical to Ho's Vietminh), the pro-Ho OSS Major Buckley was on hand to provide his learned views. Harold Isaacs was busy, too. After leaving *Newsweek* at about the time of the Alger Hiss trial, he busied himself as a reviewer of books on the Far East for the *New York Herald Tribune*. In April 1950 he turned up as a lecturer at the American Academy of Political and Social Science in Philadelphia. On the same dates the meeting was also addressed by Owen Lattimore. A year later Isaacs denied knowing Lattimore.

American Fears Tied French Hands

With war finally blazing, of course, the direct-support phase of the great Ho Chi Minh hoax was over. Indirection became the only possibility—a situation again comparable to the one in China.

In the fall of 1953, as more and more signs pointed to the building up of the present Red all-out offensive, French officers debated possible counter-measures. The situation was desperate. Public opinion at home was against further sacrifices in a lone fight for an area in which little influence or interest would remain to them if they won it. While they felt they were staving off the communization of southeast Asia alone, portions of the American press continued to oppose such aid as they were receiving with the cry that America was perpetuating colonialism.

Specialists on the Far East, led by a former underground leader in Indo-China, hit on an idea. Commerce in the Associated States of Indo-China is largely in the hands of Chinese merchants. It was their war also. A Chinese general of sufficient stature to command a following in the border provinces of Yunnan, Kwangsi, and Kwangtung was enlisted to form an anti-Red Chinese volunteer army, take over a sector of the front, and start hacking his way toward Red China. In return for arms and support he pledged a guerrilla movement within these provinces that would cut Chinese aid from Ho Chi Minh and even harry the Vietminh

rear. With Ho's defeat, the Chinese might gather momentum and roll into Red China. Again American fears of bringing Mao Tse-tung openly into the struggle tied French hands. As in North Korea in the case of General MacArthur, we committed the French to a struggle without victory.

In Paris a rumor spread at the beginning of this year that the fighting would cease with a direct deal between Washington and Moscow. Whether the idea was inspired by the Communists to bring about French inertia while their own plans for reinforcement proceeded, or whether the forthcoming Geneva conference is a step toward that end, it is still too early to say.

Letter from Paris

Bidault's Mistake

By R. G. WALDECK

Only a few weeks ago American diplomats in Europe believed that the Berlin Conference had convinced the French that no solution for Europe was to be expected from talking with the Russians, and that speedy ratification of EDC was the only alternative. But it came out quite differently. Optimistic observers here note that the conference had no effect on the French attitude on EDC one way or the other. Pessimistic ones insist that resistance to ratification has stiffened since the conference. My own observations gibe with those of the pessimists.

This much is certain: the efforts made by Washington and Bonn to get the French to ratify EDC before the Geneva Conference have failed. The Parliament feels that there is no use in beginning the debate on EDC before the Saar question is settled and close association between the United States, Britain, and EDC countries is guaranteed.

As for the Saar question, it looked for a moment as though a settlement was within reach. Dr. Adenauer, in his eagerness to bring off EDC, "offered up the Saar to Europeanization in a non-existent Europe," as one sharp-penned German journalist put it. However, the French suddenly raised the ante, and talks have been suspended.

Bidault, it is said, wishes to use ratification as a trump card in Geneva. Premier Laniel, who has been in power for nine months, wants to beat the record of M. Queuille, who stayed in power for a whole year—but the debate over EDC, he fears, might spoil it all. Also dampening to the government's enthusiasm is the growing suspicion that only a socialist government, headed by Europe-minded Socialist Guy Mollet, can bring about a vote for ratification.

It will be, at best, a hard fight. For the French feel more strongly than they did a year or so ago that EDC constitutes a long-term adventure of the

first magnitude. Still, in the end, France is likely to ratify EDC as being the lesser evil. At least that's what the public opinion polls indicate and what most friends of the West hope for. "Just let them end the war in Indo-China," they say, "and the ratification of EDC will go through like a breeze."

But will the Geneva Conference end the war? While in the United States the conference is condemned as a "concession" to the French which might result in a Far Eastern Munich, the French, too, have their misgivings about the conference. In fact, with the exception of M. Bidault and his friends inside and outside of the Cabinet, almost everyone seems to fear that nothing good can result from it. Also, a heated debate is raging both publicly and privately as to whether or not it was clever of Bidault to insist on this new confrontation with the Reds.

Bidault, it is well known, founds his hopes for Geneva on the apparent alacrity with which Molotov in Berlin jumped at the chance of a conference on Asia; and on reports that Mao does not get on with Malenkov, is sorely in need of economic aid such as only the West can furnish, and is eager to play his part in the concert of nations. Thus Bidault believes that Mao would be ready to stop aid to the Vietminh in exchange for admission to the U.N. and economic concessions. But, even assuming that Bidault knows the score, politically minded Frenchmen realize that only the United States can furnish what Mao covets. And they think it unlikely that the United States will abandon her resistance to recognizing Red China just to end the war in Indo-China. Not that they approve of Washington's intransigence concerning Mao. His de facto recognition is inevitable in the long run, they say, and it is unwise to resist unduly the inevitable.

Although the French have cried "wolf" frequently since the Liberation with a view to extracting aid from the United States, it would be a mistake, I believe, to take too lightly the fears they voice at present. The failure of the Geneva Conference to produce peace in Indo-China might well result in the collapse of the pro-Western conservative regime in France and its replacement by the neutralists, who would end the war at any cost and delay the ratification of EDC indefinitely.

No wonder, then, that quite a few astute French politicians consider the Geneva Conference as a trap, designed to swallow up the Atlantic Alliance, and as a device to delay and kill the European army plan. They argue that while there might be a ghost of a chance for peace in direct negotiations with the exhausted Ho Chi Minh, it was sheer madness to expect peace from Molotov. Why, they argue, should Molotov wish to facilitate the ratification of EDC by making peace in Indo-China? It just isn't his way of doing things, they say, and they fear that Bidault made a fatal mistake in letting the West in for the conference.

What Kind Of Tax Reduction?

By HARLEY L. LUTZ

A shift of taxes solely to boost buying is perilous. It overlooks the basic economic truth that capital and production, not consumption alone, are needed.

The doctrine that changes in taxation affect the level of business in the economy has attained virtually the position of a panacea. According to this doctrine, any increase of taxation is a deflationary influence, and any decrease is at least a reflationary, or even an inflationary influence. The line of argument to support this viewpoint is that as taxes are increased the available spending power is reduced, the demand for goods and services is weakened, and the pressure on prices is diminished. Conversely, it is believed that tax reduction will increase spending power, revive demand, and move more goods; and thus support, or even raise, prices.

The Council of Economic Advisers, referring to repeal of the excess profits tax, and decline of individual income tax rates, both as of January 1, 1954, said:

These actions have improved the outlook for investment, as previously noted. They have also *released consumer income for expenditure*, and thus again provided a timely stimulus to the economy. [Italics added]

The Report of the Joint Congressional Committee on the January 1954 Report of the Council of Economic Advisers echoed this:

The committee emphasizes the importance of a flexible tax policy to meet the needs of economic stability and growth. The situation today is unsettled. The President has announced that if unemployment continues upward he will send a supplementary emergency program of action to the Congress. If this step is necessary, it is expected that he will recommend relief for middle- and lower-income groups by reducing the income tax and by reducing excise tax rates. Some of the members of this committee are ready now to urge these tax changes.

Paul A. Douglas, United States Senator from Illinois, in an editorial written for the *Saturday Evening Post* of March 13, 1954, put it this way:

We have already permitted the excess profits tax and some of the income-tax increases to lapse. We should also refuse to extend many of the increases in excise taxes on consumer goods. These reductions, combined with loosening up on income-tax deductions, *should help to keep up purchasing power and hence consumption, employment, and income.* [Italics added]

This kind of analysis evidently depends heavily on the thesis that consumption is the principal mainstay of the economy. It disregards, or relegates

to a minor role, the contribution that is made to economic advance by production and by the capital formation without which both production and consumption would quickly suffer from pernicious anemia.

The flaw in this approach is that it takes into account only a part of the entire process of taxing and public spending. It is true that a change of taxation does affect the income, and hence the ability to use income, of the individual taxpayers. High taxes leave these individuals with less income to spend, and low taxes leave them with more income. This relationship is so obvious as to obscure the fact, and the significance, of the complete governmental process,

Tax—or Borrow

Taxation, by whatever means imposed, is a transfer of income from the citizens to the government. The government thereby comes into possession of spendable funds. As taxes go up, the individual citizens have less to spend and the government has more. At any given time the total purchasing power in the economy is relatively fixed because it is determined by the aggregate of the national product. A variation in the level of taxation affects the proportionate distribution of this total purchasing power between the government and the private economy, but it does not change the total.

The condition of the budget, whether it shows a surplus or a deficit, is essential to a complete account of what will happen as the level of taxation is changed. If there is a deficit, which is now the case for the fiscal year 1955 on the basis of present estimates, a tax reduction will make the deficit larger unless the public spending is reduced in an amount equal to the tax reduction, in which case the deficit would be unaffected. But the fact of a deficit will require that additional spending power be obtained in some manner by the government. Since this is not to be done by taxation, the only alternative is by borrowing. If taxes are reduced with a corresponding increase of borrowing, there is the possibility of an increase in the total purchasing power of the economy.

It cannot be too strongly emphasized, however, that the increase would be the result of the *loans* and not of the tax cuts. If the new public debt is in the form of savings bonds, or of Treasury debt

paper sold to insurance companies, savings banks, or individual investors, the net effect is simply to transfer more of private income to the government.

The only method of public borrowing which adds to the total of purchasing power in the economy is the sale of debt paper to the commercial banks. In this case new bank credits are created as a result of the loans, and bank credit money is fully as spendable as any other kind. In fact, well over 90 per cent of all payment transactions, private and public, are made by the use of bank credit. Therefore, if taxes are reduced and if the resulting deficit is financed through bank loans, total purchasing power is greater—but the increase comes from the new bank credits, and not from the tax reduction.

The same expansionary result would ensue if the government spending were allowed to increase without regard to the revenues, with or without tax reduction, provided the debt financing were done through new bank loans. And the fact is familiar to all that a net increase of bank loans to private customers is a means of inflating credit fully as much as are the loans to the government. Normally, however, the banks have control over the creation, volume, and duration of the private loans, whereas they have no choice as to whether or not they will lend to government, and no control at all over when the public loans will be retired.

When There Is a Budget Surplus

The existence of a budget surplus is the happiest condition precedent to a tax reduction. Even in this case, however, the tax reduction does not increase total purchasing power. The two obvious uses of a surplus are (1) to build up the Treasury general fund, or (2) to retire debt. There should be a cash balance consistent with the scale of the government's operations, but there would be no point in accumulating a vast hoard of idle funds. Were such a policy to be pursued, however, it would mean the temporary reduction, or sterilization, of some part of the total community purchasing power. If the debt redeemed is in the hands of nonbank investors, the process is a transfer of income funds from taxpayers to bondholders, which results in a return of the tax revenues to other private uses. If bank-held debt is retired, a corresponding amount of bank deposit credits must be cancelled. This is a reduction of total purchasing power and an exact reversal of the creation of new purchasing power through the flotation of loans with the banks.

There may be some lingering doubt with regard to the practical consequences involved, even if there should be no question of the theoretical correctness of the foregoing analysis. The basis of any such doubt would probably be a belief that private spending is, in some manner, qualitatively so different from public spending as to make the former more stimulative than the latter.

