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America's Chance of Peace

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AMERICA'S CHANCE OF PEACE

CHAPTER I

Haven't We Met?

EARLY ON THE MORNING of July 31, 1914, the telephone rang in the Secretary of the Treasury's office in Washington.

Four weeks and six days before, the heir to the Austro-Hungarian throne had been slain at Serajevo. Eight days before, there had been an Austro-Hungarian ultimatum to Serbia. Three days before, an Austro-Serbian war had begun which statesmen for twenty-four hours talked optimistically of confining to the Balkans. It was ninety-nine years and six weeks since the last world war had ended at Waterloo.

Neither the Secretary of the Treasury, Mr William Gibbs McAdoo, nor his telephone caller had ever met a world war head on. They were unready for the shock both in advance information and experience. Yet now in their grisly morning moment Russia and France and Germany were mobilizing and the British fleet was moving to battle stations. What Woodrow Wilson was shortly to call "the incredible catastrophe" was to come before nightfall.

Mr McAdoo's caller struggled to maintain the grim dignity which went with the fortresslike Manhattan banking office from which he was talking, but sputtered considerably with excitement. Would the Secretary of the Treasury agree with him that when its board of governors assembled for the regular ten-o'clock meeting, the New York Stock Exchange should be closed?

The caller was Mr J. Pierpont Morgan, and he sketched

the situation with horrific brevity. London and Berlin and Paris were dumping their American securities on the boards in a frantic rush for cash at any price and demanding payment from American borrowers in scores if not hundreds of millions. Pound sterling was boiling skyward on a frenzied updraught which eventually was to carry it to $7. Already at nine-thirty the markets were demoralized. By noon there might be chaos.

Secretary McAdoo had spent fifty-one crowded years up to that moment acquiring, among other things, expertness in money management. But it is unlikely that he had ever spent fifteen consecutive minutes imagining what the shock of general war would do to a stock exchange. There were no data later than a few sketchy behavior charts of the London exchanges during the Napoleonic Wars to be consulted if he had.

So, as the Secretary relates in his autobiography,* he answered somewhat lamely that he did not consider his opinion of much importance on such technical problems. Finally, when Mr Morgan pressed him, he blurted out: "If you really want my opinion, it is to close the Exchange."

It stayed closed until December 12. For nineteen weeks, while the world's balances of production and consumption, of supply and demand, were being drastically altered, the American economy was deprived of the services of a normal securities market.

A month more than twenty-five years later, another Secretary of the Treasury rushed to his office from the Washington airport by taxicab at four o'clock on a Labor Day morning. Henry Morgenthau, Jr, was jaded from a hurried sea voyage from a vacation in Scandinavia and a dash home by airplane from Newfoundland. But, although the second World Was of his generation was already twenty-two hours old, no calls

*Crowded Years, p. 290.

from jittery financial magnates disturbed his long day's emergency labors.

Sometime during the morning he met with top-rank Treasury aides, Undersecretary John W. Hanes, Assistant Secretary Herbert Gaston, fiscal Assistant Secretary Daniel W. Bell, monetary researchist Harry White, tax expert Roy Blough and half a dozen others.

Everything was shipshape, the conferees unanimously reported. Nothing brewed in the securities or commodities markets except a rather gratifying boom in values which could be controlled in due season if it threatened to get out of hand. There was no "money stringency" like the one which in 1914 caused Mr McAdoo to rush $50,000,000 in national bank notes to New York and jam through a twenty-four-hour amendment to the Federal currency statutes making state and private banks, ready to join the half-born Federal Reserve system, eligible to participate in $500,000,000 worth of note credit. The 1939 banks, as usual, had more money and credit than they knew what to do with.

No hurricanes lowered on foreign exchange horizons. On the contrary telephone conferences with London and Paris had made it clear that France and Great Britain and the stronger neutral powers were going to stick by the spirit of their commitments to the famous 1936 "tripartite agreement." They would conduct no raids either on each other's currencies or on ours. The pound was down a little more than 15 per cent but showed gratifying if slightly misleading symptoms of potential recovery.

The machinery set up to "cushion the shock of war" at the time of the September 1938 Munich crisis was not merely ready. It was functioning.

Mr Morgenthau relaxed and permitted himself the luxury of a weary wisecrack.

"It was probably a good idea," he said, "that most of the

cabinet was out of town when this thing broke. So that you fellows who invented and set up this engine could start driving it."

And the Secretary of the Treasury went home to sleep as Mr McAdoo was hardly permitted to sleep until the first World War was several months old.

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There is a certain symbol in these specific contrasts.

War on the grand scale, to the innocent 1914 August, was a visitor the American world had not met since the days of sailing ships, when news came five weeks old by Liverpool packet. Government and society, like stock exchange and Treasury, were hardly better prepared for it than for a collision of planets.

1939's World War came almost casually—like the edict of a surgeon that the old familiar hospital routine would have to be undergone again; that a bitter and painful, but somehow survivable, operation would have to be repeated.

America had met the 1939 visitor before; he knew what his coming meant, and, not without canniness and realism, what to do about him.

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Lack of provision for war which Mr McAdoo so disturbingly encountered on the 1914 money front is, however, simply an indicator. The economic, the military, the diplomatic, the administrative, and above all the mass psychological fronts were, in that unsophisticated season, worse—or no better off.

The United States Navy was possibly, next to Great Britain's, Germany's and France's, the fourth most powerful in the world. But our army had no plans for overseas operations

much larger than we had conducted during the Spanish-American War in Cuba and in the Philippines; and no plans for resisting invasion much greater than we had sustained during the Revolution 139 years before.

With faint modifications from the anti-trust and railway-regulation statutes, our industrial and raw-materials economy was organized to produce, distribute and consume on a strictly laissez-faire basis. Hence the war-munitions industry grew according to its mushroom will during 1915 and 1916. As copper, for example, climbed toward thirty-seven cents a pound, there was nothing, until the United States entered the war, that the government could do about it.

When 1914's 16,000,000-bale record cotton crop was driven down to a bankruptcy six-cents-a-pound price by the collapse of the German markets and the loss of normal shipping facilities, the Department of Agriculture's best remedy was to encourage a "buy a bale of cotton" movement. The hard-pressed Mr McAdoo, after frantic scurrying about among the money lords, succeeded merely in parceling out $95,000,000 in government money and a $100,000,000 bankers' loan among the cotton-states bankers.

Less immediately distressing national storm warnings were out with the impact of war for an eventual world food crisis, which, beginning with 1917 and for years afterward, brought near-famine conditions to vast civilized areas and resulted eventually in America's first experience with rationing. Yet no machinery existed anywhere in the government to conserve food either for ourselves or for the supply of our customers; or for controlling food prices.

The contrasts with 1939 in these fields were even more startling than the differentials between the McAdoo and Morgenthau leverages over the stock markets. When the second World War broke out, we had, in the Industries Mobilization Plan of the army and navy munitions services,

a fairly complete program for regulating both price and supply of practically the whole range of strategic raw materials producible in the United States, copper included. In the Agricultural Adjustment Administration we had the nucleus of a crop-volume and price-control system for all of the essential foodstuffs. Although government credit on war-declaration day was carrying a 13,000,000-bale reservoir of cotton left over from previous surplus crops in addition to the 1939 crop of somewhat over 12,000,000 bales, the fiscal cushions were so well adjusted that cotton sustained the shock with scarcely a rustle in the fibers.

More important still, the United States government was able to guide its major policies during the spring and summer of 1939 with the full knowledge that war was coming and an extraordinarily voluminous background understanding of this war's political whys. President Wilson in 1914 was served in the major European capitals chiefly by "freshmen" diplomats recently appointed from business or the literary life of "practical politics." Mr Roosevelt was served by three or four gifted and brilliant ambassadors in the top posts abroad and a corps of "career" assistants schooled in the arts of gathering information by years of professional service. In result, where Mr Wilson's ambassadors flooded him chiefly with outcries over the emotional tension they and their staffs were enduring from the brief late July 1914 crisis and with dreary repetitions of the justifications the foreign ministers of the about-to-be belligerent powers had already addressed, or were getting ready to address, to the newspapers, Mr Roosevelt's ambassadors, from before the Munich fiasco on, supplied him with an astonishingly accurate volume of advance information on the steps by which the crisis developed.

Even more astonishing—and possibly more pregnant of future developments—were overwhelming differences be-

tween the 1914 and 1939 emotional climates of the United States: differences which registered themselves no less in the masses' recoil from the onset of world tragedy than in the conduct and psychology of the statesmen at the head of our government.

In 1914 Victorian self-righteousness—the feeling that we were nobler, more righteous and more deservedly blessed by God than other peoples—was still the dominant ingredient in our patriotic emotions. President Wilson and his Secretary of State, William Jennings Bryan, were among this stereotype's most lively protagonists.

In Mr Bryan and Mr Wilson the stereotype led almost immediately to two fallacious and, in the long run, highly damaging obsessions.

Mr Bryan's obsession was that we were so much better than the rest of the world that we could somehow, through our superior virtue, save it. In one of his speeches a few months before he entered the cabinet, the Secretary of State had put his convictions with characteristic platform cadences. "Behold the republic," he had said, "gradually but surely becoming the supreme moral factor in the world's progress and the accepted arbiter of the world's disputes."

To Mr Bryan, from this bright angle of vision, the nations rushing into conflict were a group of highly allegorized Nebraska farmers who had "got mad" at each other. Here were Kaiser Bill and the senilely embittered Austrian emperor and the British and French statesmen and the poor little hog-raising share croppers in Serbia brandishing their fists, yelling curses and trading blows in a row over a senseless neighborhood disagreement. If some authentically Christian person could lead them all to the mourners' bench, say a prayer over them and get them to shake hands, all would be salvaged.

Mr Bryan, whose services to the development of a practicable neutrality policy were yet to me memorable and whose

attempted services were greater still, thus spent the opening days of the conflict trying to persuade the President to the hopeless gesture of suggesting peace terms and calling a conference. At the time when his curious combination of idealistic appeal and canniness in practical politics was most needed, Mr Bryan was exuding in lava-like profusion the warm milk of human kindness.

The President had a far better intellectual grasp of the situation. He was, in fact, one of two or three Americans high in public life who had a scholar's sense of European history and political backgrounds. But his emotional reactions were equally average. Woodrow Wilson's obsession was that Americans were so much better than the other inhabitants of a quarreling world that, by holding ourselves morally aloof from its contentions, we could somehow escape them.

So Mr Wilson's first recommendations concerning national behavior in the emergency were that we should cultivate a kind of moral snobbery.

We should deny, for example, he counseled, the nerves which the epic human explosion had shaken. "So far as we are concerned," he told his August 3 press conference, "there is no cause for excitement." The press, with nothing but headlines describing world conflagration to play with, should be "extremely careful not to add to the excitement."

Furthermore, although the President was scarcely doing it himself, we must deny our emotions and the inevitable rush of sympathies with which the drama overwhelmed us. "Perfect impartiality," he called for in his August 18 neutrality proclamation. Americans must be "neutral in fact as well as in name; impartial in thought as well as in action."

We were, he declared in another August 3 utterance, to stand above the conflict with the chilly Olympian emotion of "pride of feeling." And what were we to be proud of? That "America has her self-possession . . . stands ready with

calmness of thought and steadiness of purpose to help the rest of the world. . . . "

It was a little as if Lincoln had pronounced his "with malice toward none, with charity to all" second inaugural to a flourish of proud bugles. We were predestined to save the world, but were invited to strut in our sense of moral superiority even before we did it. After this, the presidential advice to "see to it that nobody loses his head" came almost as an anticlimax.

Now and then there were flashes of a more realistic perception. We had no part in making the war, said the President in a September 4 message to Congress. But "it affects us directly and palpably almost as if we were participants. . . . We shall pay the bill, though we did not deliberately incur it."

Mr Bryan delivered himself of even more trenchant wisdom in opposing, during the war's first few weeks, the project of loaning bank credit to the Allied powers for munitions purchases. He said:

> Money is the worst of all contrabands because it commands everything else. . . . The powerful financial interests which would be connected with these loans would be tempted to use their influence through the newspapers to support the interest of the government to which they had loaned because the value of the security would be directly affected by the result of the war. . . . All of this influence would make it all the more difficult for us to maintain neutrality.

But President Wilson, in spite of his stand for "perfect impartiality," shortly withdrew support from these wholesome contentions of his foreign minister. Thus our chances of entanglement in the war were increased both by the confusions of mind of the two top-ranking statesmen and the difference of opinion on policies into which their confusions

led them. In general, both Mr Wilson and Mr Bryan, during the first few months of the ordeal by neutrality in which the subsequent nature of our involvements was fixed, sought to "keep us out of war" by a program of perfectionism. And perfectionism not only blinded them to their occasional realistic intimations of the nature and perils of the conflict. Their moral positions were so perfect both for display and self-titillation purposes that neither they nor anyone else could ever quite rationally believe in them. 1914's chief steersmen, in a word, headed America into a world of power politics by the clear gaslight of nineteenth-century moral vanity.

To 1939's Franklin Roosevelt, on the other hand, all the issues of America's conduct and policies were not those of idealism or of moral postures but of pragmatism. Even the questions of keeping out of, or going into, the war, as one reads between the lines of the President's radio speech on the outbreak of hostilities, are fairly obviously pragmatic.

Nothing in the presidential utterances denied that world war produces excitement. Nothing denied the reality of human emotions in the face of world progress. Said Mr Roosevelt in the radio address:

> This nation will remain neutral, but I cannot ask that every American remain neutral in thought as well. Even a neutral has a right to take account of the facts. Even a neutral cannot be asked to close his mind to conscience.

Again, there was more about preserving the safety of the two American continents than about making a perfect peace for the world through America's moral superiority and evangelical vision:

> We have certain ideas and ideals of national safety, and we must act to preserve that safety today and preserve the safety of our children in future years.
>
> That safety is, and will be, bound up with the safety of the

Western Hemisphere and of the seas adjacent thereto. We seek to keep war from our firesides by keeping war from coming to the Americas.

For that we have historic precedent that goes back to the days of the administration of George Washington.

This was a "safety first" war from the standpoint of the 1939 administration—not a "save the world first" war, as the Wilson administration instinctively dramatized it. The peace, too, was envisioned by the President as a peace that would be primarily safe for America.

"The overwhelming masses of our people seek peace," he said, "—peace at home, and the kind of peace in other lands which will not jeopardize peace at home."

Thus, with considerably more poise and considerably less self-dramatization than President Wilson, Mr Roosevelt at the onset of war shock attempted to steer his course by the recognizable realities.

Mr Roosevelt, too, in contrast with President Wilson, immediately occupied himself with a series of practical preparedness measures for "come what may." For the first fourteen months of the Old War, President Wilson encouraged a light-minded attitude toward our neutrality in both sets of belligerents by fighting off as morally unworthy the mere idea of military preparedness. Mr Roosevelt at once materially increased the size of the Army, the Navy and the National Guard. The larger armed forces would protect our rights as neutrals and broaden the facilities for quick military mass training in the event of more drastic emergencies. He recommissioned old naval destroyers by scores and set them to work policing the coast line against neutrality violations—extending by several hundred miles, incidentally, the scope of the policing operations offshore.

He reassembled a number of key strategic bureaus of the government under the direct authority of the White House.

He assigned his epically ramifying National Resources Planning Board to the task of restudying the nation's raw-materials wealth and productive capacities in relation to the distribution and supply problems the country would face either in the event of our entrance into the war or if, as a result of war, the Western Hemisphere were economically isolated. On the presidential desk within ten days of the Nazi drive into Poland lay rough reports of the war and emergency services which each cabinet department and independent agency of the Federal government was organized to give.

Instead of competitively hunting occasions for hosannahs and fumbling at cross purposes with each other as in Mr Wilson's time, the President and his State Department worked together on plans and policies in streamlined harmony. Out of their labors grew almost overnight something which two and a half years of being battered about in the heavy seas of neutrality failed to produce between 1914 and 1917—the nucleus of a common front of neutral powers.

Mr Bryan in 1914 dismissed overtures from the Latin-American republics for a common neutrality program with the cavalier touch of a self-confident evangelist who intended to conduct the necessary world-saving operations personally. Within less than a week of the second World War outbreak, Mr Roosevelt and Secretary of State Hull threw the full weight of United States influence behind the special Pan-American Congress at Panama for the consideration of Western Hemisphere neutrality problems.

Finally, back of all these official acts and attitudes were even more profound contrasts of public psychology. The America of 1914 was a moralizing world as full of illusions about the inevitableness of progress, the rightness of virtue and the wrongness of the bad, the clean-cut nature of the eternal warfare between good and evil, as were its Secretary of State and its President.

Only a negligible intellectual fraction had the slightest sense of the economic motivations of war, or, for that matter, that wars developed from anything save the clash between the virtuously aggrieved and the wicked. Only a negligible group of scholars and pundits had sufficient knowledge of the backgrounds of European history and the Continent's practical interpower politics to realize that anything could be involved in such events as the Austro-Hungarian attack on Serbia and Germany's "rape" of Belgium but the bullying and sinful malevolence of the strong toward the weak. Only a few experts in special fields realized that neutrality had to do with anything besides the War of 1812 issues of "freedom of the seas" and impressment of seamen. And even on these numerically insignificant highbrow fringes only a negligible fraction had a sense of news as propaganda or skill in interpreting it in the light of its motives.

Our faith in the shibboleths that democracy connoted progress and virtue, that militarism and autocracy connoted brutality and imperialism, was virginal and serene. The "rape" of Belgium, the fact that France and Great Britain were "democracies" defending Belgium, and the moral close harmonies of the entente propaganda proved it.

Thus, far below the surface of Mr Bryan's peace efforts and Mr Wilson's studied gestures of moral superiority to the combat, below the surface of the public's reaction of bewildered horror to the struggle's immediate onset, our chances of war in 1914 were secretly tipped by a concept of ourselves as crusaders for virtue in a naughty world.

The 1939 American enters the nation's second ordeal by neutrality cynicized by twenty-five years' observance of the operations of European power politics as a near and living spectacle. The stereotypes of our present war thinking are conditioned less by musings on the conflict between democratic good and totalitarian evil than by considerations of

what Prime Minister Chamberlain diced for over Czecho-Slovakia and what he felt himself finally forced to risk for Poland; less by dreams of the far-off Utopian peace we can make through our moral idealism than by careful calculations of the hazards we should run, or not run, to keep our own skins safe.

In the distant innocence of that 1914 berserk season, eleven days after the war had opened its thunders, Woodrow Wilson, returning from his wife's funeral in Rome, Georgia, sat all day on the observation platform of the presidential train, rebuffing Dr Grayson's occasional attempts to comfort him, with:

"Let me alone. I want to think."

Much thinking was needed, and before it was over, we were in a war to "make the world safe for democracy."

In that dark moment the first World War President was doubtless near to his countrymen's bewilderment. But Franklin Roosevelt was also near to the mood of his countrymen when he said in his September 3 radio address:

"It is of the utmost importance that the people of this country, with the best information in the world, think things through."

Long before the guns had begun blasting that morning, long before Munich, long before Hitler's rise to power even, the thinking process had begun. And though America conceivably may go into the war to protect her interests from this or that peril, she will scarcely do so in 1939 or in the 1940s to make the world safe for anyone's power politics or for Chamberlocracy.

Our entrance or our abstinence from the conflict still depends upon unpredictable eventualities. In a sense, until the last cannon has sounded, our decision will be in the hands of the belligerents.

But to the extent that we are ready for it in arms, in policies and in economic organization, our chances of war are lessened. To the extent that we are ready for the impact of its issues and propagandas in realistic mass judgment, for our young men the shears of fate are dulled.

CHAPTER II

Most Modern Improvements

IN THE LONG COURSE of his own thinking things through, during the years of Germany's armed diplomatic assaults on the Versailles Treaty, Franklin Roosevelt, pragmatist, concluded that the time had come to defy the American tradition of military inefficiency in days of peace and to ask Congress for billions for defense.

So when Germany quit diplomacy and took to war in 1939, the United States already was in the midst of an armaments program aimed at providing the nation with a military strength rather more than adequate for such fundamental business as keeping an invader from our shores. This novel policy for America, whose Congress one year within living memory* forgot to make an appropriation for the army, was born of World War difficulties, about which Mr Roosevelt, as Assistant Secretary of the Navy, knew too well. America's World War governors, Mr Roosevelt told Congress in January 1939—

> . . . will remember that in the preparation of the American armies for actual participation in battle, the United States, entering the war on April 6, 1917, took no part whatsoever in any major engagement until the end of May, 1918.

Franklin Roosevelt's conception of the world and its narrowed size put the United States not much farther from

*1877.

Europe in 1939 than England was in 1066. President Wilson insisted in 1914 that the United States was as detached from Europe as Uranus. The organization of a reserve army, he told Congress when the World War was four months old, "would mean that we had been thrown off our balance by a war with which we have nothing to do, whose causes cannot touch us."

Behind the unreadiness in 1917 lay the moral snicker of 1914, "whose causes cannot touch us." Wilson was stormily self-conscious in his willful impartiality. Colonel House was bitter over the President's inability to grasp "the full significance of this war or the principles at issue" and to see that the United States was indeed touched—almost thwacked —by its causes. In time of war Wilson refused to prepare for war, but sat in his lofty tower built of sanctimony. From there he contemplated the follies of Europe and sighed in moral superiority over the belligerent carryings-on of those Germans and Russians and Austrians and French and British.

Early in 1915 Mr Wilson analyzed his determined passivity for the benefit of Franklin Roosevelt. The Assistant Secretary was concerned about the state of the navy. As a disciple of the thought of Admiral Mahan and Theodore Roosevelt, he liked the navy for its own sake. As an internationalist, accustomed to regarding Europe as part of his immediate world, he saw danger for America in the European war. The navy in 1914 was the fourth in the world, incompetent, inefficient, with outworn ships, a disgruntled enlisted personnel, and an old guard of officers recently outraged because the sacred quarterdeck ranks had been opened to gobs smart enough to qualify for ensign's rank. When Theodore Roosevelt sent the American ships around the globe in 1907, the American navy had been the world's second, surpassed only by Great Britain. In the seven years following, Germany and France had built up their fleets beyond ours.

Franklin Roosevelt, whose superior, Secretary of the Navy Josephus Daniels, firmly resisted the pressure for a larger navy, took the case for a greatly enhanced fleet to Wilson direct. They met at the White House. Wilson listened, unimpressed. He would not descend from his tower. He knew that the war had the most far-reaching effects, but he was satisfied that Great Britain and France could control it. He was resolute against taking a step which would endanger the pure impartiality he sought from the citizenry, and he did not wish to unsettle by a single gesture of preparedness the trust of the belligerents in the far-off, idealistic peace overtures he contemplated. A policy of strengthening the navy would be cause for excitement, Mr Wilson told his young adviser. Excitement was vain, profitless and unwarranted. That, Mr Roosevelt is understood to have told many of his 1939 intimates, is a way not to get ready for anything.

At length Wilson was moved from his imperturbability about the army's and navy's low estate—not by the importunities of his subordinates or the rising public cry for preparedness, but by two threats to the country's dignity and well-being.

The chief factor in the development of the navy was Germany's unrestricted submarine warfare undertaken in 1915. It was an obvious threat against a nation determined to uphold its rights as a neutral as it comprehended them according to the law of the nations. And it was a sensational threat in its toll of American lives, even though fewer than three hundred Americans drowned after ship torpedoings. The principal contributor to the army's improvement—or rather, the principal contributor to an official understanding of the army's miserable inadequacy for even the minor campaigning of border warfare—was the Mexican difficulty of 1916, when our troops were massed along the Rio Grande.

In the popular estimation our army in 1914 was everything

that the United States needed. Measured in terms of fitness for another Spanish-American War, the popular estimation was about correct. The Regular Army had fewer than 100,000 men and officers, garrisoned on the continent and in the nation's outposts, Puerto Rico, Canal Zone, the Philippines, Hawaii, Alaska. The National Guard comprised about 100,000 inept soldiers, who joined the militia then, as in 1939, for the fun of it and its lodgelike social advantages. Eight million men were under arms for battle in Europe.

1915 brought the first tiny preparedness steps—the establishment of the civilians' training camps at Plattsburg, New York. These represented a personal triumph for General Leonard Wood, the commander of the army's Department of the East, who thought that the government would be wise in at least introducing a large number of the nation's men to some fundamental aspects of the life military. Beyond the camps, General Wood's protests against Washington's supineness in the face of the very likely possibility that the United States someday would find itself in the war drew no further immediate response. But while Wilson would not arm, he could view with alarm. The frightening possibilities of the war had gripped him by 1915's December. He was no longer sure that the three thousand miles of ocean between the United States and France provided all the insulation America needed against Armageddon. The representatives and senators in the new 64th Congress learned from the President's annual message that—

> . . . the war of nations on the other side of the sea has extended its threatening and sinister scope until it has swept within its frame some portion of every sector of the globe, not excepting our own hemisphere.

Now the administration began to grope its way toward preparedness, like a small boy walking through the un-

known dark. It made a few wise gestures of precaution while it assured itself that there really was no cause for alarm. Its satisfaction with the Regular Army suffered disillusion in March 1916. Pancho Villa, the Mexican bandit, led his famous raid on Columbus, New Mexico, that month, and General "Black Jack" Pershing was sent to catch him. Villa escaped into the mountains of Chihuahua, and ten thousand troops picked from the American army, which for the occasion was mobilized in almost its full strength, both regulars and guardsmen, could not rout him from his lair.

The army's poor conduct in a cross-country chase after a mestizo politician bad man gave force to the complaints of men like Theodore Roosevelt and Elihu Root and Nicholas Murray Butler that we must be prepared for war, even if we didn't go to war, and of such as General Wood, who thought the army structure needed reorganization.

Congress acted. Before the summer was ended, it passed the 1916 National Defense Act and the 1916 Naval Act. Both statutes proposed great advances in our military strength, but in a very orderly, gradual fashion. The administration was willing to prepare, but not in any hurry. It acted like a man in a bear pit studying a book on shooting bears. The Defense Act provided that the Regular Army should number 220,000 officers and men, and the National Guard playboys were to be 450,000 strong—but within five years. The navy was to be "second to none," with ten new battleships, ten scout cruisers, six battle cruisers, fifty destroyers, nine fleet submarines, fifty-eight coast submarines—but within three years. The civilians' training camps were given wider scope, and the schools and colleges were enlisted as military aides through the Reserve Officers' Training Corps. Wilson was admitting that Europe and the United States were on the same planet, but he went to elaborate lengths in 1916 to avoid contemplating the implications of such proximity.

The declaration of war on April 6, 1917, satisfied all of Mr Wilson's moral indignation, but it was a morality without a military force. The beautiful defense plans approved by Congress still were plans when they had to be turned to fit an offensive program. The Regular Army consisted of 5,025 officers and 102,616 enlisted men, of whom 67,416 were in the United States. The National Guard had a roll of 150,000. The sea strength was 60,000 although the law allowed 87,000.

In those still innocent days there were many who doubted whether the United States should send troops to Europe. War was declared in an atmosphere heavy with moral considerations, and there seemed no reason really why our action shouldn't end with an expression simply of our moral contempt for the German belligerency. For the navy, it is true, war meant immediate action, and by June its personnel had risen to 100,000 men. Its business was to assist in the British naval blockade of Germany and to protect merchant ships bound for Britain and France from the torpedoes of the German U-boats. For such action the administration's fumbling preparedness program had left the navy unprepared, although before the summer was far gone it was performing an excellent job. By the end of April thoughts about a soldierless war for the United States were given a jolt by the visit of Marshal "Papa" Joffre and René Viviani, the French Foreign Minister. Send us soldiers to the French front, they told Mr Wilson. They divulged the most unpleasant stories of restlessness among the French troops, and they were not sure the Germans were not near victory.

The administration decided to raise a large army. May brought the Draft Act. But few American soldiers got into the trenches before Christmas. Better preparedness would have brought a quicker response to the Joffre-Viviani plea.

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A citizen contemplating the American army and navy strength on the memorable September 1, 1939, might have found satisfaction in the statistics. The administration saw a potential defense strength of 1,035,000 men. Actually available at the moment were 210,000 in the Regular Army, 116,000 in the navy, 19,000 in the Marine Corps, 190,000 National Guardsmen, and 120,000 reserve and retired officers.