By and large, government spending is for the same products and resources of the economy as are bought with private spending. To begin with, the immense public payroll provides the individual public employees with an income that will be spent in the same markets that are patronized by taxpayers, and for the same array of goods and services in these markets. The same situation applies with respect to another large segment of the public spending, namely, the pensions and benefits paid to retired and dependent individuals, and this is true, also, as to a large share of the interest on debt that is paid to the public. The government's purchases of material things likewise cover the whole gamut of produced tangible and intangible commodities. The end products that are fabricated for government out of the steel, bricks, cement, aluminum, and the thousands of other things bought are different, in many cases, from the end products made out of the same classes of material for private use. The government demand for commodities is just as effective, however, in providing a flow of income to the workers and investors of industry as is the demand for these products from private sources.

An Economic Fantasy

But government demand is *no more* effective in this respect than private demand. There is no virtue in supporting the economy by public spending that does not inhere in private spending. It is a fantastic distortion of economic logic and common sense to impute a compounding or multiplying effect to government spending alone.

If there is no difference between public and private spending, so far as the effect on the economy is concerned, what difference does it make whether taxes are high or low? Some might conclude, from the argument set out above, that inasmuch as the level of taxation does not alter the total of purchasing power, there should be complete indifference to the tax burden.

This conclusion would be valid in an unfree society, in which various forms of compulsion were employed to induce economic effort in lieu of the incentives that operate in a free society. In other words, the reason that tax reduction is a beneficial thing goes back to the nature of the taxing and spending process that was outlined above. Taxation is a transfer of private income to public use. If the proportion thus transferred is moderate, and the funds are spent efficiently in the performance of public services that are generally recognized to be of marked common benefit or advantage, the repressive effect of the taxes is negligible or non-existent. The government services are deemed to be worth what they cost.

As the bill for the public services rises, however, and the proportion of private income that must be transferred through taxation increases, the added

marginal value of these services diminishes. At the same time, the effort that must be expended to gain additional income is more burdensome and distasteful. In somewhat technical terms, the rising disutility of getting more income eventually surpasses the declining marginal utility of more government service. No one enjoys working too much of the time for government, and high taxes mean just that. The most powerful economic incentive yet discovered is to leave the fruits of effort with those who have applied it. Tax reduction does this, and its supreme merit is in this fact. In short, the advantage of tax reduction does not lie, as some have mistakenly supposed, in an increase of total available purchasing power, but in the added incentive that comes from letting those who have undergone the effort of getting income have the control and use of more of it, rather than surrender it to others to be used at their discretion.

Incentives to Free Enterprise

It must be emphasized, however, that no particular taxpaying group can claim a monopoly of the burden of high taxes. The kind of tax reduction that will afford the maximum relief across the board must be such as will preserve in the greatest degree all of the incentives to work, to save and invest, and to assume the risks of enterprise. It would be a shortsighted kind of tax relief that concentrates so heavily on a limited area of the tax field, such as the increase of personal exemptions, as to neglect the other areas involved in the maintenance of employment, production, and income.

The use that the taxpayers will make of the income released to their control through tax reduction cannot be predicted as a universal pattern. Some of it will be spent for consumption goods but this will not lead to an enlargement of total sales unless the government continues its spending at the customary rate on a deficit basis, financed through the creation of new money or bank credit. Some of the released income will be saved, and aside from the small proportion that will be definitely hoarded, the savings will find their way, through one channel or another, into investment. If the prospect of lower taxation appears to be reasonably permanent, tax reduction enhances the incentive to invest and thus enhances the formation of capital.

In the current discussion of the subject, there has been some disposition to repeat the age-old but fallacious argument that what is needed is more consumption rather than more investment. This is the issue of a static versus a dynamic economy. If capital formation were to be halted and all income were to be devoted to the purchase of the goods produced by the existing supply of capital, there would be no economic advance. Every improvement from the first great inventions has been opposed on the ground that it would displace labor,

reduce wage income, and lower the standard of living because there would be less ability to consume the products of the machines. The record of two hundred years has disproved this notion countless times, but it persists and it underlies the arguments for the kind of tax reduction that is now being urged.

The key to future economic advance, and to the maintenance of employment, production, and income, is capital formation. The doctrine that consumption is this key postulates that capital formation and production are automatic and that consumption must be stimulated and maintained. If there is merit in assuming any kind of automatism, it would be more nearly correct to say that consumption will go on automatically and that the provision of incentives should be directed to secure more capital in order to get more production. This does not mean that any tax reduction possible within the terms of the budget should be confined to those steps that would benefit investors primarily or exclusively. The mistake is in concentrating the available tax reduction resources exclusively where the selection is obviously determined by reference to the consumption theory of economic advance.

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Needling the News

Because of taxation, creation of an estate through retained earnings is no longer possible by legal means, says a columnist. The fiction of the pulp melodrama, where the characters could be either good or rich, but not both, has become a grim reality.

Secretary Benson calls the present farm law a failure. True. It fails in a big way to keep down farm surpluses—and it even failed to keep the Democrats in office.

The federal government at present owns 400,000-000 pounds of butter. Now if we just had those mountains of potatoes the Department of Agriculture bought a few years ago, we could at least put butter on 'em.

William L. McGrath of the Williamson Heating Company heads a committee to inform the public on the subject of treaty law. If Ike and Dulles hadn't changed their minds after election, Mr. McGrath could have continued making furnaces instead of having to build a fire under the Administration.

Adlai declares that it would be "good news" if Ike's leadership proves "resolute and undivided," but you don't get the impression that he will personally turn handsprings in joyous recognition of it.

MARTIN JOHNSTON

Rules for Redbaiting

By M. K. ARGUS

There has been a great deal of discussion recently about ways and means of fighting Communism and investigating Communist activities. I have just completed a thorough study of the question and should like to make a few recommendations.

The principal problem is, whom do we fight, and who is to be investigated? American Communists can be roughly (not too roughly, of course, pending a revision of the methods currently employed by various investigators) classified into four categories: open, or avowed, Communists; secret Communists; fellow-travelers, and certain college professors. My recommendations apply only to the first three categories: nothing can change a college professor.

An open Communist is one who supports Moscow. A secret Communist is one whom Moscow secretly supports. A fellow-traveler is one who gets all his traveling expenses paid by Moscow but who has to make a living on the side—on the side of capitalists, that is. An open Communist, when investigated, denies he is a Communist, and goes underground. A secret Communist, when investigated, denies he is a Communist, and emerges into the open. A fellow-traveler, when investigated, denies he is a Communist sympathizer, and continues to travel between the underground and the open.

My considered opinion is that the best way to investigate Communists—open, secret, or traveling—is not to investigate them at all. Once you begin to investigate Communists, your reputation is ruined. Progressive dramatists will denounce you in plays. Progressive historians will publish scholarly articles about witch-hunts in the seventeenth century, just to prove that you do not belong to so enlightened a century as ours. And progressive commentators will call you a menace to the American tradition.

Let's assume, however, that in your stubborn obscurantism you continue to be obsessed with a reactionary fear of communism, and think that something has to be done about fighting it. If so, let me quote a certain East European statesman, who on the very eve of the Communist coup in his country said: "Communism is possible only in backward countries. It will never succeed in ours." Having been executed by the Communists a day after the coup, he still, unfortunately, does not know how right he was.

Should you, nevertheless, insist on investigating Communists, I recommend the following rules.

¶Never employ against Communists the same methods they would employ against you. That is definitely undemocratic. The Communists, of course, have a tremendous advantage. They are able to avail themselves of our constitutional guarantees

in order to destroy the Constitution with its guarantees.

¶Never call a Communist a Communist. If he denies he is a Communist, you'll be called a slanderer of innocent people.

¶Never believe the testimony of witnesses. If you do, you'll be accused of trying to establish a person's guilt by hearsay.

¶Do not try to prove your accusations against a Communist with quotations from his writings. These will always be proved to be "lifted out of context."

¶Do not place any credence in the testimony of ex-Communists. A disgruntled former Communist, in case you don't know it, operates as follows: As soon as he breaks with the party he rushes over to the nearest drug store, grabs a telephone directory, picks out a few names at random, and denounces these people as members of the Communist Party.

¶Do not trust the testimony of those who have been secret informers of the FBI in the Communist Party, because stool pigeons are never to be trusted.

¶Don't investigate Communists in the diplomatic service, for you'll be undermining our foreign policy. Don't investigate Communists in the Army, Navy, or Air Force—you'll be creating fear and suspicion among our armed forces. Don't investigate Communists in the arts and sciences—you'll be guilty of attempts to establish censorship, destroy freedom of speech and expression, hamper academic freedom, prevent free scientific inquiry. Don't investigate Communists in labor unions—you'll be accused of trying to re-establish the system of the open shop.

¶Never say anything against those who refuse to answer questions by invoking the Fifth Amendment. They do it, as Albert E. Fitzgerald, President of the United Electrical, Radio, and Machine Workers, so lucidly put it, not because they feel guilty, but "because our forefathers put it in the Constitution for a good purpose." Give those fellows an opportunity to show to what good purpose the Fifth Amendment was adopted!

The best way to investigate Communists, as I've said before, is not to investigate them at all. The next best way—and I quote the Very Reverend Francis B. Sayre, Dean of the Washington, D.C., Cathedral of St. Peter and St. Paul—is to use methods "not diametrically opposed" to divine compassion.

That's precisely it. Wielding the weapon of divine compassion, we shall fear neither Malenkov nor his American cohorts. To be exact, we shall not last long enough to fear them, which is also a way of solving the Communist problem.

Kindly omit flowers.

And Now, The Big Truth

By **ROBERT WOOD JOHNSON**

Mounting inflation and the steady usurpation of executive power are the facts of three Democratic Administrations. People forget it. Politicians obscure it. Now is the time to recall this record.

In persuading masses of people, Hitler and Stalin found the constant repetition of a Big Lie to be most effective. But even if it is a Big Truth, a fact needs repeating again and again in order to stay fixed in people's minds. Often a Big Lie is more intriguing—especially when it dovetails with human passions and emotions; gives the public what it wants to hear. Thus, in politics, a Big Truth must be repeated even more frequently, more forcefully, if it is to be believed and acted upon.

"Keep your message before the public" applies not only to an advertiser with a good product, but to a political party with a good record. The public's memory is short-lived.

The Democratic Party, even with a ruinous economic record, has been much more adept in selling itself to the public in the last quarter century than the Republicans with a good economic record. Since the turn of the century, the Republicans have been remiss in the repetition of truths and in the use of fighting words. They have blandly assumed that their record would speak for itself: that Americans wanted peace, sound government, a balanced budget; wanted to avoid inflation and a debased currency. No doubt they do, but they are not going to bother looking up the record while persuasive opposition oratory comes over their TV sets. These Republican assumptions, backed up by powder-puff electoral campaigns and "me-too" platforms, were proved to be wrong. It took a General of the Army and a voting revolution to break the spell.

At that, the Grand Old Party was sadly out-quipped by Adlai Stevenson, who made a good showing at the polls, despite the scandals, corruption, and incompetence of his party during its tenure of office. It's the *fight* that counts—not just the record.

Here are some of the things the Republicans should emphasize, over and over, in this year's election campaigns—and again and again in 1956:

Three Democratic Administrations in the last half century. In each, a ghastly war, a costly and ruinous inflation. In each, usurpation of executive power. Why? What explains this affinity of the Wilson-Roosevelt-Truman Administrations for war, a debased dollar, expensive government, high taxation? Is it mere coincidence?

Since 1900 we have experienced about twenty-

five years of Republican rule and twenty-five years of Democratic rule. Republican Administrations have spent a total of \$47.33 billion of your money—and kept the country at peace. Democratic Administrations have spent a total of \$636.70 billion—and kept the country at war, hot and cold.

Republican Administrations have spent, on the average, \$1.89 billion per year; Democratic, \$25.47 billion. To pay for their irresponsible, wasteful actions, the Democrats taxed us as never before. Their fumbling mismanagement of our economy inflated and cheapened our dollar to the point where savings, insurance policies, annuities, and old-age pensions are worth approximately half their original value in terms of purchasing power. Much of our strength has been sapped, our well-being impaired.