The comfort of large numbers, however, was illusory. The American army maneuvers which closed a week before the German army opened its more serious maneuvers were "very instructive" to Lieutenant General Hugh A. Drum, commanding the First Army, because he found that "nothing was well done in them." The navy was vastly improved over its relative situation in 1914, but it was still unprepared to freeze the dual military menace to the United States' ultimate interests inherent in the diplomacy of 1939: simultaneous war with Japan and Germany, which would require operations in both the Pacific and the Atlantic.

The distance between 1914 and 1939, however, was immeasurable. The chief distinction was that the administration of 1939 was ready to admit the military possibilities for the United States in the European war. Eight months before its arrival President Roosevelt asked Congress to appropriate the largest peacetime defense fund in the country's history, $1,875,000,000. Europe was arming; America must arm. From 1910 to 1914 Europe was arming, but the United States paid it no more heed than a small boy who attends his mother's girding on of her corset. He wonders why she would do such a thing and lets it go at that. The President said:

As commander in chief of the army and navy of the United States, it is my constitutional duty to report to the Congress that our national defense is, in the light of the increased armaments of

other nations, inadequate for purposes of national security and requires increase for that reason.

This mature realism was comfort for the citizen. The chief danger in 1939, as he looked at it, was that the Roosevelt administration might, like Wilson, follow a diplomatic policy of friendliness for Britain which could only result in involving us in the war. Now he could understand that Roosevelt would parallel that diplomacy with a military policy so that, if we got into the war, we would at least be prepared to fight in the war.

The war's actual arrival brought an immediate response from Mr Roosevelt in the announcement of the existence of a "limited national emergency." This proclamation had a purely military aim, authorizing an enlistment campaign for expanding the army by 26,000 men, the Marine Corps by 25,000, the navy by 14,000, the National Guard by 35,000. Even the completion of this recruiting drive would leave the services about 15 per cent under their peacetime strength, which was 280,000 for the Regular Army and 180,000 for the navy. Roosevelt was as slow as Wilson about causing unwarranted excitement by a sudden increase in the military. But, unlike Wilson, he could see the facts, and he was agreeable to admitting them, however cautiously. The emergency proclamation said, in effect, that the President knew the war had military implications for the United States and that he was prepared to accept them.

Roosevelt himself made no bones about our lack of preparedness. He told Congress that the United States of 1939 was no more ready to conduct large-scale land or air operations than it was in April 1917, when Joffre and Viviani were in Washington, wringing their hands out of the public's sight, wishing aloud that America had a great force ready for action on the western front. The difference between 1939

and 1917, according to the President, was that while in 1917 we could wonder whether it was actually going to be necessary to send troops to Europe, in 1939 "we cannot guarantee a long period free from attack." He felt that the United States continent was vulnerable. A good many authorities think this is poppycock. In 1917 it would have been outlandish. The development of battle planes capable of cruising almost two thousand miles registered the difference between the two eras.

There was comfort, then, in 1939 in the administration's attitude, which suggested that gross deficiencies in military material and man-power training would speedily be remedied. There was comfort, too, in the indicators that a declaration of war would result in the speedier training of a useful citizen army than the unprepared war-makers of 1917 could arrange.

The closeness of the years of the two World Wars meant that the arrival of the second found some 1,000,000 American veterans of the first still hearty, fairly young and sound of limb. Every one of these tried troops who knew the facts of battle was a potential instructor of the young warrior. The American Expeditionary Force numbered 4,000,000 draftees, 500,000 regulars and volunteers, and 400,000 National Guardsmen—more soldiers than there were people in the thirteen states at the end of the Revolution. For a government which refused to contemplate the meaning of war until it actually went to war, the task of training these soldiers was carried out in the midst of confusion on the grand scale. The only veterans the government would possibly draw on—and it did not use them—were the heroes of puny campaigns, the Spanish-American War, the later Indian skirmishes, the Boxer Rebellion and the Philippine fight.

Behind the difference in official attitude toward the war's military meaning in 1939 and 1914 lies a different tone in

foreign policy, which would have given us a preparedness program of a sort even had Europe remained scantily armed. Since the McKinley administration, the United States has had three major considerations in its diplomacy:

The Monroe Doctrine, the Open Door, and the Pacific island possessions.

The Wilson administration, following the lead of President Taft, interpreted the Monroe Doctrine as a moral rather than an economic and potentially military policy. It neglected the Open Door. It tired of ownership of the Philippine Islands. So inefficiency was permitted in the naval fleet, whose chief reason for being lay in its potential threat against any European power seeking to establish itself in the Americas in defiance of the Monroe Doctrine; in its implementation of diplomacy in keeping open China's Open Door; and in protecting the Philippines.

The Roosevelt administration from its birth was vigorous in asserting its forceful allegiance to the Open Door and the Monroe Doctrine (both policies invented by the English and sold to the United States). For these practical reasons as well as out of the sentimental Mahan-Teddy Roosevelt-Auld-Lang-Syne-Assistant-Secretary-days considerations, Franklin Roosevelt was a large-navy advocate even when disarmament was still a serious word, in 1933.

The state of the navy on September 1, 1933, was this:

Its total strength was just less than Britain's and just greater than Japan's. Great Britain has the foremost fleet in the Atlantic, and Japan the foremost in the Pacific (when America's is in the Atlantic). The United States keeps her fleet in the ocean where it is likely to do the most good. On September 1 that was the Pacific.

It had the best seagoing air fleet in the world.

Its enlisted personnel was insufficient to man the ships in operation.

When 1939's crucial days arrived, the United States was up to its neck in a giant naval building program. The government proposed once and for all to free the country from the last vestige of the restrictions imposed on navies by the Washington and London treaties of 1922 and 1930, which expired in 1936. Six 35,000-ton battleships and two 45,000-ton battleships are the principal vessels in this program. Already on the ocean are fifteen battleships, totaling 464,300 tons. Three aircraft carriers are in operation, and three are building. To the twenty-seven cruisers in use, fifteen are to be added. The thirty-seven destroyers are to be augmented by fifty-five new ones. The building program's completion will give the United States fifty-six submarines.

The navy's air strength now is 1,870 planes—pontoon seaplanes, which are carried aboard battleships and cruisers; carrier-base planes, operating from aircraft-carrier ships; and patrol bombers, the "flying fortresses," which can cruise fifteen hundred miles without bombs and seven hundred and fifty to a thousand with bombs. The navy's goal is three thousand planes. Goals and realizations, of course, are different. Labor troubles and slow construction work which seems to be inherent in American shipbuilding operations have kept hopes well ahead of expectations.

The building program, oddly, is the logical development—interrupted by the naval-limitation treaties of Washington and London—of the policy of a "navy second to none" approved in far-off 1916 by Mr Wilson in evidence of his capitulation to the screamers for preparedness. Neither the 1916 program nor the 1939 program was aimed directly at the possibility of war against Germany on the side of Great Britain and France. The "navy second to none" contemplates a thorough military support of our classical diplomacy. A war against Germany would require a great destroyer fleet.

The early days of World War II showed that the British

methodology for fighting Germany was the twin for the system of 1914–18: a North Sea blockade by capital ships of Germany's outlets to her supply sources across the Atlantic, and an Atlantic patrol by lesser ships for German submarines. Germany used the submarine both in the first and second wars as a sort of blockade of the blockader, to cut Britain off from *her* sources of supply beyond the Atlantic.

The German U-boat technique in 1915, 1916, 1917, 1918 and 1939 involved the sinking of ships bound for British or French ports. It was working with such deadly effectiveness by the time the United States entered the war in 1917 that Admiral Jellicoe, the British sea lord, confessed to Vice Admiral Sims, the American naval diplomat, that England was nearing the end of her rope. Germany, he told Sims, was winning the war.

The American response to Jellicoe's lament was to blanket the ocean with destroyers. The U-boat successes steadily declined. The German subs operating out of Kiel sent almost 900,000 tons of shipping to the sea's bottom in April 1917. The next April they got but 278,000 tons. In September 1918, 187,000 tons. The American destroyer was successfully augmenting the British blockade and eliminating the German untersee threat.

The American navy had two other functions in the war of 1917 and 1918; both of them involved aspects of the submarine warfare, and both of them would be repeated in another war. It helped the British blockade of the North Sea by planting 100,000 mines across the sea's whole northern end. And it convoyed supply ships for Britain and France and, with the British navy's help, convoyed the transports carrying overseas, on their zigzag routes, the soldiers in the A.E.F.

The backbone of a new A.E.F., of course, would be the Regular Army. The efficiency of such an expeditionary force within the coming years must be considered in the light of

the needs of the French and British armies. The imponderables make it useless to wonder what those needs would be in five years; but at the present the chief need is air force.

The American army program of 1939 emphasized the fight in the air. The policy under which it was operating on September 1 aimed at five thousand planes, or more than the British and French fleets combined, which in turn are about half of the German fleet. The year of war's arrival was also the year in which the War Department undertook to train twenty thousand college students in the essentials of combat flying. The air program rested in part on lessons learned from the Ethiopian, Chinese and Spanish wars, which in the four years before 1939 served as a rehearsal for the big war. The lack of air combat on any sort of major scale in the opening days of the World War was taken lightly by American military men. They felt pretty sure that what the Germans had learned in bombing Spain's prettier cities and strategic rural centers would be reflected at the proper time in war against France and Britain.

Except for Germany, the United States leads the world in the air. On a small scale, like the force itself, the army is thoroughly up to date on anti-aircraft guns, in the newest artillery ordnance, in tanks and anti-tank guns (using a model developed in the Spanish Civil War), and in machine guns. Since the World War, the army has been heavily mechanized and motorized. The civilian unconcern about the military in normal times has left Congress usually unwilling to let the War Department spend the money it wished for buying replacement equipment. So many National Guard troops are using material handed down from 1918, which in many respects is in the military dark ages.

America in 1939 had an adequate foundation for a good military machine. But above the foundation there was only air. "It is not an army at all," said General Drum, somewhat

with the air of the little boy in the Andersen fairy tale who says of the king in the parade, "Why, he has no clothes on." The general, who took over somewhat the spokesman's role of General Wood, was, of course, correct. But there is more to the matter than that.

For one thing, the equipment for large armies is potentially available. Newton Baker, the Secretary of War, found himself hampered by lack of munitions supplies in 1917. But today's army has its industrial mobilization plans. These are aimed at protecting the government from such a dilemma as the 1917 rifle problem. Because it could not get delivery on millions of up-to-date rifles, the army had to supply the troops with old pieces dated 1898 and 1903. The men in command of the army in 1939—Secretary of War Harry Woodring, Assistant Secretary Louis Johnson, and General George Marshall, the Chief of Staff—were all eager advocates of the program for wartime utilization of industry. On account of the plans the army could feel fairly confident, for instance, that it could get fast delivery on a large scale of its modern rifle, the semiautomatic air-cooled nine-pounder, which shoots eight shots at a clip. This arm is as far advanced over the 1917 rifle as the 1917 was over the 1898. It would be the greatest ineptitude to let the army be caught in such a way that it had to send men into battle with the ancient piece.

There were other great virtues which 1939 had over 1914 and 1917. The military and naval command in the later year was thoroughly aware both of its peacetime mission of implementing American diplomacy and of its possible function in a European war. In place of Secretary of the Navy Daniels, insisting that all was well with the fleet when it could scarcely have guarded the Panama Canal approaches, there was Charles Edison, with a full understanding of the navy's mission. Above all, in place of Wilson in his tower there was Roosevelt with his ear to the ground.

CHAPTER III

"The Best Information in the World"

By the time 1939's anxious summer ended, Secretary of State Cordell Hull had won himself a nickname. From then on he was "Scoop" Hull, the managing editor for the best foreign correspondents in the world—the American ambassadors and ministers and chargés d'affaires.

This was a boast full of meaning. The whole philosophy of the preparation program rested on the presumption that the United States government would get adequate information about developments abroad. It was the business of the ambassadors to find out quickly what was going on among the European governments, the inmost secrets, and to acquaint the State Department swiftly with the news. It was the State Department's business in turn to facilitate this higher-order news-gathering by assisting in the interpretation of developments and in guiding the ambassadors in their reporting. Fortunately the State Department was being run by realistic worldly-wise experts, the chief of whom, aside from Hull himself, was Sumner Welles, the Undersecretary of State. Welles was a professional with an unerring instinct for sensing the world's danger spots and danger moments. Four out of five of the telephone calls from embassies in Europe to the State Department during the critical months of June, July and August were for Welles. He counseled the ambassadors on what questions the United States wanted asked and what information they should elicit.

So, during 125 of the most trying days the heads of nations have ever known, the diplomats representing the United States in Europe reported to Hull and Welles not only by telephone but by radio and confidential and superconfidential cabled dispatches with great accuracy on each single step toward war; beginning April 28, when Chancellor Hitler, in his reply to a letter from President Roosevelt of April 14 requesting Hitler to do his bit for peace, let the world know that he had marked Poland for the grave; ending at 2:30 A.M., September 1, when Ambassador Bullitt in Paris telephoned to sleepless President Roosevelt at the White House that German planes had announced to Poland the arrival of war by dropping German bombs on Poznan.

The warning of war reached America long before war was announced. For more than three months the President had been expecting something like the telephone call that came to him from across the Atlantic before dawn at September's opening.

The plot thickened one day late in May, when a messenger from the State Department's code room handed to Hull's secretary a sealed brown envelope containing a cabled dispatch, newly deciphered. It was marked superconfidential, indicating that only the Secretary was to see its message. Hull read the cable and took notes on it—notes which he later burned. Then he called the White House to inform Mr Roosevelt that he had just received urgent news from Bullitt.

Mr Roosevelt proposed a tête-à-tête, and the Secretary walked across the street to the White House executive offices. There Hull paraphrased the momentous dispatch for the President. In its essence it reported this: the summer certainly would bring a critical demonstration of belligerency from Hitler.

Since April 28 the whole world had been speculating on

Adolf Hitler's future course. Some persons thought he might be content in 1939 with having swallowed Czechoslovakia. But here before the President and the Secretary of State was a well-substantiated report from the soundest sort of observer that the German Führer had plans for action, involving a threat against Poland through a Danzig incident. Poland has a right to her corridor to the sea, Hitler had said but five months since. Now privately he was taking a different tone.

For the President the cable was far more than interesting news. It was a signal for action. It proved the value of a diplomacy directed chiefly at keeping the government at home informed. For years Roosevelt and his fellow governors in Washington vaguely had been expecting calamity abroad. It was on the basis of this expectation that they long ago determined to prepare to be prepared. Without ambassadorial dispatches of the Bullitt sort and the superconfidential stuff from Hull's other major correspondents, Kennedy in London, Kirk, the chargé d'affaires in Berlin; Phillips in Rome, an administration which required complete day-to-day knowledge of the European situation would have been at sea.

Twenty-five years earlier, indeed, the administration was at sea. The government which Roosevelt headed was ready because Roosevelt and company were sophisticated enough to realize that events in Europe held the greatest significance for life in America. But the government for which Roosevelt went to work as Assistant Secretary of the Navy in 1913 thought of Europe as a tourists' haven, a distant planet with an interesting culture and meaningless politics. The result of this attitude was that the government was in the dark about Continental affairs during 1914's anxious summer until the general European war was a fact.

In his inaugural address on March 4, 1913, Woodrow Wil-

son neglected Europe entirely. On the following day the new President preened himself at the swearing-in of the new Secretary of State, William Jennings Bryan, whose ignorance in foreign affairs was far outweighed in the President's mind by his influence with Democratic senators and congressmen, which would be highly useful in the translation of the New Freedom into the law of the land. Bryan did bring some positive ideas to his office. One of them was that diplomacy was an especially exalted field for especially deserving democrats.

The ambassadors and ministers appointed by the Bryan standard watched the events leading up to cosmic tragedy and insisted to the State Department that fundamentally all was serene in Europe. Barkis was no more willing than the diplomatic "foreign correspondents" of that far time. But they all lacked the faintest conception of the possibilities for the Western Hemisphere in the Old World ententes and alliances. They were blind to the danger to the world in the dissatisfaction of subject peoples whom nobody west of Staten Island had ever heard of. To Serajevo they could not connect Algeciras, the diplomacy of Delcassé, the Balkan Wars, the Kaiser's fear of the "encirclement" of the day.

These bumbling diplomats took no steps to shake Wilson and Bryan from their dangerous uninterest in foreign affairs. Whatever fleeting apprehensions the State Department might have suffered late in June were allayed the first week in July by the reassurances of Ambassador Gerard in Germany. He cabled to Mr Bryan that in the most knowing quarters in Berlin and Potsdam "no one seemed to think that the murders at Serajevo would have any effect upon the world."

Gerard was a Tammany judge transplanted to the luxurious field of diplomacy in reward for his loyalty to the party of Jefferson, Cleveland and Wilson. He took counsel with his most experienced colleagues in the diplomatic corps, and even

from such a giant as Jules Cambon he received no signal for alarm.

Besides, Gerard had distinguished advocacy for his optimism in Colonel Edward M. House. House was in London at the time of the assassinations, making beautiful progress, he was confident, toward the goal in search of which three months earlier he had set out on his Great Adventure overseas: to convince all the nations that counted of the urgent need for setting up a basis for lasting peace.

The colonel was a League of Nations man long before the title was invented; long before Wilson gave much thought to the subject. A week later in July than Gerard wrote, House was so busy pressing Earl Grey to support the thesis that leaguelike co-operation among the powers could erase all European problems without a gun's being fired, that he scarcely had time for noting his regrets over the royal Austrian homicides.

Even after Austria-Hungary presented its ultimatum to Serbia, July 23 (or twelve days before Austria, Serbia, Russia, Germany, France, Belgium and England were at war), the administration in Washington continued to take the calm view. It received uniformly encouraging dispatches from its diplomatic chiefs; in London, from Walter Hines Page, who could not comprehend that any nation would dare to displease England, much less risk a war with her; in Rome, from Thomas Nelson Page, the Southern romantic author; in Brussels, from Brand Whitlock, the Ohio reform mayor.

These neophytes would have looked much deeper and seen more had they been directed by a State Department which itself had some major understanding of Europe. But in the United States in 1914 foreign affairs meant principally the elaborate and often empty demands of protocol and precise phraseology, which Assistant Secretary of State Alvey Augustus Adee, the "Grand Old Man" of the Department, was

famously adept at satisfying; grandiose projects for world co-operation in the assurance of everlasting peace, and academic debate over international law, in which John Bassett Moore, the first Wilsonian Counselor of the Department, was one of the world's acknowledged leaders, and of which Robert Lansing, his successor, was a vigorous exponent.

The State Department of prewar 1914 was so fundamentally an isolationist institution that its bigwigs would have been mystified by the import of the word "isolationist." Only seven years earlier, to be sure, President Theodore Roosevelt was mixing himself deep in world affairs; but Theodore was following his bent for his own amusement in a field where American public opinion did not follow him far. America was apathetic. It raised no squawk against the Wilson diplomatic choices. It did not think it odd when Bryan named Cone Johnson, a Texas politician, as the State Department legal adviser or named John Osborne, a Wyoming druggist, as an Assistant Secretary of State, or put his stenographer, Robert Rose, in the post of foreign trade adviser to the Department. Moore protested early against the general inadequacy of the Department by resigning, but his resignation meant nothing to the public.

The designation of politicians and provincials as legates was bad enough. As Harold Nicolson* says:

> A political supporter who was accorded the perquisite of an Embassy or a Legation was all too often more concerned with maintaining his publicity value in his home town than with serving the rights and interests of his own country abroad.

More distressing is the fact that in 1914 even long practice of diplomacy as Americans understood it could not rub off the isolationist fuzz. Americans then were so constituted that their parochialism was an eternal part of them. During

**Diplomacy*, p. 130.

July 1914 the State Department received no more valueless reports than those in the dispatches of Frederic Courtland Penfield, ambassador to Austria-Hungary. Yet Penfield was an old hand at foreign affairs, with a career dating back to a vice consul-generalship in London in 1885. For all his experience at observing foreigners, he couldn't see the waters rising for the deluge. America wouldn't have believed him if he had seen them and reported what he saw.

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The Bullitt dispatch of mid-May which sent Cordell Hull hurrying to the White House prompted the President to make the first of a series of moves aimed at putting the United States in the best possible condition for meeting the shock which another World War would impose on our economic life.

The prospect of European war, of course, meant double preparation: preparation for the rigors of war and preparation for the trials of neutrality. Neutrality was first. The Rooseveltian conception of neutrality was the international lawyer's modified. Above all in 1939 the government wanted a neutrality that meant something, a protective, positive, workable neutrality. In 1914 neutrality was just a word. Its enormous possibilities for giving birth to troubles between the nations were unknown, unthought of, except by a few rare students. 1914 knew none of the practical aspects of the neutrality question. You were neutral, and that was all there was to it. 1914 was wholly unprepared for the difficulties into which neutrality immediately plunged the country, leading in 1915 almost to war with Britain, driving us in 1917 to war with Germany. The 1939 government wanted a neutrality which would at once make us an effective neutral and keep us out of war.

The Secretary of State went in search of a statutory formula for this sort of supersafe but superrealistic neutrality as soon as he and the President had considered in full discussion the meaning for the world and for America of the news from Paris. For his period of legislative incubation Mr Hull withdrew into his apartment in the Carlton Hotel.

There on three successive nights he conferred with congressional foreign-affairs authorities friendly to the administration. They evolved a neutrality bill which would give the administration a relatively free hand in dealing with crisis. For two months a neutrality controversy had been raging at the Capitol, but the administration ignored it. On May 27 Hull disclosed the government's sudden interest in the fight by writing letters to Key Pittman, chairman of the Senate Foreign Relations Committee, and Sol Bloom, acting chairman of the House Foreign Relations Committee, asking for an act similar to the Carlton Hotel draft and urging the repeal of the existing Neutrality Act's embargo on American shipments of munitions to belligerents. This letter, the fruit of Bullitt's cable, was the beginning of the historic embargo conflict between the White House and the Capitol which continued long after war's arrival.

In the first week in July the situation which Bullitt had first revealed *in petto* to the State Department was made public information in Europe. Premier Daladier of France said the situation was the most delicate in twenty years. Prime Minister Chamberlain disclosed to the English Parliament that Germany was getting closer to the time when she intended to move toward the seizure of the Free City of Danzig, a creation of the Versailles Treaty. He foresaw it as inevitable that such a seizure would raise grave issues affecting the independence of Poland, since the Free City was a prop of Polish liberty, and he declared that England would support Poland's independence. President Moscicki said at

Gdynia that his country was determined on the retention of her boundaries.

The Daladier, Chamberlain and Moscicki talks reflected the same information on which Roosevelt was resting his neutrality fight: Berlin plans for later troop massings against the Polish border in Silesia, a broadened overseership of food supplies in Germany, alarming conversations between the Third Reich high command and Albert Forster and other Danziger Nazi leaders, the development of a domestic German plan of intensified propaganda on the German-ness of Polish Poznan and Pomorze, which had been in the German Empire as Posen and Pomerania. Military attachés marveled in their dispatches at the fitness of the German army. They found the German munitions industry geared to its highest state of production.

The dispatches did not necessarily point to war. There was no way in which it could be forecast absolutely whether there would be a military engagement or whether Hitler would back down before a firm French and British diplomatic front. When Germany undertook a series of diplomatic maneuvers in July, the administration made further moves toward preparation. Between then and late August the government, watching its superconfidential cables, ordered an increase in the garrison at Panama Canal, established the War Resources Board, and put into operation the interdepartmental committee for war-shock cushioning. No step was made to increase the army's size during the days of peace because until the very last moment of peace there was an ounce of doubt about Germany's intentions. This uncertainty came from an early-August dispatch from Berlin reporting two German weaknesses: German morale was low; the German army would not realize its full air strength, great though it was, because there were not enough men in Germany to supply pilots for the planes during a long war.

The German diplomacy of early July was aimed at the seduction of the two Slavic Balkan countries farthest from the German orbit, Bulgaria and Yugoslavia. Prince Paul's visit from Belgrade to Berlin and Bulgarian Premier Kiossewanoff's visit to Belgrade and Berlin hinted at another German diplomatic triumph in southeastern Europe where already Hungary and Rumania were under part of the Third Reich thumb.

To the diplomats of 1939 the travels of these politicians meant much. It was different twenty-five years before. Then the minister at Belgrade could not for the life of him see what contribution the Slavish people living dully along Serbia's river Morava could make to the boundary-bursting drive of the Deutsch Kultur. In pre-July 1914 the Balkans were faintly something to be laughed at in America, a sort of foreign equivalent of the tin lizzie as a source of drugstore wit. But the ministers to the Balkans in 1939 and the State Department officials who guided the ministers in their diplomacy were alive to the prospect of great strength which even passive Yugoslavian support would give to the Hitlerean ambitions. The prospect put new vigor into the Hull-Roosevelt neutrality fight. Hull on July 14 wrote a new letter to Congress, crying that the embargo stood in the way of peace.

The letter did not end the neutrality impasse at the Capitol. The upshot of the impasse was the White House conference where Vice President Garner pricked the President's anti-embargo hopes with the remark:

"The game's up, Captain. You just haven't got the votes."

It was also the conference where Senator William Edgar Borah, the Idaho isolationist, pooh-poohed the State Department information which suggested war. Perhaps Borah might have been convinced if Hull had shown him the latest dispatches from Berlin. But these were secret dispatches,

and Hull treated them so. He was more careful than Bryan was in his day. Bryan in the prewar days once returned by train from a Chautauqua speaking tour, during which his subordinates had sent him the most pressing of the latest dispatches. There were matters in several of them which he had determined to discuss with John Bassett Moore. So he hurried from the station in Washington to his office and sent for the Counselor.

"About these dispatches," the Secretary said when Moore came in.

He reached in his pocket. They weren't there. He searched high and low.

"I've got 'em somewhere," he said to Moore. Just then the stationmaster telephoned the Secretary's office.

"Mr Bryan left some papers in his berth last night," the stationmaster said. "We wondered if they were important."

They were the missing dispatches.

On July 22, 1939, the world was full of rumors of a great appeasement move. There was a newspaper story of a five-power conference about to be called for the solution of all the problems of the European nations. Wohlthat, the German foreign-trade expert, talked with Hudson, the British overseas-trade head, during a whaling conference in London, and behind the whales editorial writers saw a new Munich. The State Department lifted a calm eyebrow at these reports. Its dispatches from Kennedy of the immediately preceding days emphasized that the English government was resolute in its decision that the most fruitful course lay in fighting and that the English people were ready for anything except truckling to Hitler's ambitions.

The Roosevelt letter to King Victor Emmanuel of Italy on August 23, urging all efforts for peace on a basis honorable for all parties, reflected again the efficient working of the State Department diplomatic service.

On August 11 the wind-up for war began in earnest with the meeting at Salzburg of the German-Italian axis foreign ministers, Ribbentrop and Ciano. Two days later Ciano and Hitler talked at Berchtesgaden, Hitler's Tyrolean retreat. These talks had two results: the late August crisis was assured; a new role for Italy in the axis diplomacy was charted. Ciano used strong language in talking with the astonished Hitler, whom, Ciano later confided to friends in Rome, he came to regard during this visit as a madman. Italy was unwilling to support Germany in diplomacy for a Danzig coup or at arms in a Polish putsch; but Italy was grateful for past favors. She agreed to act as angel of peace when the going should become hot between Germany and France and England over the Danzig question. Hitler told Ciano he had decided to annex Danzig, and, if Poland should complain too loudly, to annex Polish territory. The German Führer hoped that Italian intervention in the cause of peace would take his enemies by surprise and pave the way for another irenic settlement of German demands with the usual consequence of more land for Germany at no cost.

The tenor of the Berchtesgaden conversations with Ciano was quickly known, however, to the State Department. William B. Phillips, the ambassador at Rome, was a career diplomat of long experience. He pictured the changed position of Italy with regard to Germany. The way was open for correspondence between Roosevelt and Victor Emmanuel. Until peace departed to make way for bombs, when the Italian strategy had failed, the administration was kept constantly aware of the one invariable factor in the European muddle: French and British determination to give no ground to Hitler. The Hitler course was unpredictable. But Hull's "foreign correspondents" made it possible for the administration to have itself ready for whatever Hitler might do.

1914—America had the worst diplomatic information

service in the world. 1939—America knew each minute what it was all about in Europe, with one large exception; neither America's nor any other democracy's ambassador knew of the Russian and German negotiations for their nonaggression pact of August, which was the supreme factor in giving Hitler the confidence that he would be safe in war. The French and the British, not the United States, however, were left holding the bag. And only one day after Von Ribbentrop and Molotov, the Russian Foreign Minister, signed the treaty in Moscow, Laurence Steinhardt, the American ambassador to the Soviet, who had just arrived at his new post after duty in Peru, reported to Hull the plan for the Polish partition, which was assured three weeks later, when Russia moved her troops into Poland.