These are facts that should be shouted to every taxpayer, every depositor in a savings bank, every little fellow with a fixed income, including widows and orphans. What you can buy with your savings or income has been whacked in half. Let's see how it happened.

It Began with Wilson

In the spring of 1910, Woodrow Wilson was completing his eighth and most turbulent year as president of Princeton University. Long known as a great teacher, as university president he had shown himself, however, to be impatient, dictatorial, and vengeful. He also spent so much more than the university's income that it faced insolvency.

Wilson used his college presidency to political advantage. Once elected Governor of New Jersey, he turned against and publicly smashed the man who had put him in office—James Smith, Jr., New Jersey's Democratic boss—thus further enhancing his political appeal by establishing a reputation for opposition to bossism. He then about-faced and used patronage to make Smith's organization his own. Of course, few people knew of the questionable conduct that lay behind Wilson's sterling reputation. And when Republican unity was shattered by the split between Theodore Roosevelt and William Howard Taft, Wilson was elected President in 1912.

Shortly after his inauguration he established what was to be the pattern for Democratic Ad-

ministrations. He procured in 1913 an amendment to the Constitution authorizing direct taxation of income. Later, under Roosevelt and Truman, this was to lead to incredible government spending and damaging inflation, financed by oppressive taxation. From less than \$8 per capita in 1913, federal spending grew to \$144 per capita in 1920, an increase of some 1700 per cent.

More Power to the Executive Branch

Wilson not only tinkered with our money, but he also dislocated business by altering tariff, banking, and currency laws, and by sponsoring government ownership of a merchant fleet. In order to force his will upon the American economy, he arrogated to his executive branch many of the constitutional prerogatives of the legislative branch of the government. He established what the *New York Times* called a "more autocratic and relentless administration of the legislative power from the White House" than had been experienced in our entire history. And the *Times* was a Democratic newspaper.

Although Wilson ordered a military invasion of Mexico in his first term, he won re-election in 1916 on the ground that he had "kept us out of war." Five months after his re-election he persuaded Congress to declare war on Germany. His incompetence in the conduct of the war and his lack of leadership in the executive agencies were concealed by rigid censorship. Though these weaknesses were well-known to the enemy, U.S. newspapers and magazines were punished for revealing them. It was not until April 1918, when German armies had almost reached the Channel ports, barely 100 miles from Paris, that American forces were sent abroad in significant numbers.

In 1918, after the war ended, Wilson's high-handed methods began to catch up with him. After failing in his attempts to negotiate for peace and to establish the League of Nations, he plunged into futile conflict with Congress. In September 1919, he suffered a paralytic stroke. But his ambition and his belief in his own indispensability led him to hold himself available for a third term—a pattern that was repeated in 1940 by Roosevelt.

Three Republican Administrations succeeded Wilson. They had their faults, as everyone knows: the graft under Harding; the placid optimism of Coolidge, the lack of popular enthusiasm for the Hoover Administration. Still, the period was one during which Presidents were *executives*, not dictators; constitutional limitations were respected; government revealed an increasing sense of responsibility to the nation; we lived within our income, and our debt was reduced by 40 per cent—nearly twelve thousand million dollars!

In 1932 Franklin D. Roosevelt was elected President, and the second Democratic Administration of the century followed a pattern similar to the

first. It became apparent almost immediately that Roosevelt wanted dictatorial executive authority; wanted to transform Congress into a rubber stamp, just as Wilson had done.

Roosevelt promised reforms that would pull the nation out of the depression and establish social justice in line with modern needs. In seeking to keep these promises, he violated the Constitution by increasing the power of the executive branch. Bills were written by executive aides, carried to the Hill, and there enacted into law. When the Supreme Court declared some of these laws unconstitutional, Roosevelt retaliated with his famous court-packing scheme. Soon after Congress refused to enlarge the Court, four vacancies occurred, and the President's appointments resolved the issue in favor of the White House.

Parallels to the Wilson Administration increased year after year. Wilson's penchant for private advisers was easily exceeded by Roosevelt's entourage of "brain-trusters" and "bright young men." Wilson had led the United States into armed conflict while "keeping us out of war"; Roosevelt campaigned in 1940 on a platform for peace, and shortly after his re-election the U.S. entered World War Two. Wilson had undertaken to plan, negotiate, and decide for the country; Roosevelt bound it to carry out policies arrived at in secret conference—some of them almost fatal in their consequences.

Soaring New Deal Budgets

Roosevelt initiated a program of spending that made Wilson look like a miser. The population of the United States increased by 6 per cent between 1933 and 1940, while its federal expenditures soared from \$4,623,000,000 to \$9,183,000,000, an increase of more than 98 per cent, or about \$285 per capita. And these were the years of peace.

Though he knew his health to be seriously impaired, Roosevelt contrived his nomination for a third, and then a fourth term, at a time when nomination meant election.

Roosevelt's successor, Harry Truman, as a senator had built a reputation for sincere and conservative service to the nation. As President, however, his dedication to the New Deal philosophy of spending, his Wilsonian wilfulness, and his more than Rooseveltian willingness to justify means by ends were soon revealed. He lost whatever humility had been his on taking the oath of office. From an humble man he was transformed by power into an extreme egotist. He showed a stubborn and dangerous inclination to entrust great and complex problems to second- and third-rate minds. This course, supported by unreasoning loyalty to Pendergastism, soon made of the executive arm of the government what has been called "a conspiracy of mediocrity"—and was, perhaps, worse than that.

The budget again soared. In 1950-51, federal expenditures exceeded \$47 billion. For 1951-52 the

President submitted a budget of \$71 billion, or about \$2,200 per capita (as against \$8 per capita in 1913 and \$144 in 1920). The unbelievable spending of the third Democratic Administration of our century was financed by paralyzing taxation. It has produced the greatest inflation the nation has known in modern times. In a period when we should have been rebuilding our strength, we proceeded to weaken our economy.

Today income taxes are paid by more than 41,000,000 persons. The number has constantly increased. We have taxes on business that eat up as much as 82 per cent of business income. We pay direct federal taxes on such items as automobiles, radios, luggage, matches, electricity, telephone calls.

During twenty-five of the last fifty years, we Americans have been taken for a political joy ride through a confused world of peace by means of war, of prosperity by taxation and inflation, and of big jobs undertaken by little men. Today, the electorate is witnessing the first attempts to correct this disastrous situation. Our greatest chance for peace and a stable economy must come from the present Administration. Its real task is that of establishing effective, constitutional, and clear-headed gov-

ernment through a party that knows how to *earn* votes rather than how to *buy* them by hysterical alarms. Lean times and a sound tradition have kept the Republican Party from excesses.

The Democratic Party became a captive of its own former political success. In plain truth, the Democrats lost control of their party to a few patronage chiefs. We had an incompetent government, weakened by corruption, which cheapened our dollar and left us adrift on an engulfing sea of debt. We can still reach a safe port if we wake up—and there are signs that our eyes are beginning to open.

The voyage ahead is not a smooth one. It will take a long time to undo twenty-five years of Democratic bungling that led us into three wars and to the brink of insolvency. Such dissipations are not cured overnight, or in a single term of office. The elections for the next five to ten years will tell the story, will pose the basic political problems we have outlined.

These are some of the things the Republicans should keep telling the American people, this year and in 1956, without pulling any punches. If the records of the two parties were reversed, would the Democrats hesitate to reveal the Big Truth?

THIS IS WHAT THEY SAID

It is fortunate, in an atomic age, that the principal adversary is totalitarian Bolshevism rather than totalitarian Nazism.

ADLAI STEVENSON, second lecture at Harvard University, March 18, 1954

It [the United Nations] has already achieved the peaceful settlement of difficult issues. It has stopped hostilities in the Near East and in Indonesia.

HARRY S. TRUMAN, speech in Little Rock, Arkansas, June 11, 1949

The Rangoon press are generally agreed that Mr. Vice President Nixon who was here for three days . . . was, with all his handshaking and hail-fellow-well-met manners, a disappointment. The *New Times of Burma* thus reported his arrival in a banner headline: "Mr. Nixon comes empty-handed."

MAUNG MAUNG, of Burma, in a letter to the *New Republic*, December 14, 1953

Eleanor Investigates

She [a French journalist visiting America] tells me that she was surprised at first to find how implicitly a great many people believed in Sen. McCarthy's accusations about Communists in our country. Her remark was, "Conditions here are

not conducive to the creation of Communists and I have found none myself." This should be reassuring to those who believe that Sen. McCarthy alone can save us from this menace. I cannot help believing that overwhelmingly our people in government service are not tempted by Communist theories, and outside the government service, I have found remarkably few.

ELEANOR ROOSEVELT, syndicated column, March 23, 1954

It may well have been that had China been given her seat in the United Nations the Korean war might never have started.

CLEMENT ATTLEE, *Foreign Affairs*, January, 1954

Logic of a Liberal

The most successful spy in the last war was probably Richard Sorge, a Communist who penetrated the Nazi diplomatic service. . . the most effective Communist infiltrations in the American Government were. . . in SCAP when it was commanded by General MacArthur, and in our Military Government in Germany when it was commanded by General Eisenhower. . . Surely the moral is that right-wing leadership is not a much better guarantee against Communist penetration than liberal leadership.

ARTHUR M. SCHLESINGER, JR., in his review of *The Web of Subversion* by James Burnham, *Saturday Review*, March 20, 1954

Poland's Hand in Our Pocket

By J. A. SAM

When Poland's consulates were closed recently, it seemed that the State Department had slammed the door on the last Soviet satellite mission in this country—outside of U.N. delegations, of course. Actually, the closure still left wide open a state-controlled Polish trading post that is turning the charity of thousands of Americans into a steady supply of hard U.S. dollars for the Warsaw tyranny.

This trading post operates on two assumptions: that Americans of Polish descent have an almost bottomless generosity toward people in the "old country," and that the United States government, even though hard on diplomatic missions, is dependably soft on Communist trading agencies in this country.

The generosity is a matter of record. Since the end of 1945, when U.S. post offices began to accept parcel post for Poland, through 1953, more than 125,000,000 pounds of various gifts have been sent. The value is estimated at a dollar per pound—\$125,000,000.

Warsaw's canny tradesmen wasted no time in exploiting such generosity. In 1947, the Polish government set up its own gift business in this country under the name of PEKAO, the initials of the prewar American agency of the state-owned Polish Savings Bank. A preposterous official exchange rate (100 zlotys per dollar compared to 2,000 per dollar unofficially) kept business slow. Next, however, PEKAO tried to lure dollars with the offer of delivering in Poland, for a payment here, goods produced in Poland or in some other "people's democracy." The advantages, PEKAO claimed, were that Americans could send, say, such supplies as coal and that PEKAO would guarantee delivery, whereas parcel post had to go uninsured. Still, the customers stayed away—possibly sensing the duplicity of the Red trade grab.

Now it's all different. PEKAO has become, in effect, the only practical means of sending *anything* to a friend behind Poland's bayonet-guarded border. On February 9, 1954, the Warsaw regime imposed altogether prohibitive customs duties on all gift packages which hitherto had entered Poland duty free. Now the only gifts that can get to Poland duty free are those sent through PEKAO! Simple—and effective.

Here is how it works. If someone in this country decides to send a friend in Poland a pair of shoes, he will discover that the recipient will have to pay a duty of 150 zlotys, or \$37.50 at the official exchange rate. That is, he will have to pay it if the shoes go by parcel post. If, however, the donor goes to PEKAO or its agents and buys the shoes,

they will be delivered without any duty at all. The cost of the shoes, about \$12.00, is the entire expense involved. The shoes will be Communist-made, and the profit will be Communist.

If—particularly in the case of wearing apparel which, as delivered by PEKAO, is far below American standards—a Pole could afford to pay the high duty, he might still come out ahead of the game. The pair of shoes, for example, might cost as much as the equivalent of \$87.00 if bought in Warsaw. But the dollars from the duty on PEKAO shoes would feed the Communist treasury.

Foodstuffs present more complicated problems. A pound of coffee, bought here and sent parcel post, will cost its recipient in Poland an unthinkable \$11.40 in duty. Instead, PEKAO offers such bargains as this: for \$15.00 a donor can provide nearly five pounds of coffee, a pound of tea, four pounds of cocoa, and a package of pepper. Bought here and sent parcel post, the duty alone would amount to \$102.50.

Just in case someone doesn't get the point, the Communist regime in Poland already has started "suggesting" that "benefactors" in America be asked to deal through PEKAO. The result, so far, is that PEKAO's business steadily is rising.

In its first seven years of operation PEKAO did not have a monopoly of the gift business to Poland. Then the satellite government asked CARE and HIAS to stop their work of feeding and clothing the needy in Poland. Surely, logic would seem to indicate, America would retaliate by closing PEKAO. Not at all. Instead, other Soviet satellite "gift agencies" were permitted to open. PEKAO was perhaps amazed—but certainly secure. The tariff move followed quickly.

Yet, what would have happened if America had closed PEKAO? Would needy Poles have been denied help altogether? Probably not. Poland still is desperately short of consumer goods. Under the new "line" of raising living standards behind the Iron Curtain this shortage must be eased. Gifts play an important part in doing that. If the gifts also can supply dollars for the government itself, so much the better—for Malenkov's Polish corps. But, dollars or not, the gifts in all likelihood would have been needed badly enough for Poland to continue to permit parcel post, duty free delivery.

Just how great a "gift" to the entire cause of Communism this operation can be is obvious when one realizes that dollars collected by PEKAO are unrestricted as to where and when spent. They can buy war materiel, for instance, just about anywhere—with no one to trace their source. Our ban on the exporting of war materiel to the Red bloc could be made entirely ineffective, thanks to the operation of such trading agencies as PEKAO.

In view of that, the closing of the consulates seems a less than effective gesture after all. Hitting Poland in its pocketbook by closing PEKAO would hurt far more.

The "Equal Time" Problem

By JAMES LAWRENCE FLY

In giving "the other side" a chance to answer attacks the radio-television broadcaster runs into such snags as who should answer, when, why, and at whose expense.

"Free Time Issue Stirred Anew . . . Many-sided controversy still plagues the networks." So the widely read trade journal, *Broadcasting Television*, on March 22, headlined a discussion of Senator Joseph R. McCarthy's demand for equal and free time on the air to answer Adlai Stevenson.

On an entirely different level—geographically and politically speaking—the *Radio Daily* in its issue of the same date proclaimed: "Free Time Hassle in New Jersey." This hassle involves the demands of New Jersey's Republican-controlled legislature for equal radio time with Democratic Governor Robert B. Meyner, who has a free half-hour weekly broadcast for a report to the people of the state.

What does all this mean so far as it concerns the broadcasting and television companies, those individuals or groups demanding free time, the public, and finally that much besieged agency, the Federal Communications Commission?

The general principle is simple enough. When Edward R. Murrow used the CBS-TV network for thirty minutes to attack Senator McCarthy, the network offered the same time and facilities on a comparable date for the Senator's response (televised April 6). This exemplified the prevailing standard of the broadcast industry. In following this principle generally the industry ranks above the normal practice of our press.

Before going into more case histories, however, let me point out that Section 315 of the FCC Act itself requires that a station making time available to a candidate for political office "shall afford equal opportunities to all other such candidates for that office." This means equality in time, facilities, and cost to the station or network. Which is entirely fair but may not altogether represent fair play. For nothing is said of the candidate's supporters, his party's other speakers, his campaign manager, state or national committees. Nor does the statute mention any public figure or official attacked. Omitted also is reference to controversial issues, state or national, or to the right of the radio-TV audience to see and hear both sides of such issues.

The statute did, however, lay a solid, if narrow base for the building of an over-all structure of fair play. This structure has evolved gradually over a period of thirty years as radio itself has grown to responsible maturity. At times the Commission has augmented the growth of a sound

policy by preachment, by inquiry upon complaint, by advice, and more recently by appraising in hearings the licensed station's record of fair play as to candidates, individuals, and public controversial issues.

A Letter to La Guardia

One of the more intriguing bits of "advice" came during my years with the Federal Communications Commission. Mayor Fiorello La Guardia was quite a free-wheeler on his Sunday talks on WNYC (New York City's municipal station). At one stage he was leveling his criticisms at Thomas J. Curran, Chairman of the Republican Committee for New York County, on the Aurelio judgeship election. Mr. Curran persisted in a demand for equal time to counter-attack. The Mayor at last agreed to follow my advice. As reported in the *New York Daily News* November 15, 1943, this advice went substantially as follows:

The Mayor staged the reading of the Fly letter with a lot of drama designed to make WNYC listeners think they were opening the letter with him for the first reading. They could even hear the envelope being torn open . . .

Here in part is what Chairman Fly wrote:

"I assume that when any speaker enters the field of controversy on any current problem, or where any speaker, political or otherwise, makes charges of a serious nature against responsible persons or organizations, the least the opposition should have is equal opportunity to present to the public its own answers to any charges made. I should think that this principle is only accentuated when there is something accusatory in the original broadcast . . . There is the fact that your language appears to me to be somewhat accusatory in nature in that you lay the blame for the Aurelio election, which is assumed to be unwholesome, on the doorstep of the Republican organization . . .

"But therein lies the danger. In terms of the over-all operation of the mechanism of free speech in the broad public interest, it is ever so essential that the public be not, through one-sided presentation, led to think on any subject as either or both of us may think. The question of fact is serious, the blame sought to be placed upon the Republican organization is serious, and that organization raises a responsible voice seeking to be heard.

"This leads me to the thought that the public is entitled to hear them and that the Republican County Committee should be enabled to express its views. The time and facilities extended to the Republican organization should be no less desirable or effective than that enjoyed by you."

Nor is this strictly political controversy an exclusive example of what the communications industries are up against. Not long ago in San Francisco an atheist demanded time on the air to answer a local minister who had opposed his contentions in terms offensive to him. He succeeded in carrying his claim up to the FCC, which concluded that he did have a right to free time to answer his adversary. There was, of course, a deluge of complaints on the Commission's stand, some from members of Congress. Nevertheless, the decision was adhered to—with no dire consequences, at last report, to the minister who originated the discussion, nor any increase in the atheist's following.

To take another difficult case, the Communist Party (which is a legally recognized political party in a number of states) during a recent Presidential campaign demanded opportunity for time on the air and television equal to that of the major parties. The networks were hard-pressed, and appealed for a decision to the Chairman of the FCC. The answer was simple. The Communist Party was entitled to buy at the same cost the same amount of time as the two major parties. The Communist Party was not, of course, in a financial position to take full advantage of its "equal opportunity." The principle of equality set forth in Section 315 of the FCC Act was preserved, while the Communists were able to utilize only a few minutes here and there.

A Modern Town Meeting

As these examples show, equal broadcast facilities are generally made available (a) for the response of an opposition candidate; (b) for debates between members of the same party; (c) for the person attacked; and (d) on controversial issues for proponents of both sides. Indeed, in this latter area, the broadcaster must recognize the existence of the important issues of the day and seek to provide fairly apportioned time to speakers on both sides. For in the final analysis it is the citizen who has the responsibility of decision, and in fulfilling it he must be well-informed. This is the modern counterpart of the market place of ideas whose history includes the town hall debates of earlier years.

Most informed Americans, I think, will agree that the foregoing represents sound public policy. However, there are a myriad of deviations, e.g., multiple-sided issues, multi-number of persons attacked in one broadcast, and so on, that defy the accurate and complete application of this policy. They also defy any effort at codification.

To begin with, it is not clear that the Communications Commission has legal authority to codify in this broad area by specific rule. It is certain that it does not have the time. The Commission has a tremendous backlog of work concerning the fast expanding television industry, and relating to a number of long pending and urgent policy problems.

Now we come to the really tough question—whether or not anyone is capable of satiating this yearning for detailed certainty. Let us take a brief look at a few of the questions.

Some Baffling Questions

When is a talk one-sided, or politically partisan? Or conversely, when is it a report to the nation or the city? Recall the "fireside chats," Roosevelt at Chickamaqua Dam, La Guardia on Sundays, and currently President Eisenhower "reporting" on the tax program. The latter was a well poised talk, devoid of extreme partisanship, but frankly in support of the Administration's tax measure. The issue is current, national, and important; and there is substantial opposition. Yet if one concludes that the public is entitled to hear and see the opposition, he arrives at a judgment. For the answer to all the hundreds of such cases cannot be found in Article IV, Section C, paragraph 3 (a-7).

If a detailed code, ruling on every possible case, were drawn up, who would in this instance be entitled to answer? The Democratic national chairman, the Democratic leader in Congress, the particular leader of the opposition on this issue? Repeat the question for associations and groups of individuals, and proceed to codify. While doing so, remember that many basic issues are at least four-sided.

Suppose, as sometimes occurs, a dozen or more individuals are pricked by a speech. How many do you say are entitled to broadcast time? Which ones? Now sharpen your pencil and codify this one: When is a charge or criticism weighty enough in the public interest to warrant the commandeering of public broadcast time?

Hearings (frequently with one man on the air continually), debates, controversies, often rage on day after day, with much detailed repetition and varying broadcast coverage. Spell out who is entitled to time, when, how much, and over what facilities.

Now tackle the question is to the amount of time. Shall we say the same time as the first speaker used on the particular issue or personal attack? Would you say one phase of the tax bill rates two minutes or four and a half? There is a five-second, name-dropping charge of Communist membership and associations. Does the person so named get the same five seconds? Or five minutes? Or thirty minutes?

And what of the response? Perhaps it will be a counter-attack on other points. Is the original speaker in turn to be given the time to broaden his assault? Just when does the broadcaster cease his coverage? In this connection we must never lose sight of the fact that the dominant interest is that of the public. It is entitled to full information on lively issues. It should never be burdened with the trifles of endless repetition.

The whole field of newscasts and comment has its own problems. The news reports themselves may be slanted. An impartial and able commentator will state his views. Certain well-known commentators are slashing protagonists. At some point a response is clearly in order. It is easy enough to form a statement in line with accepted principle. Categorization is another problem.

The accusing commentator is sponsored. The sponsor ought to give time to the accused. Alcoa did just this on "See It Now." The accused has no money. If the sponsor does not yield (and who can force him?), must the broadcaster give equal opportunity or must he donate the time? A ruling or policy statement is in order on this one controversial point.

But, by and large, the whole search for certainty is elusive. The deeper the search, the more baffling it becomes. Assuming that you do succeed in codifying, there exists no legal machinery to handle the coverage required in so vast and controversial an area. The operating burden would increase, thus adding to the number of those broadcasters, at present but few, who shirk the defined duty to bring issues to the public by refusing time to the first speakers.

The broadcaster has a clear public duty. Broadcasting today is a cornerstone of our democracy; and in at least this particular regard, the American industry is the greatest of the world's mechanisms of free speech. In general, its operations have been guided by sound judgment, applied in the hundreds of instances that arise from day to day in an age of controversy. There is, and can be no effective substitute for the day-to-day judgment of the broadcaster. So long as that judgment is within the bounds of fairness and sound public policy, he must not yield to coercion or be swayed by the ill winds of conflict.

In this commotion, it must be remembered that broadcast time is worth, and costs, much money. It must be remembered also that broadcasting is a private industry (and should remain so), that its directors are businessmen with a rightful interest in profit. The public itself cannot afford to kill the goose. . . .