America was grown up in 1939. National adulthood made possible the diplomatic reportorial competence. America's people were alert to the implications of European upheaval, even though perhaps the implications were muddy in some minds. It was as natural for America to require a State Department operated by specialists in 1939 as it was for America to accept a State Department managed by Bryan in 1914. The diplomats who moved at the Department's skillful direction in 1939 were selected for their proficiency instead of their politics.

The American diplomat in Europe has small opportunity to engage in negotiation. He looks out for American interests, which rarely are political interests, and he observes—above all, observes.

With the arrival of war he took on the large order of getting Americans out of Europe. But even in war, observation and information-gathering remained his first business. In the war's first weeks the diplomats in Europe were cabling thirty thousand words in cipher each day to the Department, conveying the latest news—Hitler's post-Poland plans in the

Danube countries, the British and the French contempt for the peace speech at Danzig, the ultimate possibilities in the Russian troop movements. The news in September and October and the months following was even more important for a nation's preparedness program than the news in June, July and August. For the news from September onward always holds the fascinating possibility of turning America itself toward war.

Another factor in the diplomatic efficiency which the crisis revealed was the President. Mr Roosevelt is a confirmed internationalist. His position in the Wilson "Little Cabinet" required his close study of foreign affairs. Since Versailles he has had a sentimental attachment for the League of Nations idea, because it was the child of a man he admired, Wilson. Later he came to a more practical internationalism. Through the banking crisis and the gold-standard dilemma of 1933 Roosevelt learned, the minute he entered the White House, that the breadth of the Atlantic Ocean cannot, for instance, free the United States' financial problems, in good times or bad, from the influence of European financial problems. Roosevelt had been President only three months when he sent a message to the heads of Europe's and all the other major governments describing the practical virtues of peace for a depressed world looking for a sound economy. In his whole prewar period in office Pragmatist Roosevelt had his eyes on Europe. And he insisted, after Germany rearmed (he had some miserable ambassadors before), on the appointment of capable diplomats to help him watch what was going on and to tip him off on the proper times for the initiation of major phases of policy.

In the long run our prospects of staying out of war or getting into war adequately prepared depend on our receiving complete information about the countries involved in the war. For this reason diplomacy was the cornerstone in the

preparation structure which was already being built before the fateful September 1, 1939.

All the fine rhetoric and sincere sanctimony in President Wilson's celebrated demand for "open covenants openly arrived at" cannot obscure the truth that diplomatic negotiation in Europe today is not conducted in the public square. Secret diplomacy lives on, but secret diplomacy must not remain secret to our ambassadors if the United States is to understand its position with relation to events abroad. A more detailed knowledge of the secret diplomatic commitments of the Continental powers recorded before 1914 might have given a different twist to the development of this country's attitude toward the first World War.

Full information may mean the difference between our entering or eschewing war. Full information can prepare us for entering the war or staying out of war on sensible ground and for sensible reasons. Without full information, preparation in the United States is blind preparation, preparation for defense against bogeymen.

CHAPTER IV

Managed Neutrality

In 1914 America was inclined to regard neutrality as a matter lexicographically fixed, the condition, in the words of Webster, "of a state or government which refrains from taking part, directly or indirectly, in a war between other powers." So the country found Mr Wilson's philosophy as well as his grammar pleasingly simple when the President proclaimed on August 4 that "the United States shall maintain a strict and impartial neutrality" toward the nations mixed up in the then new European war.

There was no hint in August from Wilson or Webster or the grass-roots that devotion to a firmly fixed condition of neutrality was a well-paved road to war. The guide to neutral behavior for 1914 lay in the precedents accumulating long before 1914. That the powers at war might take some view toward the rights of neutrals different from the conventions of the past, was unthought-of. That a fixed neutrality could lead to dangerous and ceaseless international political debate over complex legalisms like freedom of the seas and contraband and continuous voyage, none foresaw.

By late September, however, the concealed possibilities were becoming all too apparent.

The British were halting American ships farther out at sea than international law permitted, and our neutrality policy was built around international law. The British seized from our ships bound for non-Allied ports goods which international law had never suggested could be placed

on a contraband list. The British, in their efforts to insure a victory at war, were behaving in such generally outrageous fashion toward Americans that President Wilson was driven to a sober rereading of the part of his own *History of the American People* tracing the background of the War of 1812, which rested on national indignation at British interference with our shipping during the long blockade of Napoleon's France. Instead of leading him to suspicion that America's attitude in 1914 toward its neutral rights might be falling just a bit short of realism, the reading stirred Mr Wilson to wonderment over just how far fate and pedagogy would intertwine his life and that of James Madison, who was President in 1812. From the depths of his rumination Mr Wilson, one day late in September, brought forth this observation for Colonel House:

"Madison and I are the only two Princeton men that have become President. The circumstances of the War of 1812 now run parallel. I sincerely hope they will not go farther."

They had gone so much farther for Old Nassau by May 1916 that the American Neutrality Board found the British offending against international law "in three particulars." For the guidance of Secretary of State Lansing, the board catalogued the British shortcomings in their measures against neutrals: "Unwarrantably extending the list of contraband; unwarrantably exceeding the recognized belligerent rights of blockade; unwarrantably extending the doctrine of continuous voyage." In this report the Neutrality Board made it clear that the war was not a gentleman's engagement in which rules laid down before the war's beginning had anything more than academic worth.

"Great Britain is trying to introduce new belligerent rights into the law of blockade, and to do it in time of war, despite the neutral interests involved," Mr Lansing and Mr Wilson were advised. Their attitude toward their country's

position as a neutral remained inflexible. The President refused to counsel or to consider the invocation of a new neutrality policy to fit the new conditions of war. The devotion to rigidity was born less of stubbornness on Wilson's part than of the old morality which was every American's heritage. Before he made way for Lansing, Secretary Bryan disclosed the intimacy between morals and the unbending neutrality policy, which in itself seemed immoral to Theodore Roosevelt.

Mr Bryan wrote to the German ambassador in April 1915:

> Any change in its own laws of neutrality during the progress of a war which would affect unequally the relations of the United States with the nations at war would be an unjustifiable departure from the principles of strict neutrality.

Mr Bryan rested the moral case for rigidity on the question of "principles." A month later, after the sinking of the *Lusitania,* Theodore Roosevelt was filling the air with some of the most moral rhetoric of the day—with an interest just the opposite of Bryan's. "For many months our government has preserved between right and wrong a neutrality which would have excited the emulous admiration of Pontius Pilate," Colonel Roosevelt wrote. He was sure a Pilate in 1915 would have been a German.

This introduction of conceptions of right and wrong into the most pragmatic sort of problems, avoiding war, was vaguely akin to the morality of vegetarianism. That dietary religion requires that its practitioner suffer in the interest of longevity for a beef steer whose happiness or unhappiness really has no practical meaning for the vegetarian. It was a costly as well as a muddled morality. The rigidness of our neutral policies involved us quickly in a war of diplomatic notes with Great Britain and eventually a war of arms with Germany, whose submarine attacks the United States found

even more unbearable than British and French above-water interference with American shipping.

The American refusal to change her neutrality policy for the changed aspect of war was a disastrous lesson, but one not too well learned. Twenty-five years after Wilson was wondering whether it was the fate of all Princetonians who became Presidents to involve the United States in European wars, another American politician was harking back to the sentiments of Bryan. He was Senator Arthur Vandenberg, a leader in the movement resisting Franklin Roosevelt's request for a change in the statutory neutrality policy as it existed when 1939's war arrived.

"We cannot remain neutral," Senator Vandenberg said, "and adjust our rules every time there is a shift in Europe's power politics."

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By 1939 most of the country conceived of neutrality as a fluid condition, changeable, adaptable, flexible. From 1914 to 1917 the United States had been a sort of Casabianca, standing heroically but foolishly on the deck of a ship which, whatever its original merits and past nautical performances, was scarcely streamlined against contemporary dangers. Opposing twentieth-century warfare with nineteenth-century neutrality was as absurd as sending infantry armed with Sharps rifles against infantrymen firing semiautomatics. The realization which America has had to come to is that a neutral is always on the verge of war. To stay clear requires nimbleness.

Nimbleness requires flexibility. The President propounded that view in his speech before the special neutrality session of Congress on September 21, 1939. The speech itself was a plea for changes in the Neutrality Law. It suggested that there may be further need for change later. "In the event of any

future danger to the security of the United States, I will immediately reconvene the Congress in another extraordinary session," Mr Roosevelt said.

There were other points of strength in the neutrality policy of 1939 as compared with 1914's.

America was conscious that neutrality was a complex matter. For the four years before the second war's coming, neutrality had been a favorite American dialectical subject. The Senate Munitions Investigation opened by Gerald P. Nye in 1934 gave birth to the Neutrality Act of 1935, and the act gave birth to an endless debate on what sort of neutral attitude we should take: that of the armadillo or the porcupine. The armadillo curls up within its banded armor and remains in complete isolation, defending its existence but not its dignity. The porcupine protects its rights and its dignity by curling up into a spiny ball hurtful to the belligerent's touch.

Out of the debate came a willingness for compromise, to avoid extremes in neutrality policy. From 1914 to 1917 the United States played the part of a rather aggressive porcupine. Mr Nye was hopeful of turning the nation into an armadillo. Mr Roosevelt has blended the two animals.

Mr Roosevelt has followed not his own taste but the public's in acceding to the retention of certain armadillo policies like cash-and-carry and prohibition against American travel in war-zone waters. The President stated his own preference for the 1914 porcupine policy: "I seek . . . a return to international law. I seek re-enactment of the historic and traditional American policy which . . . has served us well for nearly a century and a half." International law is the porcupine's set of quills. International law urges the thesis that a nation's international life can go on almost as usual, with only minor adjustments, ready blueprinted by international law, to fit the difficulties of war. Neutrality by

international law supposes a war fought by international law. The experience of 1914–17 put international law in a sour light for the American public. It was prepared in 1939 to protect itself from the protections of international law.

Yet another protection for America on the neutrality front in regard to the second war is the reasonable assurance that the administration will pursue honestly the policy which is set out for it. In its horror at the U-boat the Wilson administration interpreted its rigid neutrality liberally for the British and French and drastically for the Germans, all the while leading the public to believe that it was defending the country's policy with completely neutral vigor.

It would surprise none if the Roosevelt administration were tempted to be soft with the British and harsh with the Germans now. Lansing justified the Wilson administration's Janus course by the moral need for hampering the German operations. Mr Roosevelt indicated in his annual message to Congress in January 1939 that he felt there was no morality on the German side. "An ordering of society which relegates religion, democracy and good faith among nations to the background can find no place within it for the ideals of the Prince of Peace," Mr Roosevelt told Congress. He did not name the man ordering such a society, but it could only mean Herr Hitler. Mr Roosevelt made no pretenses that in the event of Hitlerite aggression he would adhere to that impossible impartiality of thought which Mr Wilson proposed to an American of an earlier date. "The United States rejects such an ordering and retains its ancient faith," announced the partial Mr Roosevelt.

This honesty of utterance, together with the administration's desire for a flexible neutrality and the new public concern for the technique of neutrality, is the indicator that there will be no revival of Lansingism. Within the first week of the second war the United States had occasions for contro-

versy with both Britain and Germany. The British took the American ship *Warrior* into port for search. The Germans, it was suspected, torpedoed the British ship *Athenia,* with Americans aboard. This dual source of irritation in 1939 had been repeated many times in 1914, 1915, 1916 and early 1917. Yet for Britain the United States secretly played the armadillo. Lansing discloses the situation in this celebrated passage in his *War Memoirs:*

> In dealing with the British government there was always in my mind the conviction that we would ultimately became an ally of Great Britain and that it would not do, therefore, to let our controversies reach a point where diplomatic correspondence gave place to action.

Behind the rigid steel props of our neutrality policy, Colonel House was conferring with Ambassador Spring-Rice of Great Britain on how to avoid oversharpness in American diplomatic representations to Downing Street. Ambassador Page in London was assuring Earl Grey that the diplomatic representations from the United States meant nothing. The British interfered with our mail sent to neutral countries and let British commercial interests steal trade secrets from the correspondence sent by American firms to neutral concerns. The British and the French seized men from American ships. The British blacklisted American firms which had dealings with Britain's enemies. Yet Lansing acted with the private design of not bringing "controversies with the British government to a climax by presenting a demand which would amount to an ultimatum." Lansing fully supported the policy of holding Germany to "strict accountability" for her acts of U-boat warfare which harmed American interests and took American lives. Lansing wrote the vigorous porcupine note to Germany protesting the sinking of the *Lusitania;* Bryan refused to sign the note and resigned his office.

The Wilson administration would put no restraints on those American actions which were calculated to stir the kind of controversy leading to war. The international-law policy meant little inhibition of American foreign commerce. Americans retained their rights to travel not only through the war zones but on armed merchant ships of the belligerents. These particular "rights" have been realistically subordinated by the Roosevelt administration and by law at the outbreak of the second war, in the interest of the greater "right" of the preservation of the peace of the Republic. The State Department at once limited the issuance of passports for travel to the war zone. The Roosevelt administration pursued a vigorous policy aimed at keeping American waters clear of belligerents' ships, with the three-mile limit extending to something less than a 3,000-mile limit. "If a belligerent country imposes upon us by conducting warfare in our coastal waters, Senator Key Pittman, the chairman of the Senate Foreign Relations Committee, a confidante of the administration, said in September 1939, "we will repel such impositions."

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Neutrality is almost as modern as the American Republic itself, so the confusions of today about the matter are only natural.

Until the close of the Napoleonic Wars, it was the axiom in Europe that if two countries went to war, the Continent went to war. Neutrality is a highly civilized attitude which presumes that the spectators at a fight can contain their passions so well that they remain only spectators, even while they cheer for one belligerent or the other.

In its relatively brief history neutrality has been often a matter of national statute as well as international law, Mr Wilson and Mr Roosevelt to the contrary notwithstanding.

In 1797 and 1800 the United States framed, by acts of Congress, a neutrality policy which stated the rights this country expected to exercise and the duties it expected to fulfill—the most spectacular of the duties being a prohibition against permitting the ships of a belligerent to arm in an American port. This law was among the very original statutory statements of neutral obligations and privileges. In 1823, when Great Britain was enlisting the warm friendship of the United States as a bulwark of her diplomatic maneuvering against the Continental Grand Alliance, Foreign Minister Canning remarked that the law of 1797 and 1800 was a model for the world.