In Time of Intimidation

Dip your fingers into earth
As well as into money:
Otherwise there shall be dearth
Of both bees and honey.

Tell the truth to any state
And have no fear of talking:
Lest there never shall abate
Endless empty walking.

WITTER BYNNER

Letter from Spain

Smiles for Americans

By JAMES BURNHAM

I could hardly have picked more appropriate days for reading Washington Irving's *Tales of the Alhambra*. We have rooms in the *parador* (inn) of San Francisco, operated by the government tourist office in a once Moorish building that at the end of the fifteenth century, after the Christian conquest of Granada, became a Franciscan convent. It lies within the Alhambra's walls, almost on the crest of the hill. Only a short walk distant, I can roam at will with Irving's genial ghost through the elegant colonnade of the Court of Lions, the soaring Court of Myrtles with its long marble fish pool, or the lyrical garden of Daraxa deep within the summer palace of the Moorish kings.

If Irving, following the example of his own Rip Van Winkle, had slept the century and a quarter away in the "old enchanted pile" of the Alcazar, and now awakened, he would still, here and throughout Spain, find much that is unchanged. Spain is still immensely romantic. There is nothing elsewhere like the remote fortress towns with their close-packed tile-roofed houses that cluster out of the mountainside like a thrust of natural rock. The gardens of England, France, and even Italy seem almost prose compared with a Spanish garden—the gardens of Seville's Alcazar, let us say, with the never repetitive use of both the sight and sound of water, the constant surprise of new vistas, the overlaid centuries bodied in blackened fountains of a dozen styles, in half-ruined walls, in ancient trees and vines. The whole presents not to the abstracting mind but to the enraptured senses that greatest of the discoveries of romanticism: *la durée*—Time as a living dimension.

Romantic—and Backward

As in so many countries, not a little of Spain's romance (or what a stranger finds romantic) is linked, perhaps inseparably, to what is from an economic and social standpoint backward and underdeveloped. The fortress towns are marvelously picturesque, but they are almost impossible to get to, and most of their streets have no room even for a car, much less a truck. Mattock-wielding peasants make nostalgic pictures for the *Geographic*, but more tractors would help the food supply. Donkeys with colored straw trappings are gay, but diesels carry much more. Small shops of artisans making rugs or pottery in the Phoenician manner are quaintier than mechanized factories, but they prohibit a high general standard of living. Part of Spain's romance is tied to its poverty.

I do not mean to suggest that the Spanish

economy is throughout at a peasant and artisan level. There are some thoroughly modern farms, factories, and methods. There is a surprising amount of electrification. Nevertheless, Spain is economically far behind most other European and North American nations. Many Spaniards, especially of the middle and professional classes, are expecting closer relations with the United States to stimulate a rapid economic change and development. These Spaniards look upon the United States as the great revolutionary force of this century, and they welcome the revolutionary intrusion. They believe (how accurately I do not yet know) that the government, or least Franco and his principal associates, are with them in wanting progressive changes, but that what remains of the aristocracy and the great landed proprietors are on the whole opposed.

Nearly all Spaniards seem to be, for the moment at any rate, pro-American. We are driving a British car, with a "GB" plate that indicates British registration. Asking directions, or merely responding to the chatter of those who swarm around a parked car in most villages and towns, we have time and again remarked an initial coolness that changes at once to friendly smiles if it comes out that we are in reality *Norteamericanos*. Anti-British feeling is probably not widespread outside of the Falange and the official circles that are promoting it, off and on, for the purposes of current policy. But pro-American feeling goes well beyond neutrality. On the official side, Americans are better treated by customs officers or police. But it is not just an official matter. We had lunch the other day at a tiny *posada* in Alcala de las Gazules, a mountain village on the back road to Seville. The proprietess beamed without interruption when she learned that we were Americans—the first, as it turned out, who had ever stopped there.

The Spanish Press on "McCarthyism"

The United States is the chief subject of the foreign news in the press. Not only the mutual aid program, but all sides of American life, are followed eagerly. Senator McCarthy is almost as sure of headlines here as at home. As a political phenomenon, he fascinates the Spaniards. At first, in contrast to the furious anti-McCarthyism of the French, Italian, and British press, the Spanish papers seem pro-McCarthy. Actually, they are about as objective as any commentators, either at home or abroad, have found it possible to be. They puzzle over the motives of those who seem to them to oppose not merely McCarthy but all efforts to un-earth Communist influence. They discuss the groups and forces that line up as pro- or anti-McCarthy. An acute recent article in a Madrid paper analyzed what it defined as the obsessive relation of the anti-McCarthy press to the target of their obsession. The article made a statistical summary of the

New York Times for February 28, and showed that McCarthy figured in its columns with an intensity never given by *Pravda* to Stalin. One of its conclusions was that McCarthy as a political force and symbol is in considerable part a product of the anti-McCarthy press.

The Spaniards believe that the present agreement with the United States is much more than a temporary and limited accord. They see in it a basic shift in Hispano-American relations, as well as a phase of a potential shift in European and African power relations. They do not hide from themselves the reality of world politics as a struggle between the two power groups headed by Moscow and Washington. They think that Washington has been learning how little reliance can be put on France, Italy, and even Britain. They thus see for Spain an important and expanding role in the Western power bloc. They know that this role must be secondary, but by virtue of their own political consolidation, their strategic position, and their actively pursued interest in both Latin America and North Africa, they feel that Spain can be more than tool and puppet.

Whether the present pro-American current goes deep enough to carry through the inevitable conflicts of particular policy that lie ahead, the heavy brake of Spanish bureaucratism, the quoxotic irrationality of Spanish pride, and the inevitable misdemeanors of soldiers quartered on foreign soil—as American soldiers will soon be quartered here—we shall have to judge hereafter. Meanwhile, it is a pleasant and unusual experience for Americans in these anti-American days to be among those who seem to enjoy their presence for something other than the dollars they bring.

Night Song

I measured sorrow by the stars,
And found that it was small.
Under the heavens' ruthless light
Grief mattered not at all.

Across the cold and punctual dark
On cosmic errands went
Aldeberan and Sirius,
Bright and indifferent.

Tonight beneath a leafless tree
We stand, my love and I,
And briefly measure happiness
Against the glittering sky.

Like silver birds the stars come down,
From their high orbits led,
And perch, for love, in our own tree
An arm's length overhead.

EMMA GRAY TRIGG

A Second Look

By EUGENE LYONS

The Land of the Fat: Has it occurred to you this is the only country, and probably the first in history, in which dieting and weight reduction are almost universal preoccupations? In which foods and beverages are especially praised and recommended as lacking in nutritive value?

The fight against fat, the campaigns against calories, the struggle against starches have enlisted the energies of armies of physicians, dieticians, quacks, drug manufacturers, food and drink processors, insurance companies, and above all, advertising specialists. Dr. Gallup is authority for the statistic that 34,000,000 Americans, more than a fifth of our population, *know* they are overweight and therefore worry about it. The American Medical Association proclaims that fat is the nation's greatest single health hazard. Fame and fortune await the genius who one day will succeed in purging the national menu of its last lone calory.

I herewith pass on these ruminations to any economist or sociologist whom it may concern. The fact that in these United States overeating is as much of a problem as getting something to eat is in the rest of the world is worth a second thought. And talking of fare without nutritive value leads me neatly into another subject, though it is fare on the mental rather than the physical level.

No-Cal Enlightenment: In a weak moment (which in my case, alas, means almost any time) I agreed to take part in one of those television debates on public issues. It involved a trip to the city and disruption of other plans. There was no honorarium. But the subject broke down my resistance. I felt that I could not in good conscience refuse a chance to speak up on so burning—well, smoldering—a question.

I ought to have known better. Discussion of the selected problem that evening was limited to fifteen minutes, with two champions on each side of the issue, a moderator, an announcer, and a sponsor's man to split the time among them. Provided he or she possessed a powerful voice and subway rush-hour manners, each of the four debaters could thus count on about three minutes to present his case.

Both my voice and bad manners were equal to the challenge. I not only grabbed the three minutes but managed to chisel thirty or forty seconds from my colleague and my honorable opponents. It was not quite enough to state the question, let alone explore an answer. Besides, the contest for time was so raw and ruthless that there were

intervals of mass shouting which could not have been too enlightening to the palpitant millions presumably listening in the great beyond.

On emerging from the *melée*, I was chiefly aware of my own frustration. But on the train back home I began to wonder what those viewers and listeners got out of their investment of time. By the time I reached Chappaqua I had the answer: nothing, less than nothing! For surely if anyone in the vast audience had started with a consistent view on the problem we had handled, he must have been thoroughly confused and dizzied when the program ended.

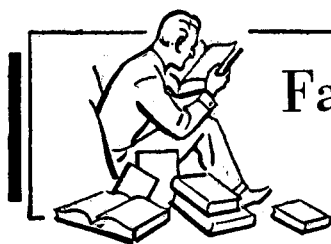
Since then a suspicion has prospered in my mind—the suspicion that the rash of debates, forums, discussions, etc. on the airwaves is a pretentious hoax on the public. The supposition that anyone is really enlightened, let alone convinced, in these quarter- and half-hour squabbles is pretty far-fetched. At most they establish who among the participants is loudest and glibbest.

And matters are scarcely improved by the theory, universally accepted and applied, that such intellectual fare must be spiced by the inclusion of at least one beautiful girl, whose main and generally sole warrant for expressing views on local, national, and international affairs is her sex appeal. Normally, the only points she contributes are anatomical. But who am I to complain? I, too, have listened intently to opinions issuing from ripe ruby lips set in a lovely face—opinions which, had they come from under a moustache, male or female, I would have ignored.

U. N. Follies: An aura of make-believe surrounds the labors of UNESCO, the educational, scientific, and cultural branch of the United Nations. Its attempts to tailor high-minded ideas to fit an aggregation of countries that includes low-minded totalitarians are, in the nature of the case, productive of grotesqueries.

UNESCO has just proposed, for instance, formation of a cooperative international news agency, based on the six largest existing agencies, among them my old alma mater, the Kremlin's TASS. I am not at all sure that a global supra-national organization to gather and spread news is to be desired. Competition, in this as in most other fields, is what gives the poor ultimate consumer a sporting chance.

But desirability aside, there is something fantastic in the notion that TASS, which defines "news" and "truth" as anything useful to the Soviets and glories in its big lies, could work in harness with privately owned democratic news outfits. TASS, the UNESCO report states, even refused to cooperate to the extent of providing information about its operation. But this did not dissuade the United Nations from making its proposal. Happily, there isn't the remotest chance that Malenkov will go for it.



Facts and Logic re McCarthy

By MAX EASTMAN

As I was pretty thoroughly mauled by my liberal friends for the enthusiastic welcome I gave to young Bill Buckley's brilliant first book, *God and Man at Yale*—with a large part of which I disagreed—I feel vindicated as well as delighted by the all-round excellence of this new book (*McCarthy and His Enemies*, by William F. Buckley, Jr., and L. Brent Bozell, 413 pp. Henry Regnery Company, \$5.00). Bozell, Buckley's brother-in-law, is a lawyer, which is a good thing to be when you are sailing into this McCarthy fracas with the fantastic idea of using your brains about it. That is what these authors have done, and the result is an elevation of the whole controversy into an atmosphere in which a sane and civilized mind, seriously anxious about the destinies of the republic, can find air to breathe.

The book leads off with a brilliant prologue by William S. Schlamm—so brilliant, and so convinced about matters to be weighed carefully as one reads the book, that it would better be read last. The authors begin their own text with a sobering description of the background of the fracas.