The United States adjusted its neutrality policy in 1809 through the Embargo and Non-Intercourse Acts, forbidding American trading in the Napoleonic War zones. The domestic economic repercussions from these laws were, first, national depression and, second, a threat of secession by New England, which was the country's shipping center. In the years immediately after the repeal of these armadillo laws, the British, disregarding the international law of the day, halted our ships and impressed our seamen. With the encouragement of the citizens of the Northwest, who thought a conflict with England would mean the fall of Canada into American hands, Mr Madison, the first Princetonian, asked Congress to declare war in 1812.

Until 1914 the United States managed to stay aloof from European fighting on the basis of the acts of 1797 and 1800, with slight amendments in 1818. Europe was often at war. There were the wars of Louis Napoleon with Austria, the Crimean War, Bismarck's Six Weeks' War, the Franco-Prussian War, the Boer War. The conclusion of the Boer War found the world, entering the twentieth century, in the seizure of a sort of practical, civilized morality which frowned on war.

This moral flush was responsible for the Hague Peace Convention of 1907, where the buoyant delegates framed within international law a set of rules for the behavior of neutrals and belligerents. These regulations extended and codified the various statements on the matter contained in a long catalogue of treaties.

On this convention and the Declaration of London of 1910 the United States in 1914 based its rigid neutrality, while Great Britain, France, Germany and Austria-Hungary were disdaining both the convention and the declaration. The end of the World War saw the death of the legalistic conception of neutrality for almost all the countries except the United States. The League of Nations, constructed on the respectable moral supposition that all peoples are their brothers' keepers, made it impossible for its members to be neutral. The League was a huge alliance against whatever aggressor nations might appear.

The complete revelation of the League's perfectly natural insipidity almost coincided with a new American excursion into statutory neutrality. The Neutrality Act of 1935, completely armadillo, forbidding American munitions trade and American intercourse with belligerents, was invoked almost as soon as it was passed for the Italian war against Ethiopia. This was the war which proved that the League of Nations alliance for collective security was neither an alliance nor collective nor secure.

For America, the greatest weakness in the search for a neutrality which will effectively quarantine us from Europe's war ailment is the profundity of the disagreement over methods. The armadillos and the porcupines are as far apart as the theist and the atheist. The very newness of neutrality means that we have not yet discovered in what sort of neutrality our greatest safety lies. We are indeed on the road to a managed neutrality, but the flexible virtues of such a

policy will be stiffened even in their flexibility if, at each change in the policy, the new step is slowed by unceasing and irreconcilable argument on the same fundamentals.

The moral hallelujahs which each side sings to bring emotional support to its argument muddle still further the efforts to find the safest neutrality ground. The armadillos would keep us entirely outside the spheres of the immoral belligerents. The porcupines of today would use our active pursuit of our Hague and London conceptions of neutral rights for the moral assistance of the enemies of Germany. "We, no more than other nations, can afford to be surrounded by the enemies of our faith and our humanity," President Roosevelt told Congress in January 1939. He quoted this international political psalm in September when he asked Congress to repeal the arms embargo.

Both sides are bound to do good at all costs—whether the cost of trade, for the armadillos, or the cost of peace, for the porcupines. The paramount consideration is, not what is moral, but what is best for the United States.

America in its mood of watchfulness and preparedness will scarcely let any theory of neutrality be invoked without careful examination of its implications. Never again would it applaud the simple Wilson statement of a determination to be neutral and accept the idea of neutrality as just the alternative to war. But in the course of war it is certain that situations will arise for which the nation simply cannot be ready. A settled policy of neutrality is as easily attainable as a settled policy of domestic economy. For the problem of neutrality, aside from being a nice legalistic question, is, in wartime, a funnel of all the problems of our home economy.

In fact it is only from the viewpoint of what happens to the home economy when war lets loose the big winds on it that the neutrality question can be realistically posed.

CHAPTER V

The Money Front

ABOUT THE GREAT American money front during the 1914–17 ordeal by neutrality, a great deal of nonsense has been written. Or, perhaps one should say, a vast amount of nonsensically unbalanced half-truth.

The picture conjured up by a large and eloquent school of economic and historical writers during the 1920s and 1930s is of a group of sinister international bankers—adequately stereotyped in the glum visage, cold eyes and predacious nose of Mr J. Pierpont Morgan—who wantonly sank the nation's wealth in loans to the London and Paris war machines, debauched the country with propaganda for the Allied cause, and when their investments were threatened by the growing chances of German victory, coldly and calculatedly bluffed Woodrow Wilson into going into the war to save their principal and interest.

This is an exciting presentation of the ancient drama of good vs. evil all over again. If the international bankers had not been wicked and their wickedness had been kept within bounds, run the moralists' epilogues, there would have been no American Expeditionary Force and perhaps not even any Spanish influenza.

Unfortunately this gland-stirring simplification is not quite history nor quite the economic or the psychological record. The international bankers, it is true, between August 1914 and April 1917 put the French and British and the lesser Allied purchasing accounts on the cuff to the tune of

$1,646,000,000. And unquestionably they tended to rally their emotional loyalties around their self-interest in the Allied cause—to believe Allied propaganda, for instance, and to feel that it was a virtuous act to use their influence toward getting it widely circulated—as men less wicked than bankers occasionally do.

Unquestionably, too, when Allied defeat began to threaten seriously, with the renewal of unrestricted submarine warfare in February 1917, they dramatized—and propagandized—the crisis as an emergency in which the political and economic structure of society as well as their collectible assets were at stake.

But there is no evidence that a particularly malevolent conspiracy to get the United States into the war underlay these emotional surges in the board rooms. On the contrary, when the Old War arrived, the bankers would as willingly have loaned their billions to Germany as to the Entente powers; or shared their resources more or less equally between the contestants. Indeed, in the first few weeks of the struggle, many of them tried to. They would have plunged to the hilt on the Central Powers' loan account if Germany and Austria-Hungary had been able to manage the *sine qua non* of such international transactions—to receive deliveries of purchased American imports. German loans were "out" because exports to Germany could not pass the British blockade lines.

Furthermore—and perhaps more important—the bankers of the innocent 1914 world would have raised a storm of outrage from the entire American business community about their ears if they had refused to facilitate war orders with credit. To farmers and day laborers as well as to captains of industry, such conduct would have seemed as economically heretical and "unpatriotic" as restoring railway-rate rebates or repealing the anti-trust statutes.

The bankers' conduct, in short, was the product of factual forces released by the war, both international and domestic. To keep us out of war, what was needed was not so much a statute against bankers' professional iniquity as laws against blockades, the British navy and the public appetite for war booms.

There are, indeed, about the 1914 money front, just two things worth remembering:

1. Private financial operations in the United States, save for the mild devices of the usury laws, the national banking statutes and the not yet effective—it became so November 16, 1914—Federal Reserve Act, were virtually unregulated.

2. August 1914 found the Republic menaced with a serious financial and industrial depression which the war, for the moment, seemingly threatened to intensify.

There was nothing to stop the bankers—certainly not the cheers of the populace—from using their near-anarchic powers of credit manipulation to head the depression off and convert it into a thirty-dollars-every-Thursday movement.

It is from this angle of vision that our fiscal involvements with the first World War need to be examined, and the story is quickly told.

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From the moment that Secretary McAdoo and Mr Morgan reached their somewhat jittery accord on the question of Stock Exchange closing, both private and public finance in the Republic concentrated on fending off the bugaboo of epic fiscal collapse which the business community anticipated in terms of 1873 and 1893 failures and breadlines. "A panic of cataclysmic proportions," Mr McAdoo declared somewhat sonorously in his introduction to this fiscal-year 1914 report, would almost certainly have developed if the Treasury had

not adopted several daring and strenuous emergency measures.

Those measures had mainly to do with chronic ailment of American finance for as long back as 1914's active businessmen could remember—inelasticity of the currency. At the first symptom of brewing trouble under our Civil War-dated national banking system, money, as the current economists were accustomed to put it, "sank underground."

Banks hoarded it and called in all collectible loans to hoard more. Depositors drew it out of their accounts to keep the banks from hoarding it and in order to hoard it themselves. It was a system almost ideally designed to produce a shortage of cash at a time when a lavish circulation of currency was desperately needed; to scare interest rates into ascensions by chariot at precisely the moment when the easing of credit was essential to the nation's economic security. Not without plausibility was the old national banking system sometimes described as a machine for the exacerbation of panics.

During the Taft administration, a few years before 1914, some emergency alleviation of the impasse had been provided through the Aldrich-Vreeland Act which permitted the Secretary of the Treasury, in times of "money stringency," to certify the issue of $500,000,000 in emergency bank notes. The first of Mr McAdoo's services was to arrive for a conference with the New York financiers over the August 1—the "war declaration"—week end with $50,000,000 of this money virtually in his personal baggage. During the first three months of the conflict he parceled out among the Wall Street and the "country" banks somewhat more than two thirds of his $500,000,000.

The rest of his measures, even on the scale of 1914 financing, seemed somewhat less melodramatic. Crop-movement credits were a chronic autumn money sickness of the times. The

Secretary took care of the item by allotting a mere $19,000,000 of Federal deposits among the farm-section regional banks. On August 4 he high-pressured a bill through Congress permitting banks to issue currency notes up to the amount of 125 per cent of their unimpaired capital and surplus, and he worked out a subtle program with the Treasury aides for refusing government deposits to banks which were notoriously tight with their crop-moving loans.

He made the notes of banks on cotton and tobacco warehouse receipts acceptable to the Treasury up to 75 per cent of their face value, and he dumped his $195,000,000 of government deposits and private banking loans into the cotton states' banks against an estimated shrinkage of $240,000,000 in crop values. Cotton stiffened near the six-cent price line and during the winter climbed slowly above it.

But the main worry of both Treasury and bankers during this period was as to what would happen when the Stock Exchange reopened and the dumping of the European-held American securities and the collections of Europe's investments in American short-term securities credit loans were resumed. Before ten o'clock closing on that agitated July 31 morning the markets had been given a foretaste of what World War demoralization might mean. With the Aldrich-Vreeland reserves two-thirds gone and the Federal Reserve system hardly more than experimentally in operation as yet, there was serious practical question as to whether any power existed in the Federal financial mechanism to control it.

Consequently pressure gathered during the war's first few weeks for easing the terror with a little international horse trading. If the warring powers, for example, were taking American goods in vast volume, their dumped securities could be paid for largely in goods, and the back-breaking demands upon the country's sheer money resources would be materially lessened. If the warring nations could be

loaned American bankers' credit so that they could buy still more goods, the combination of debts and the larger orders would tend to balance accounts even more soothingly.

With the arrival of this concept of war debts as panic buffers, Mr Bryan's brilliant aphorism about money being "the worst of all contrabands" went out the window. At first President Wilson had viewed the Secretary of State's rationalizations sympathetically. We were, as he viewed it, no more to send out virtuously earned dollars into the quarrel of the wicked Europeans than we were to support their wrangling causes with our emotions. Accordingly, from August to the last of October the American banking fraternity in the main had obeyed an informal request from the White House that they extend to the belligerents no loans.

Mr Wilson, however, had no more wish to risk a panic for the country than the bankers. And as the full possibilities of the results of the Stock Exchange's dark opening were impressed upon him, he abandoned the Bryan counsel and relented.

On the night of October 30 Mr Robert Lansing, Counselor of the State Department, met with Willard Straight, of the Morgan firm, and R. L. Farnham, of the National City Bank, in the Metropolitan Club in Washington and informed them that, while no public "go" signal would be issued and the President's approval was not official, the loans would have the White House's blessing.

The results justified the economic planners' optimism. When the stock market reopened on December 12, the situation was already well cushioned and there were no flurries. The Europeans had gathered that by resuming their dumping operations they would weaken the American money market and with it their openings for favorable future loans; that to be rigid about collecting their old debts would injure their

prospects of contracting new ones. For several long years all bearish impulses and hysterias stood adjourned.

Instead, as early as 1915 the loans began to exert their tidal influence on the flow of American munitions exports, all the harbingers of depression were turned into the actualities of boom. Unemployment faded. Indices of prices and production began their march beyond all previous records. The "favorable" export-import balance leaped beyond fifteen hundred millions, and by November the United States was experiencing one of its rare months in which there were no idle freight cars.

In high and responsible quarters there was almost as much exultation about the improvement as though it had been due to taking shrewd advantage of a normal and healthy upturn in the farm markets. Mr McAdoo was not only happy that the Treasury had averted the "panic of cataclysmic proportions," but his gloat, in December 1915, over our $2,198,000,000 gold hoard carried overtones of the announcements of guides at art exhibits that "that little picture in that corner is valued at more than $1700 a square inch."

His two and a fraction billions was "by far the largest amount of this precious metal," the Secretary announced a trifle grandiloquently, "ever held by any one country." And John Skelton Williams, his Comptroller of the Treasury, backed him with the declaration that—

> it is worthy of note that the aggregate resources of the national banks of the United States at this time exceed by about a billion and a half the combined resources of all the great banks of issue in the principal countries of the world.

It was the "era of the greatest commercial activity in the history of our nation," declared the R. G. Dun's late 1915 report, and Bradstreet's echoed that it marked "the setting

up of new records in a year beginning with hardship and gloom."

"The financial situation of the country was never so strong or so favorable," Mr McAdoo toasted 1915, and went beyond this a year later to say that "the financial strength of the United States is the greatest in our history."

Not alone the bankers, but the farmers with their rising land values and shriveling mortgages, the workmen with their fattening pay envelopes and a host of petty stock-market players in a thousand towns cheered the new boom onward. By getting into war finance we had not only staved off the panic but restored something even better than "the good old times."

Yet there was another side to it. By early 1916 on the money front the nation's economy, for better or worse, was as closely integrated with the war abroad as though it were a brand-new $10,000,000,000-a-year domestic industry. And because everybody—with the exception of a decreasing minority of more or less professional pro-Germans complaining on emotional grounds—was thoroughly reveling in satisfied profit motive, all the brakes were off.

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The question then naturally arises: What brakes to involvement in the war's fortunes are there on the 1939 money front which the 1914 money front did not have?

The subject necessarily begins with the circumstances of the war's development remote from the sphere of specific financial activities.