First, the increased seriousness of treason in a time when, as Churchill said, "it is certain that Europe would have been communized. . . and London under bombardment . . . but for the deterrent of the atom bomb in the hands of the U. S." Second, the fact that Communism is not a proposal for political change which must "take its chances in the market place of ideas," but "a political-military conspiracy." (I myself, after struggling for years to get this fact recognized by a few readers and audiences, give McCarthy the major credit for implanting it in the mind of the whole nation.)

Third, the fact that we are, and have been since 1945, at war with international Communism. This war remains undeclared by us, but has been declared by the U.S.S.R. Communist Party as well as the Cominform in hundreds of official documents, speeches, resolutions, available in every good library in the world. Fourth, the incredible laxity of the State Department, its seemingly pathological deafness to notifications of disloyalty and subversion among its employees. This dates from the exposures made by Whittaker Chambers and Gouzenko, includes the *Amerasia* case—a prodigy of indulgence toward treasonable activities having no precedent, I believe, in the history of self-

respecting governments—and continues right up to the present moment when John Paton Davies and other security risks are still hanging around.

Throughout a period of two and a half years preceding McCarthy's entry into the picture (during which time 16,000 investigations had been conducted) the State Department's record was as follows: fired as loyalty risks—none; fired as security risks—none; adverse loyalty determinations—none; adverse security determinations—two. . . During the same period. . . a total of well over 300 persons were discharged for loyalty alone in other branches of the government.

As the State Department is primarily responsible for the fact that our Communist enemy is "sitting astride the resources of half the world" (to quote a recent lecture by George Kennan), this fourth factor is not unimportant.

Having thus painted in the background, the authors proceed to a conscientious, detailed, and statistical history of Senator McCarthy's crude efforts by congressional exposure to compel the State Department to take action against subversives, and the more subtle, but not more scrupulous, efforts of the State Department and its defenders to frustrate and defeat him. They tell exactly how, and through what agencies, the two-sided hysteria about "McCarthyism" got going, not sparing McCarthy where his was the fault, and not exonerating those of his enemies who were out to "get" him by fair means or foul. There is an exhaustive—and unless you care vitally about facts, exhausting—analysis of all the "cases" in which McCarthy raised the question of loyalty or "security risk" about any person—what he said and what happened afterward.

Two things to be learned here that you have never seen in the newspapers are: (1) that "within one year after the Tydings committee had unambiguously cleared all persons on McCarthy's list," and formally reported to the Senate that his charges, one and all, were "a hoax and a fraud"—within one year the State Department itself put into loyalty-security investigation 49 out of the 62 persons on the list! Moreover, of these 49 persons, 18 were subsequently separated from the Department. (2) "McCarthy has publicly accused, as of questionable loyalty or reliability, a total of 46 persons." Twenty-two of these were incidentally mentioned as undergoing investigation, or mentioned in quotations McCarthy was making from the reports of other investigators. "It is, consequently, on the

basis of charges against twenty-four persons that McCarthy has earned his reputation as 'a wholesale poisoner, a perverted destroyer of innocent reputations.'

To make the book easy to read, the more elaborate statistics have been relegated to an appendix. A feature to be examined there, before joining the McCarthy-baiters, is a list of his most extreme statements about each case drawn up in parallel columns, on the one side those made under congressional immunity, on the other those made in the open.

Unfortunately, the data analyzed in this book extend only to January 1, 1953, but as the hysteria was full blown on both sides by that time, the battle lines drawn, and the epithets sharpened and polished, this is not a damaging drawback. There was indeed a quieting down of tone and tactics on both sides after the Eisenhower Administration came in.

The book concludes with an earnest and closely reasoned discussion of the basic question of freedom and conformity in a democratic society. The assertion that there is a "reign of terror" directed at all who disagree with Senator McCarthy is dismissed quite properly as "irresponsible nonsense." But that no human society could possibly exist without *some* conformity, and that there are good as well as bad conformities, is forcibly brought home to us. "We rightly deplore the 'conformity' that obtained in Germany during the thirties. . . . But we may speak also of the 'conformity' of English sentiment on, say, the subject of parliamentary government—and with some enthusiasm." Long before McCarthy went to work, our American society had decided to achieve such a conformity upon the issue of Communism versus democracy. It is this one conformity that McCarthy and the other investigating committees, the courts, and various other institutions are seeking, not to create, but to enforce. And they are employing in the effort all the customary sanctions, legal, social, and educational.

The confusion of this effort with an attempt to enforce conformity in general, restrain the free flow of ideas, or inhibit the proposal and advocacy of *new* ideas, is fatal to sound reason on the subject of freedom. "Our Schumans, Shapleys, and Lattimores," say the authors, "have become unacceptable not because they are known to hold ideas and values at variance with those of the majority of Americans, but because they expound a *particular* set of ideas and values which Americans have explored and emphatically rejected, and because the propagation of these ideas fortifies an implacable foreign power bent on the destruction of American independence."

Such is the general outline of the book. Its outstanding features are a scrupulous accumulation of fact and a masterly employment of logic. As a means of putting a quietus on wild talk from either side of this hysterical affair, it strikes me as being,

next to a sledge-hammer, the best imaginable instrument.

I don't see how anybody in his right mind can fail to see that there *are* two sides to it. Vice President Nixon in his speech of March 13 said that "the extremes of those who ignored the Communist danger, or covered it up when it was exposed, have led to the extremes of those who exaggerate the danger." The phrase "exaggerate the danger" is unfortunate. In view of the loss to our enemy of eastern Europe and the Eurasian land mass, one might ask whether, on a world scale, it is possible to exaggerate the danger. It is certainly possible, in any long-sighted strategy, to separate the internal from the external danger; the two enemy forces are in close cahoots. Perhaps we could arrive at an attitude as judicious as Nixon's by paraphrasing him somewhat as follows: *The extremes of self-deception and self-protection on one side have led to the extremes of loose talk and irresponsible belligerence on the other.* Some such formula seems to arise naturally out of a careful study of the facts assembled in this book.

Here, for instance, are some of the sins and iniquities the authors attribute, in specified cases, to Senator McCarthy:

"Egregious blunder"; "carelessness"; "uncouthness"; "unjustified use of words"; "putting into direct quotes . . . his own paraphrase of someone's position" (this described as "characteristic"); "inaccurate and misleading" statements; making "some charges [though not by name] with no apparent foundation whatever"; "gratuitous sensationalism" (in two cases); "exaggeration" (in thirty-eight cases); "inexperienced and, worse still, ill-informed" behavior; "explaining in terms of treason a series of international blunders" that helped the Communists. "Any way you look at it," the authors assert, McCarthy has been "guilty of smearing" in the case of five or six newspapers. And they add finally: "He accomplished that improbable feat: he smeared Drew Pearson."

"For these transgressions," the authors say, "we have neither the desire to defend him nor the means to do so. . . . They are reprehensible. It remains only to be said that McCarthy's record is nevertheless not only much better than his critics allege but, given his *métier*, extremely good." To illustrate their opinion of his *métier*, they point out that "Harry Truman accused Eisenhower, in 1952, of anti-Semitism, anti-Catholicism, 'butchering the reputations of innocent men and women,' and indulging in a 'campaign of lies.'"

A still more pertinent illustration, however, is the behavior of McCarthy's enemies, of which the authors give an equally cool and documented appraisal.

"Wantonness and total ignorance" in the State Department's criticisms of McCarthy; "uncounted smears and unmatched viciousness" of his critics

who "pretty well rule the communications industry"; "criminal nonchalance of the State Department's security practices," are a few of the phrases used. More devastating still is the dishonest and dishonorable trickery practiced upon McCarthy by Senator Tydings and the Democratic majority of his committee at the beginning of the whole affair. If the Tydings Committee had obeyed its mandate to investigate the State Department following McCarthy's leads, 80 per cent of which did in the sequel prove valid, instead of "investigating" McCarthy with a view to his political destruction, "McCarthyism" might never have been heard of.

One closes the book with a feeling of great sadness at this exposure of the faults and misconduct on both sides of the McCarthy controversy, but not with any doubt as to which side represents, however imperfectly, the real interests of the republic. The faults of the McCarthy-baiters are a continuation of the same policy that lost China and eastern Europe and half of Germany to the free world. They are a refusal to face the fact that we are at war with international Communism, and that infiltration of our governing and guiding institutions is one-half, and the most dangerous half, of the strategy and tactics of the enemy. The faults of McCarthy are a temperamental failure to do in a mature and skillful way what desperately needs doing if free civilization is to be saved.

Investigation Justified

By ROBERT MORRIS

The Web of Subversion, by James Burnham. 248 pp. New York: John Day Company. \$3.75

Reading this book, one finds himself wishing that it would be read by every Englishman and every European who must have such confused notions of the functions of our congressional committees and our concern with Communist penetration. *The Web of Subversion* could impart to them the reason for the grave concern of thinking Americans over the menace of Soviet infiltration.

It is particularly timely because of the utter confusion that must surround the thinking processes of the ordinary citizen who today can find and read only the details of the senseless strife between the Army and Senator McCarthy with all the disparate forces marshaled on either side. Reading this book will cause many a reflective reader to conclude that perhaps the present confusion has been designed to obfuscate the real facts of life. For the real facts are devastating and, if known, would alarm every American with a stake in the future. Added up they lead to the grim conclusion that free men are losing the struggle with their Soviet opponents all over the world and that, at least in the past, there has been a causative relationship between the actions and

recommendations of persons whom the record shows to be real Soviet agents and the steady deterioration of the position of free men vis-à-vis the Soviet organization.

Mr. Burnham, using to the utmost the effect of understatement, sets forth his conclusions why we should have every reason to believe that the web of subversion is operating in government today. Inherent in all he has to say is the sound of alarm. And yet he has written his book with the dispatch of a veteran surgeon.

It is significant that Mr. Burnham draws virtually all his evidence from the work of the congressional committees. Naturally he sifts his evidence to give a responsible, careful, and circumspect picture of the underlying facts of Soviet espionage and Communist infiltration of government. No one will deny that there are not some facts in congressional records that might well have been left to molder away in the recesses of obscurity. But the real, practical situation is such that if it were not for the hearings of congressional committees, the startling disclosures brought forth by *The Web of Subversion*, indisputable as they seem to be, would never have seen the light of day.

Mr. Burnham makes clear throughout his volume that our foreign policy today has benefited greatly by the revelations of the congressional committees. He shows that even though there has been a deterioration in our foreign policies through the years, there has been an informed resistance to Soviet aggression in many quarters and with respect to many areas.

The *Web of Subversion* stresses, with appropriate urgency, the high degree of sophistication that must be invoked to determine the existence of a Soviet espionage agent working in our midst. It points out the futility of expressions such as "party card," "party membership," and those other trappings of subversion that long ago meant something but are now fading as the new streamlined Soviet tactics are put into operation. By the device of analyzing the standards of our own intelligence operatives (which he himself is so qualified to discuss), Mr. Burnham shows very convincingly that detection of a present Soviet agent is a most difficult undertaking and cannot be left to the nodding liberal or the oversimplifying patriot. One of the real ironies of the day, which is everywhere apparent in this book, is the fact that those people who are most vocal and even strident in the contention that the FBI should handle all subversion are the very people who have opposed the work of the FBI during the last decade. These people have protected and sheltered the now exposed Communist agents while the Federal Bureau of Investigation, as we know from the records of congressional committees, has been straining within its own limits to arrest those agents in

their ascent in government and in the mainstream of our cultural life.

As this book clearly demonstrates, many "web dwellers" were occupying their strands in the network at the very time that they were exposed by the congressional committees. And this was so despite the fact that the Federal Bureau of Investigation knew that these people were indeed heavily involved, and had sounded its alarm. Mr. Burnham proceeds to cite cases of individuals, subpoenaed before Senate groups, who were important employees of the government and of the United Nations and its specialized agencies.