The 1914 World War rolled up within a week of the Austro-Hungarian ultimatum to Serbia. There had been "crises" before during the past decade; at Agadir, over the

Balkan Wars and the 1908 Bosnia-Herzegovina seizure. But they were almost as remote from the American fiscal community's sense of practical concerns as a shift in the orbit of Venus.

Thus the assassination of the Austrian crown heir in June had been accepted as merely another Hapsburg family tragedy. The financial system of the country was not only unprepared for war; down to the last week in July few, if any, of the fiscal titans who ran the system had any premonitions either in imagination or conscience that preparedness was necessary. Hence everything, from the closing of the Stock Exchange to Mr McAdoo's cotton loans and Mr Morgan's assumption of loan-purchase brokerage functions for the Allies, had to be improvised out of confusion.

The second World War, on the other hand, had been rolling up ever since the mobilizations following the murder of Dollfuss in 1934. The menace rumbled throughout the Spanish war and at the time of Austrian Anschluss. Both during the Munich crisis and during the 1939 occupation of Czechoslovakia the tragedy had almost happened. For five years the financial community had suspected what was coming, and for at least a full year they had known. It was merely a question of when.

So the second World War broke upon an American business community psychologically braced for it. Mentally and emotionally—and to some extent financially—the impact had been discounted in advance. Banks realized that war, like hospitalization for surgery, was something that needed arranging for. And the Treasury, the Federal Reserve banking system, the Securities Exchange Commission, the government's chief fiscal administrative agencies, realized it, if possible, even more keenly than the private financial interests.

So the first profound difference between 1914 and 1939 conditions is that for the renewed World War much was

planned. As far back as the Munich crisis, the skeleton organization of an interdepartmental committee—between Treasury, State and Commerce—on credits to belligerents was set up, ready to swing into instant action. Before December a confidential but thoroughgoing inventory had been made in all branches of the Treasury, the SEC and the Federal Reserve system to inform the President of just what powers they had, and just how ready they were, to perform special war or neutrality services. Late in April definite plans of action had been drafted. From then on, in the government's periodic financing operations and in numerous moves to strengthen the Treasury's credit position, execution was begun.

From time to time during the summer all the obvious first-aid questions of what to do when the fire starts had been examined by the Secretary of the Treasury and his top-ranking aides with the experts of the related independent agencies.

For instance, should the Stock Exchange be closed at war's outbreak? The conferees mulled over their control powers. The Securities Exchange Commission, it developed, was in a position to check either war boom or war panic. It could shorten trading hours, limit fantastic price developments, suspend trading for ten days in war industrials gone wildcat. In the utmost emergency, with the consent of the President, it could close the Exchange for as long as ninety days.

Then why decide in advance to close it? Why not "see how the breaks came" and apply the control levers as needed?

Then how about credit inflations and deflations in the high winds of crisis? The Federal Reserve system, as the conferees assayed things, could sit on the lid of these disturbances with its same powers of discount regulation and credit management which it used to control peace crises. And back of the Federal Reserve system stood the Treasury

and the President with the nation's incredible gold hoard of more than $16,000,000,000 and their power to re-tailor the value of the dollar at crucial need.

The old-fashioned 1914 fears of "money stringency" were out of the picture, due to the reserve system's elastic powers of note issue. There was nothing to do on the credit line, any more than on the securities sector, but to sit tight and await developments; and then see where control measures were needed.

Or what to do about sudden wild prairie fires of industrial expansion, or upsets in commodity prices, which war could conceivably bring in its wake? To the extent that credit and securities regulation could keep these developments within bounds, the government again had ample control powers. Also, through the Federal Reserve's, the SEC's and the Commerce Department's continentally scattered observation posts, a constant flow of information could be kept moving into the Treasury and the White House on what was brewing in these fields. Again, it was a question of "let every statistician be on guard twenty-four hours a day"—and holding the control mechanisms in abeyance for developments.

War taxes? . . . What the country needed, the conferees were agreed, was a dose of rationally adjusted prosperity. Special taxes could come later, when it was plainer what specific new revenue needs the war had created and what might be its developing revenue sources. For the duration of war impact, if no longer, the subject of taxes was adjourned.

Meanwhile, almost through inadvertency, Congress had been even more forehanded than the fiscal administrative agencies in providing antidotes for fiscal autointoxication. The Neutrality Act of 1937 was at least as much a diplomatic and economic as a financial measure.

Yet the net effect of the prohibition of munitions trade with belligerents, even though its early removal was threatened by

the President's repeal demand, spared us an immediate feverish rush of war orders and of speculative credit and capital into the markets.

The war brought a feeling of optimism about future orders but produced no fantastic expansions of values or of activities on the industrial or commodity fronts. The known fact that no conceivable revision of the Neutrality Act would remove the requirements that belligerents must pay on a basis of cash or comparatively short-term credit for their war purchases in America, and carry them away in their own shipping bottoms, kept the boom in a healthy condition of self-examination.

"Strategic materials" money thus rode a fairly even keel during the impact crisis because of the certainty that, however the Neutrality Act might be changed, the pressure of demand would continue to be braked by America's basic neutrality policy.

There were other straws in the wind off the Treasury—less official but of scarcely less suggestive potency. For example, Mr J. P. Morgan's remark, on his return from England with the war crisis, that he would consider it "very natural" if the same arrangements by which he acted as banker-broker for the Allied governments in World War I were set up again, was received with noticeable coolness in Treasury circles, and the war started without any dominant American buyers-in on its openings.

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The mere existence of the control machinery, in a word, completely differentiated the trend of 1939 money-front developments from those of 1914.

The stock exchanges stayed open. Five-million-share days came back to Wall Street, but few of even the most promis-

ing "war babies" gained as much as 50 per cent during the impact crisis, and most of the advances were well within 20 per cent. Even these bullish trends were checked every few days in healthy profit-taking sessions. On the bearish side, foreign holders of $9,500,000,000 American debts and securities —$4,200,000,000 in the hands of belligerents, Canada included —spared us their dumping operations.

And for two sound reasons, both of them implicit in the control mechanism: The fighting nations had no object, under a cash-and-carry supplies regime, in reducing the volume of their eventual cash resources by forcing down the value of American securities. And they had even less object in helping to bring on a demoralization of their American markets which would have resulted in an SEC edict limiting or closing their American selling facilities.

Along the credit sector, faint wavering tendencies in the loans and interest field were checked by the decisive stand of the Federal Reserve system for maintaining normal discount rates. The currency circulated as usual and there was no more apprehension of a "money stringency" than of an attack on New York by Carthaginian bowmen. Mr McAdoo's 1914–16 troubles with banks, which, after refusing to make loans on crop movements and cotton, ventured to demand 10 and even 12 per cent interest on normal transactions, were not repeated. Nobody attempted to hoard cash money because all bank customers to whom small cash resources were vital had Federal deposit insurance.

Industrial capital neither jittered at the collapse of its foreign markets—Germany had ceased to be an important factor in American exports since the Nazi barter systems were introduced—nor rushed off into frenzied speculations on its prospects for future expansion. Price indices improved mildly, and employment picked up. But until the Neutrality Act situation could be straightened out, the direc-

tion of future industrial growth was not concretely predictable. So while expansion activities and new share issues and banking commitments reflected moderate confidence, there was no gleam of treasure-hunting orgies in Mr Babbitt's eyes.

Behind the walls of the vast agricultural-adjustment funds, the great farm commodities, wheat, corn, cotton and wheat, stood firm, and then, on intimations of coming world shortages, mildly advanced.

As one high Treasury official put it in an off-record discussion during the first month, "The control mechanism functioned so perfectly that it didn't need to be used."

Because it was there, as a shield against the complicated contingencies of the impact crisis, the money front took the initial shock of war in its stride. More important still, no decision in favor of inextricable involvement with war finances had to be made in a half-secretive club conversation with an official wholly unconnected with fiscal administration, or in the shadow of fear of "a panic of cataclysmic proportions."

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What bearing, then, does the control mechanism and its easing of the initial shock have on our chances of war?

There are two ways of answering this.

If, without being used, the mechanism could enable the money front to weather the strain of war's coming with scarcely a tremor, it can cushion finance against worse strains, as the high costs of neutrality and the economic risks of partial isolation mount, by ***being used***. Markets and credits can be reasonably stabilized by the already legally charted limitation measures on trading and interest. The currency can be maintained, or revalued to advantage, by the vast gold hoard, and kept on such an exchange basis as seems desirable

with foreign currencies through the Treasury's $2,000,000,000 stabilization fund. Trade in peace or war supplies can be maintained with belligerents and neutrals—including an expanding Latin-American account—with the aid of the stabilization fund and the Export-Import Bank's credit-facilitating arrangements.

No sign lies ahead of an uncontrollable fiscal collapse which would force us to associate ourselves with the economy of the warring nations, unless the war itself should become a credit-destroying orgy of "cataclysmic proportions." Even then the advantages of withdrawing into economic isolation within our hemisphere and rebuilding the national fortunes on that basis would probably outweigh the chances of salvage by buying stock in World Ruin, Inc.

And in the second place, the seclusion from the immediate pressure of war involvements with which the control mechanism provides us will give us time to analyze our stake in war finances and think things through.

America may go in for any number of good or bad reasons. But, to the extent to which the money front was a crucial factor in developments, the circumstances of our 1917 entrance will hardly be repeated. We shall not buy a partnership in destruction on the supposition that we are buying an insurance against panic.

The men who direct the control mechanism do not, it is true, pretend to know all the answers. Neither in the Treasury and the allied agencies nor among the ranking banking seers is it easy to find a man who is willing, for example, to predict what will happen if the country's industrial economy becomes adjusted to supplying the fighting nation's munitions needs on a cash-and-carry basis, and the cash runs out.

"But if we go in for credits to the fighters, then," another high Treasury official put it, "we'll go knowing what it leads to, and because we want to go there."

In the second World War, in short, the best thing that can be said about the money front is that it is more nearly under control than ever before in our history; that it is self-conscious about its undertakings; and that a vastly larger public opinion than in 1914 is curious about what it is up to.

CHAPTER VI

Stuffs of Battle

WAR IS, AMONG OTHER THINGS, a question of raw-materials management. So, as between 1914 and 1918 certain nations learned to their sorrow, is neutrality.

Steel, copper and the alloy metals were forged or shot away, motor fuels were burned, explosive chemicals were detonated, fabrics and medicines were used during those four years at anywhere from two to several thousand times the normal consumption rate. No country, no matter what its purchasing wealth or how far-flung its colonial empire, could conceivably, either in 1914 or now, assemble in advance the supplies which the mechanized mass war demands. No nation could conceivably organize its economy to produce the sum total of its war requirements under its own flag after the combat started. No nation can even begin to support multiple millions of soldiers on its fighting fronts without regimenting its civilian population, its resources and its technology for spectacularly abnormal production objectives.

In war the aim of the nation's economic life is no longer to foster and spread around higher living standards. The aim is to convert the nation's wealth, and whatever that wealth will buy abroad, into projectiles which will shoot harder and farther and in greater volume than the enemy's.

It is a situation which puts an almost intolerable strain—exercises an almost fatal fascination—over neutrals. For the essentials which neutrals have and belligerents lack, warring

governments in funds and able to keep the shipping lanes open and receive deliveries are willing to pay whatever a market of fantastically shrinking scarcities and fantastically rising price levels demands. To meet these glamorous sales openings, neutral entrepreneurs in the "strategic materials" fields are willing and anxious to reorganize their national economies almost as drastically as the belligerents.

To make the picture a little clearer, on the neutral raw-materials sectors the coming of war in 1914 was as if a new $60,000,000,000-a-year industry* had developed in Europe. The 1939 World War will hardly place a smaller sales demand upon the markets, and plausibly may register more. The result may be destruction, but for the time being war functions like Destruction, Inc. Hence all the neutrals with essential goods or gadgets to sell are under enormous self-interest pressure to enlist and regiment themselves in the behind-the-lines organization of the combatants, much as are the civilian populations of the belligerent countries themselves.

The United States is under peculiar pressure to accept the place of honor in the supply line because, of all neutrals, it is the most fecund in the basic war materials and technologically the most competent. As a reservoir of necessaries, economists have frequently pointed out, the United States was more important to England in the first World War than the whole British Empire.

Underground, in America, for instance, there is coal enough to last for two thousand years; iron enough—four and a half billion tons—to last for centuries. Aluminum, another precious war metal, is here in quantities enough to last almost as long.

Even at a continuous war rate of consumption, our copper should not begin to run low before another generation. Oil,

*Associate Press Financial Department estimates the first World War cost at least $275,000,000,000.

though the barrel bottom may begin to show in forty years if new discoveries do not balance motorists' appetite, is running to waste in scores of fields in quantities which the tank and aviation supply systems of the fighting armies would consider crucial. In chemical base materials we produce practically everything that temperate and subtropical zones can offer. We are the world's most efficient manufacturers of the vital synthetic nitrates.

Twenty-million horsepower turns the wheels of the 170,000 factories which stand ready—potentially at least—to convert all this basic wealth into gadgets which fighting nations can use. A population of 130,000,000 physically fit, with a fairly high average of industrial training, temperamentally adapted to the high-speed processes of modern technology, is on hand to drive the machinery to its utmost production limits; and a good many of them, nearly 10,000,000 in fact, have been longing for decent jobs and pay envelopes for almost ten years.

A quarter of a million miles of railway lines, nearly a million miles of surfaced roads, and 4,000,000 motor trucks are available to haul the materials they extract, the gadgets they may make, to the nearest freighting ports.

Obviously, enlisting America in the supply line is worth more to belligerents who can get deliveries on her products than a prescription for sowing the ground with dragons' teeth for machine-gunners.

All of these elements, limited slightly by the less streamlined state of technology at the time, were present in the picture at the Old World War's outbreak. The difference from 1939 is that nobody, either on this or the fighting side of the water in the Woodrow Wilson era, knew what they meant, what the fighters' ultimate needs would be or what were the implications of the raw-materials unbalance between nations in the development of neutral policies.

The Entente powers, for instance, at first were almost scornful of the potentialities of the great overseas supply base. They had stocked up—or at least the French army and the British navy had—for a bigger war than they had ever read about in their history books, and their books of rules and calculations told them it would be over before the ammunition was exhausted. They did not realize that single offensive operations would use up more shells than were fired in the Crimean, the Franco-Prussian and the American Civil wars combined; that quiet sectors would require as many cannon for their protection as the major nineteenth-century wars were won with. Thus, as the 1914 July closed, the belligerent shareholders dumped their American securities on the markets not so much to buy American munitions with as to make their national finances fat and fluid to meet the bills of their own munitions factories and pay the soldiers.