But there are many other issues that bear on present-day subversion competently set forth in this volume. It is a book that should be read carefully by every American. For it contains all the ingredients necessary to understand a trend that is gradually ascending in significance and sweeping away our most precious heritage—the civilization and the liberty which we in the United States have until now always enjoyed. All true liberals should rise to such a challenge.

The Function of Money

The Theory of Money and Credit, by Ludwig von Mises. 493 pp. New Haven: Yale University Press. \$5.00

When Ludwig von Mises' *Theorie des Geldes und der Umlaufsmittel* (originally published in Germany in 1912) appeared in English in 1934 under the title *The Theory of Money and Credit*, Professor Lionel Robbins, the noted economist, wrote:

In continental circles it has long been regarded as the standard textbook on the subject. . . I know of few works which convey a more profound impression of the logical unity and the power of modern economic analysis.

Since then, many European students of economics have reaffirmed Professor Robbins' judgment. And today Dr. Mises' book once more plays an important part on German college campuses.

Dr. Mises starts with the fundamental thesis that "the function of money is to facilitate the business of the market by acting as a common medium of exchange," and he continues by demonstrating the importance to modern economics of the subjective (marginal utility) theory of value for the development of a complete and satisfactory theory of money and credit in our changing world. Then, step by step, he describes the historical development of money and of the various forms of money substitutes, giving special attention to the contemporary monetary problem. He analyzes in detail the effects of various types of government intervention, especially the role "the state" plays in causing economic crises when it attempts to influence the market rate of interest.

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THE BOOKMAILER, Box 101, New York 16

Dr. Mises maintains that although banking legislation is still influenced by the idea that the issue of bank notes should be limited, "progressive doctrine" holds today that "the government must increase the amount of money in circulation until full employment is reached. It is, they say, a serious mistake to call inflation an increase in the quantity of money in circulation effected under these conditions. It is just 'full-employment policy.'"

This edition of the book, a reprint of the 1934 translation, includes a new section on "Monetary Reconstruction." Here Dr. Mises presents his analysis of—and solution to—the current monetary problem, with special reference to the situation in the United States. This new 44-page addition is a notable contribution to current economic literature.

"Sound money," Dr. Mises writes in the closing section of the book, "still means today what it meant in the nineteenth century: the gold standard. . . . The present unsatisfactory state of monetary affairs is an outcome of the social ideology to which our contemporaries are committed. . . . People lament over inflation, but they enthusiastically support policies that could not go on without inflation."

BETTINA BIEN

The Too Modest Manner

The Manner Is Ordinary, by John LaFarge. 408 pp. New York: Harcourt, Brace and Company. \$4.75

To make an autobiography come to life, you do either of two things. You can glamorize it to make a good story, or you can dig deep for truths that don't want to come out of yourself. John LaFarge has done neither. His life story, as a consequence, is hard to read. He is an amiable man, his opinions on such matters as politics are sound, he has done magnificent work on race relations, his editing of *America* has been distinguished, but his account of all this is labored. His family is starred with eccentric and important people; his account of them is flat. Questions that many a reader would ask are not answered, like why did he become a priest and why a Jesuit? Perhaps some can understand all this by implication; but it is even more important for those who cannot. There is such a thing as being too impersonal, too modest, and too reserved. This actually remarkable and, in many ways, great man is.

HELEN WOODWARD

Civilization's Chances

The Challenge of Man's Future, by Harrison Brown. 290 pp. New York: The Viking Press. \$3.75

Harrison Brown, geochemist and one of the group of nuclear scientists associated with the Manhattan Project who didn't enjoy the implications of what they were doing, has given us as good an appraisal of the industrial civilization's chances of survival as we are likely to get. His book provides the first systematic marshaling of the pertinent data that has been attempted, and its tone is gratifyingly level and unrhetoical.

Since any prediction would have to be based on a complex series of speculative assumptions and guesses, Dr. Brown is too good a scientist to risk one. The closest he comes is to remark at one point that a Martian gambler, observing what goes on here, would be inclined to give long odds *against* the extension and stabilization of the industrial civilization on the global scale, at or beyond its present level. But to balance this the author in his concluding pages concedes that although there is no precedent for such an achievement and no warrant in history for believing that man is capable of the collective intelligence required to develop and maintain a global human ecology at an advanced technological level, the thing is theoretically conceivable.

The food problem could be solved, ultimately, by the development of huge chlorella plantations and the conversion of cane and wood sugar into food yeast high in proteins and fats.

The energy shortages made imminent by the rapid exhaustion of our coal and petroleum reserves could be remedied by the multiplication of atomic generators, fueled ultimately by the processing of uranium from granite; also by the development of solar energy.

The increasing need of industry and irrigated agriculture for fresh water could be supplied by de-salting sea water in huge plants located strategically close to the California, Peruvian, and African deserts, which as a by-product would process magnesium and other metals out of the dilute abundance of minerals in the ocean.

Even the population problem could be handled theoretically, if debatably in the view of the Catholic Church, by the improvement of birth control techniques and their extension fast enough to permit the industrialization of the Orient to keep ahead of population pressures.

The trouble with all such speculative exercises, of course, is that they extrapolate and project *presently known* potentials whereas the future will be constructed out of the future's resources. These will be both greater and less—certainly quite different—from anything that we can now conceive.

This applies just as much to our political situation as it does to our food and energy environment. At this point Dr. Brown's equipment for his task

seems less impressive than elsewhere. Moscow's drive for world domination and its motivation are not, as he supposes, moot questions. The drive is inescapable.

Hence, it could be said, the challenge of man's future essentially is political. It involves national tendencies to use collectivism as the only repair for slipping industrial machinery; it involves the possible destruction of industrial environment by atomic warfare. But, above everything else at this moment of history, it involves the question of whether the free world will succeed in overcoming the power that alone would be capable of launching an atomic war. Until that question is answered, man's future indeed will be dark. JAMES RORTY

Book Marks

The Tirpitz and the Battle for the North Atlantic, by David Woodward. 235 pp. New York: W. W. Norton and Company. \$3.50

In this sober, comprehensive, and sometimes overly detailed book, David Woodward, an English writer, has traced the fate and the role of the world's largest battleship, the German *Tirpitz*, in the last war. Moreover, he has written a short history of the German navy and a brief and dramatic account of what may have been the last engagement of large surface craft in sea warfare, the sinking of the *Scharnhorst*. For, according to Mr. Woodward, the battle for the North Atlantic clearly showed that battleships have given way to the plane and the submarine. Thus the *Tirpitz*, commissioned in 1942, and hunted for two years by surface vessels, submarine commandos, and bomber pilots in her hideouts on the Norwegian coast, was finally destroyed by a bomber raid and—as Mr. Woodward relates in gruesome detail—became a watery grave for some thousand members of her crew.

Europe—on the Aisle, by Claudia Cassidy. 231 pp. New York: Random House. \$3.50

Since 1949, Claudia Cassidy, the *Chicago Tribune's* vivacious and enterprising drama and music critic, has spent "four summers in a row" exploring the cultural life as well as the scenic beauty of Europe. She has dashed from Edinburgh to Venice, from Prades to Salzburg, from Perpignan to Munich in pursuit of music festivals, plays, ballets, and operas. She has also stopped along the way to savor fine meals, museums, rose-colored mountains, and many other objects of lasting tourist interest. Her random impressions and critical opinions of what she has seen during those trips are gathered, somewhat loosely, in this entertaining volume which has all the qualities of a book-length gossip column. Related in that peculiarly descriptive prose of newspaper columnists, it might well serve some travelers as a stimulating guide to out-of-the-way spots and, at the same time, provide many a retired tourist with a basis for nostalgia.

Men of Colditz, by P. R. Reid, 287 pp. Philadelphia: J. B. Lippincott Company. \$3.95

Some of the best stories of war come not from fighting but from capture. This book continues a saga, in proof. Reid first told of escapes from a Saxon castle in *The Colditz Story*, which covered his own stay up to 1942. Now, just as excitingly, he tells of those who stayed longer. And, in the doing, he recalls a strange chivalry: the German captors at Colditz considered their

many-nation, escape-prone captives as "their friends, the enemy."

Charlemagne, by Charles Lamb. 320 pp. New York: Doubleday and Company. \$4.50

Mr. Lamb does not pretend to be an historian. The people who read him do not seem to care. This latest of his books will strengthen the first of those propositions and should be received with the usual good grace in the circles of the second.

The Free Man's Library

By HENRY HAZLITT

Five lectures on Economic Problems, by George J. Stigler. 65 pp. 1949. New York: Longmans, Green and Company

These lectures, delivered before the London School of Economics by a professor of economics at Columbia, are distinguished for pithy wisdom and shrewd analysis. They discuss "equality," monopolistic competition, classical economics, mathematical economics, and the status of competition in the United States. The last lecture deftly punctures the popular myth that competition has been declining steadily (and in many versions, drastically) for a half century or more. Professor Stigler estimates that competitive industries were producing seven-tenths of our national income in 1939, and utilizing more than four-fifths of the labor force.

Economics and the Public Welfare, by Benjamin M. Anderson. 602 pp. 1949. New York: D. Van Nostrand and Company

This is an economic and financial history of the United States from 1913 to a little beyond the end of World War Two. The late Benjamin Anderson originally wanted to call it "When Government Plays God." Its unflinching lucidity, its emphasis on basic economic theory, its realistic, detailed description of the disastrous consequences of flouting moral principles or of trying to prevent the forces of the market from operating, combine to give

this book a readability and impact seldom found in serious economic writing. It is the outstanding financial and economic history for the crucial period it covers.

Essays on Freedom and Power, by Lord Acton. 452 pp. 1948. Boston: Beacon Press

Lord Acton (1834-1902) is chiefly remembered today through a single quotation: "All power tends to corrupt; absolute power corrupts absolutely." But he was one of the most deeply learned men of his time, and one of its most profound students of liberty. In the opinion of F. A. Hayek, in fact, the tradition of true individualism is most perfectly represented in the nineteenth century in the work of De Tocqueville in France and of Lord Acton in England. His lifelong object was to write a great "History of Liberty," but he immersed himself so deeply in research that he produced only a few precious fragments.

The Little Less, by A. S. J. Baster. 161 pp. 1947. London: Methuen and Company

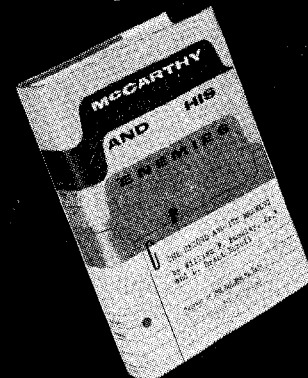
A witty history of the "lunatic years" in Great Britain between 1919 and 1939, when various ingenious devices were introduced by which everybody expected to get a little more for producing a little less. The chapter headings include Producing Less, Growing Less, Working Less, and Trading Less.



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FROM OUR READERS

"Good Common Sense"

Since reading the first issue of the FREEMAN, I have found it on the whole a splendid magazine filled with good American common sense. It would indeed be difficult to select outstanding items and articles—there are so many. The March 8 issue is an example, with features by John T. Flynn and Freda Utley. I am a bit tired of Serge Fliegers and his ranting against the movie Production Code.

Crosswicks, N. J.

JOHN REUTER

The Agreement with Spain

In your issue dated March 22, Mr. James Burnham mentions the "treaty" with Spain. I thought the recent agreement with Spain was an "executive agreement" and took almost three years to complete.

I feel this agreement should be pointed out as an example of the vast powers taken by the executive branch. Certainly Congress should help with important affairs like this. To me it indicates a vital need for something like the Bricker Amendment.

Dallas, Tex.

EVE CONOLLEY

Eagle into Bat?

On reading Miss Utley's article in your issue of March 8 headed "Lion into Ostrich," one feels inclined to comment, "Eagle into Bat. What lay behind the United States refusal to face the facts of the Nazi menace in 1939?"

As to the question, "What is at the root of British anti-Americanism?" I would suggest that one answer might be the patronizing attitude of writers like Miss Utley.

I should, however, make it clear that I am, and always have been, pro-American and have many American friends. Although I daily meet people here in many walks of life, I rarely come across the anti-American feeling of which your correspondent complains. On the other hand, I think that many Americans are perhaps ill-informed on the British point of view from an historical angle.

Let the record speak: As a great American writer recently pointed out, for a century the Royal Navy stood between the United States and any potential aggressor, thereby putting teeth in the Monroe Doctrine; in each of two world wars this Kingdom has held the ring for over two years at great cost in blood and treasure until the United States had decided to join us. Does this sound like the heredity of an ostrich?

London, England

SIR GEORGE BULL

The Christian Left

I wish to commend you for the article of Lawrence R. Brown (March 22) entitled "The Christian Left." This article is, in my judgment, by all odds the most penetrating and rational approach to the problem of why intellectuals, and especially clergymen, dabble in leftist movements. I have been watching with dismay the activities of many "honorary proletarians" . . . who have become dupes of Communism and who forward its purposes. I must say that my impatience with scientists, college professors, and clergymen, who damn all persons who really endeavor to hurt Communism, has not been tempered with Christian charity . . .

Concordia, Kans. CHARLES A. WALSH

Unquestionably, Lawrence R. Brown has put his finger upon the reason why so many ministers and well-intentioned laymen are so taken in by the U.N. and the World Federation. He is, however, at least partially wrong when he says the West does not accept the doctrine that "Man as a creature of God was to be cleansed, but physical nature also as the domain of Satan was to be magically transformed."

What Mr. Brown is talking about, of course, is the doctrine of Pre-millennialism vs. Post-millennialism. There are millions of us, and most of us not of the clergy, who still believe that Christ will one day return in like manner as He left, and that He will then set up a literal kingdom and from Jerusalem reign over the entire earth. It is then that both man and nature will be cleansed and sin with all its engenders shall disappear. Many of us expect that to happen in the not too far distant future, though only the most rash of us set any date, even approximately. However, among the Pre-millennialists I doubt if you could find a handful who are taken in either by the U.N. or the World Federation, and a Communist among us should be difficult indeed to find. We know the Reign of Peace will never be ushered in by man . . .

Los Angeles, Cal.

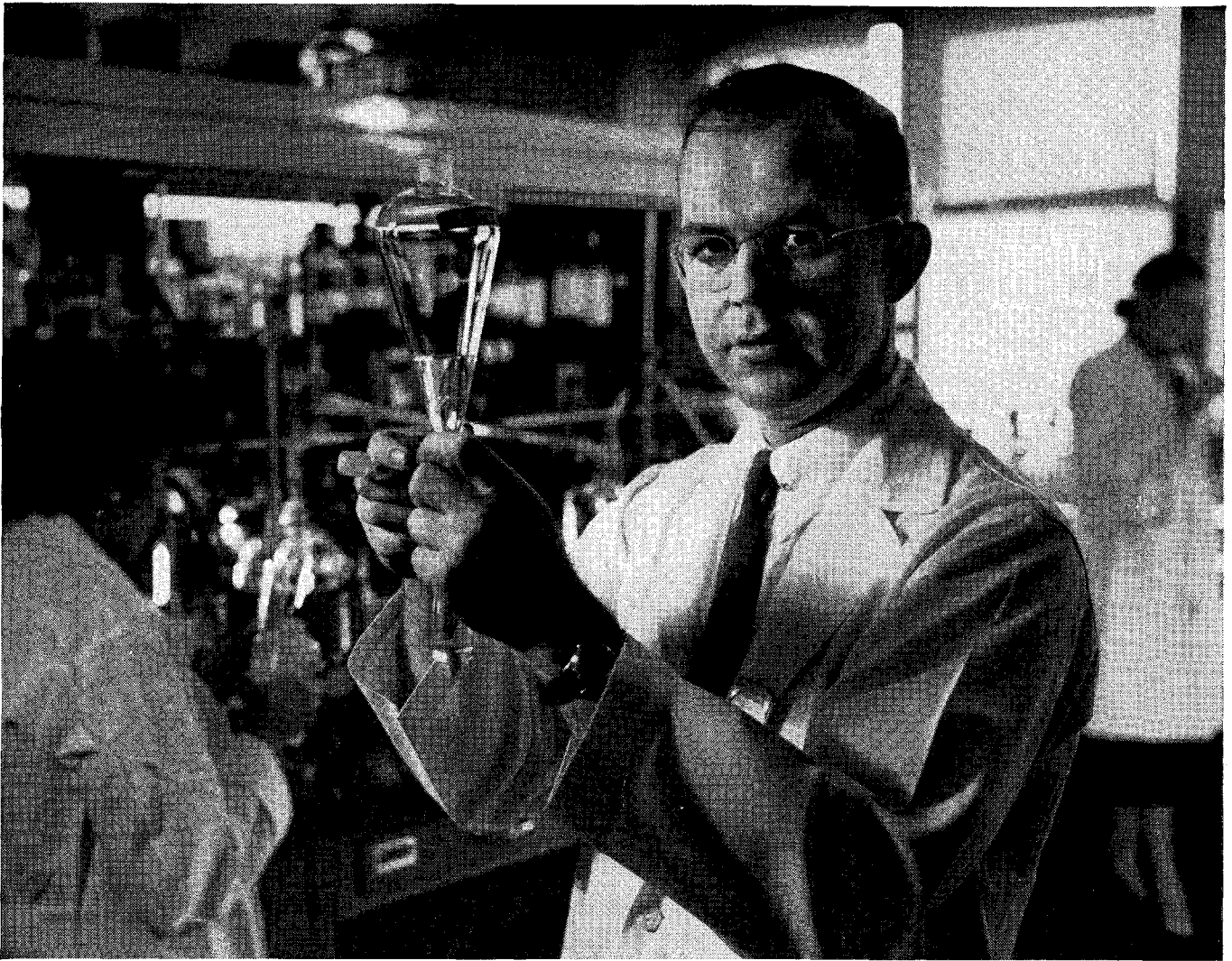
LESLIE A. SHAW

I enjoy almost all of your FREEMAN, every issue of it. May I especially congratulate you on "The Christian Left"? This is a key article. It explains our growing ineptness in foreign affairs, gives light on the plight of England with its Church-begotten Socialism and resulting disintegration of empire.

We could only wish that more of our people of America could think logically and reason as they once did. Then your magazine could really accomplish wonders. As it is, I am sure your work is not matched in the publication world.

Darby, Mont.

A. J. HOUSE



PHOTOGRAPH BY RICHARD BEATTIE

What we still don't know about cancer

—and one of the reasons why

IN THE PAST FEW YEARS, OUR knowledge of the nature of cancer, and how to treat it, has grown encouragingly. Patients, who would have been considered hopeless cases even five years ago, today are being completely cured. And even those who apply for treatment too late can usually live longer—and less painfully—because of modern palliative treatment.

All the same, there have been defeats as well as victories. We do not know—to take a single example—why so many more men are now dying from cancer of the lung. In 1933—just twenty years ago—lung cancer killed 2,252 men; in 1953, some 18,500. That's a great increase—which even our expanded population, and other known factors, can't possibly account for in full.

Well, why haven't we found more of the answers to cancer?

Not only because cancer is an im-

mensely complex problem: difficult to diagnose, and difficult to treat; challenging to the best research minds.

All that is true enough. But there is another reason: *we do not* have enough money.

Last year your gifts to the American Cancer Society were more generous than ever before. But they were not enough.

You gave the Society almost twenty millions to fight a disease that—at present death rates—will kill twenty-three million living Americans.

Less than one dollar for each American destined to die from cancer. Much more is needed for research, for education, for clinics. Won't you please do *your* part . . . now?

American Cancer Society

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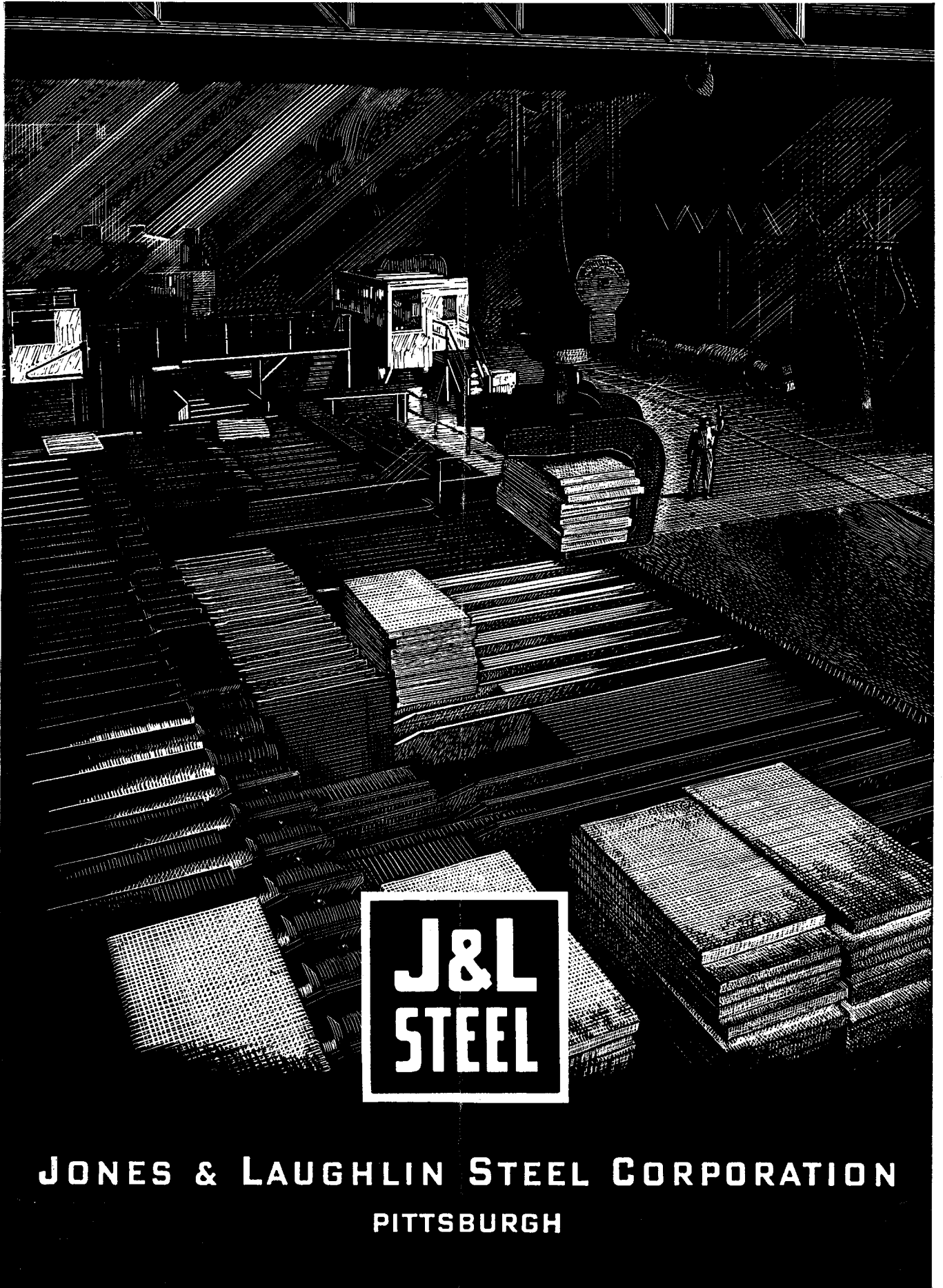
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