Even when recognition began to come, with the western-front stalemate, that American supplies might be "of the essence," British and French purchasing authorities continued to think of war orders chiefly as specific deals that one made with some manufacturer in Bridgeport, Connecticut. Almost until peace came and the trained economists got their chance to examine the war, they were relatively unconscious that the munitions orders were gearing thousands, and then hundreds of thousands, and finally millions of Americans into the war economy.

On the American side the entrepreneurs who suddenly found their ores and their textiles, their foodstuffs and their manufactured gadgets in such amazing demand felt that a war sale was just another sale—though an agreeably profitable one. To them the demand-stirring conflict abroad was literally as if Europe had overnight developed a new $60,000,000,000-a-year industry.

The bankers—or at least the local and regional bankers—

who loaned them funds for their transport and exchange clearance needs and their roaring expansions felt simply that they were doing what any other progressive money managers would do to promote the development of local business. The millions of American workmen, pleased with their fatter pay envelopes and improving the man shortage to win better collective bargaining rights, had no sense whatever that they had already taken the places in the supply line of the mobilized workers abroad.

When the strain came later, with unrestricted U-boat warfare and the threat of the destruction of so much lush traffic, there was no doubt in the minds of any of these groups as to what should be done about it. It was up to Uncle Sam's government to protect American business, wasn't it? To see to it that the American businessman was able to get his goods to paying customers who were able to take deliveries, no matter in whose bottoms he shipped them? We were a free country, weren't we, and all the more because it was wartime and war profits were handsome, we needed free seas.

Besides, the War of 1812 had settled all that.

On all these counts, raw materials, simply by flowing blindly and innocently toward the center of the rising price cyclone, got us into the war even more effectively than the wicked, plotting bankers did.

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Now what are the 1939 prospects that entrance by the copper and steel and fuels and essential-chemicals routes can be prevented?

The story goes back to the vast difference between 1914 and 1939 neutrality legislation and policies.

First of all, the unrealistic—and perilous—1812 positions,

that American-produced goods enjoy a peculiar neutral immunity and that trade under the flag is sacrosanct, have been abandoned. True, under our 1935 and 1937 neutrality legislation, it is still permissible to ship American goods to belligerents in American merchant vessels. But both by the law and the presidential interpretations of it in Mr Roosevelt's September 1939 neutrality proclamation, both ships and cargoes must proceed about their war-supplies business at the owner's risk. The United States disclaims all responsibility for their safety or for the compensation rights of the owners or for the lives of American citizens going into the war zones on the contraband-industry's business.

This may deflate the emotional appeal of certain ancient war slogans, but it is concrete and realistic protection against one of war's more lurid emotional dangers. The contraband business—which is, necessarily, simply another branch and integrated front of Big Business—will not, while the rights of American shipping to be free from risks of war destruction are disavowed, be able to beat the alarm drums for itself as an outstanding atrocity victim.

Furthermore, the moment that American cargoes are carried on belligerent vessels, they cease to be American cargoes. This is what the famous "cash and carry" provision of the 1939 neutrality acts and policies is all about—a provision which, in all the uproar about final reshaping of the neutrality statutes, neither Mr Roosevelt nor his isolationist opponents have asked to have repealed.

What happens to change the "nationality" of the belligerents' American-produced purchases is rather simple. Before a British merchantman can clear an American port with a shipment of orders, the cargo must be paid for in cash, the bills receipted and the title legally transferred to the British owners. So if a German submarine sinks it three miles and

ten inches off Sandy Hook—though plenty of naval activities are under way to prevent this embarrassing contingency from happening so near at hand—no question of damage to property of citizens of the United States is involved.

This program, no doubt, involves a considerable sacrifice of our traditional and romantic sea freedom, but it is also pregnant with realistic benefits. In the first place, when submarines sink belligerent-bound cargoes, our contraband industrialists will lose nothing by it and will be less likely, by so much, to rend the journalistic and propaganda heavens with charges that the sacred rights of American property to sail the seas safely have been wantonly outraged. In the second place, such instances, however shocking emotionally in other aspects, will not lead to provocative diplomatic arguments with one set of belligerents over the damages due, or over the delicate rights and wrongs of the question of what forms of shipments a neutral is entitled to make to the rival set of belligerents.

Besides these restraints on direct trouble-making involvements, there are the subtler effects of what might be called the fiscal side of neutrality legislation and policy: the Johnson Act, for instance, forbidding loans to nations in default on their Old World War debts, which includes all the present belligerents; the implications in the "cash and carry" system against bankers' loans or war-supply bond flotations for the fighters, and the administration's program of discouraging banker-broker connections by American finance with the war-order traffic on the model of the 1914–17 Morgan arrangements.

All these devices are at least a moderate check on the sudden wildcatting of our export business in "strategic materials." The Allies, it is true, have tremendous purchasing resources: slightly over $4,000,000,000 in American securities which can be used to nourish the buying account; a total of

$2,000,000,000 or more of the Franco-British gold reserves which, in a deepening emergency, can be devoted to the same purpose; probably another $2,000,000,000, which can be scraped together by emergency tax measures; a grand total of rather better than $8,000,000,000 to be spent mostly if not wholly in the United States before, under the "cash and carry" system, the cash runs dry.

And beyond that are still the unplumbed possibilities of barter. Its introduction into the war-trade economy would not be a total innovation, since the United States made its first agreement for a "swop" transaction with Great Britain—600,000 bales of our cotton for their 80,000 tons of rubber—a few weeks before the 1939 war opened. In any case our essential demand for certain British Empire products—rubber, to take an outstanding example—and our habitual hankering after certain French luxury articles and commodities (which no war yet has ever entirely stopped the French from making) should give barter, as the $8,000,000,000 begins to run low, a leverage for increasing performance. How much American "strategic materials" it would enable the belligerents to obtain would depend on such unpredictable factors as the volume of peacetime production the warring states were able to maintain and how well the British in particular were able to keep their transport facilities available for exports. But, unquestionably, barter in one form or another could expand the Allies' purchasing resources by the equivalent of several billions.

Nevertheless, the net effect of the restraints on credit expansion as a means to war booms in the raw-materials field should be to cause the belligerents definitely to husband their buying power. As long as they have no plausible expectation that loans will be available when cash is exhausted and realize that barter, at best, requires difficult and delicate adjustments and has definite limitations, the impulse will rule in the bel-

ligerents' supreme economic councils to make the $8,000,000,000 last as long as it can.

The raw-materials boom, then, will hardly be accompanied by the dizzy inrush of orders which converted us into the overseas sector of the supply lines in 1915 and 1916, during our more or less total unconsciousness. And it almost certainly will not be accompanied by the virtually joint credit inflation and the sharing of credit resources which bound us to the Old War Allies' financial fortunes.

We shall gear ourselves more slowly—and at less ultimate expense—into the supply service, and know more realistically what we are doing while we are doing it.

On involvement through raw materials, the checks imposed by our "planned neutrality" legislation are the first brake.

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In a sense, though, the neutrality phase of the discussion merely opens the subject. The chief effect of the neutrality measures is to keep us from getting unduly geared into the war machine right now. Other and far more potent measures of control lie latent in the Federal statutes and powers, and are now, in the most potent legal and economic circles in Washington, being expertly studied and charted.

Taxation, for instance. Toward mid-1916, after the war boom had been skyrocketing for a year and a half, Congress finally got around to imposing a profits tax on munitions industries. It applied, in practical effect, scarcely beyond the fairly narrow circle of actual weapon manufacturers, and it was for 8½ per cent only. Hence, even as a revenue measure it did not particularly distinguish itself. There was no definite idea behind it of using it to control our involvement in the war economy—though there was a certain vague moral feeling that shell makers ought to be penalized for their profits—

and it did not. Nevertheless, it was practically the only attempt which the "unplanned neutrality" of the Wilson era made to discourage our enlistment in the supply line.

The resources of a tax program for modifying the dependence of both raw-materials and manufacturing industries on war economy are, however, relatively enormous. At the end, of course, lies at least the theoretical possibility of utter confiscation of profits which would separate us from the war economy altogether.

In between are any number of practical gradations.

If a graduated income tax is possible, a graduated munitions and strategic-materials profits tax is possible on goods sold to belligerents. It can be geared so that, no matter how great the sales volume and no matter how high the prices, there will be no more profit, on the broad averages, in selling shell casings or aluminum plates to the fighters than in—selling bobby pins, say, to ladies in Ecuador. It can maintain in this way a kind of parity between the lure of war orders and the attractions of production for peace markets at home and among other neutral nations. By making the rates virtually confiscatory for the higher profit percentages, such a tax could even set fairly effective maximum limits to the extent to which individual corporations would find it worth while to plunge into the war-supplies business.

For the power to tax is the power to destroy, among other things, abnormal profit incentives. Unquestionably there are practical possibilities of using it to keep our production industries from tangling unduly in the crazy flywheels of war's economic unbalances.

Furthermore, the checking of war involvement by taxation is vastly more practicable under 1939 than under 1914 conditions. Under the "cash-and-carry" system, each sale to a belligerent will be a specific matter of title record before any individual war shipment leaves our harbors. We shall be able

to tax—and control war traffic—in proportion as we know better than we did twenty-five years ago when a war sale has happened. A certain minor infraction of the shipments might escape by the transshipment-via-other-neutrals method. Steel ostensibly sold to neutral Mexico, for instance, and transferred to British ownership at Vera Cruz. But even this abuse could be corrected, if it tended to get out of hand, by putting neutrals of miraculously increased purchasing power on a quota system.

So far, to be sure, the government is keeping mum on the taxation question. It is the feeling in high administrative circles that the country can take a mild shot of initial war "prosperity" in the arm to advantage; that so long as the boon produces no disturbing unbalances in the home economy, it will be best to let it make its own adjustments.

But that does not mean that the possibilities of taxation brakes are not being blueprinted and studied. The lawyers of the Justice and Treasury departments have made complete and exhaustive surveys of the government's powers to lay specific imposts on special kinds of industries and industrial transactions. The Treasury experts are busy figuring out potential revenue returns and gauging the probable effects of various types of taxation on the war-export financial mechanism. Economists and statisticians in the Commerce and Labor departments and the National Resources Committee will be ready with data, when the time comes, on the ways in which taxation measures can affect production and consumption and labor-supply balances, control war-trade currents.

From a slightly different angle of interest, the ranking fiscal committees of Congress—Ways and Means and Banking in the House, Finance and Appropriations in the Senate—are busy at co-ordinated researches into the same subject. Congress, perhaps, is not so interested as the administrative

bodies in a scientific system of checks and balances on the war economy. But Congress, at least in its early-in-the-war, special-session frame of mind, was vitally interested in two things: taxes which could begin the approach toward balancing the budget again after ten ruinous years; and in holding the war-supplies traffic down to the fine point of practical politics where no individual congressman can be blamed in his district, if we enter the war, for encouraging the war-supplies and the munitions magnates to get us into it.

Both of these objectives imply taxation—and taxation stiff enough to hold us back from a headlong rush into the war's economic machine. President Roosevelt, in fact, clearly paid his respects to the logic of the situation when he said in the message he delivered at the opening of the special neutrality session on September 21: "If abnormal profits appear in our midst . . . as a result of this increase of industry, I feel certain that the subject will be adequately dealt with at the coming regular session of the Congress."

The President was right. Taxation will be used as one of the control levers over the war-supplies traffic as surely as powder will be burned in the Rhineland.

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And beyond taxation lie sterner control powers. Mainly, the conservation powers.

Again the contrasts with 1914 are startling. Our 1914 government thought in terms of its moral duties to civilization while 1914 business thought in terms of bonanza sales openings. Neither element was particularly occupied with consideration of whether oil or fuels or ores or chemicals were in danger of overproduction and development or of exhaustion. The 1939 government is thinking, with far more accurate information on raw-materials stocks and unexploited reserves

to go on, in terms of emergencies in which exhaustion of our basic resources, or uncontrolled expansion of the exploitation industries, might prove catastrophic.

If the United States were forced into the war, for example, how great a production output of home-produced "strategic materials" would we need for our own military uses?

If Germany and her totalitarian associates defeated the British and French, acquired the British navy as a victory prize, and threatened to move still further in a campaign of world conquest, what resources would we require, and what exceptional production facilities would we need to develop, for the defense of the Western Hemisphere? . . . It is admitted, in the government's planning bodies, that in any such expectations as these a good deal of previsional theorizing is involved. But an equal amount of previsional theory may also be involved in the assumption that if the totalitarian powers won the war, they would enthusiastically reaffirm the Monroe Doctrine, cultivate the friendship of the United States, and be content with their conquests in the older continents. And the high administrative circles feel that, in the 1930s and the 1940s, it may be more realistic to hedge many plans for the conservation of resources against the final limits of danger.

Or what would be the effects on our resource requirements if the war should isolate us within our hemisphere or even, for a considerable period, within continental United States?

Or how would resource-management problems be affected by the sudden collapse of a world-wide war economy into peace?

The economic managers of the Wilson neutrality period thought hardly more tangibly of these problems than people of the pre-bucket eras of civilization thought about fire brigades. The Old World War was deep in its twenty-fifth month—August 29, 1916—before even a Council of National

Defense was created: an unwieldy board of six cabinet ministers whose almost exclusive concern was with surveying the unbalances which might be caused by our possible entrance as a belligerent.

But the 1939 Washington has enlisted the best trained skills of the nation to plan specifically for practically the entire range of potentially perilous emergencies—and to co-ordinate the programs as far as possible to the extent to which the various types of emergency differ.

Moreover, with the President's Limited Emergency Proclamation of September 9, a work method was devised for keeping the plans from getting scrambled. The National Resources Board and the Bureau of the Budget were moved, officially if not physically, into the White House under the direct authority of the President. For the purposes of planning and information gathering on the various "come what mays" of neutrality, war, self-contained defense or peace deflation problems, the two central bottle-neck bodies have become branches of the executive authority. Since September 9 they have had more power to survey the whole range of the nation's preparedness necessities than any conceivable conglomeration of cabinet ministers.

The National Resources Board, for example, besides a continentally ramifying system of technological, economic, business and social-science consultants and collaborators functioning on its various survey projects throughout the nation, may now call upon any department or agency of the government for information on a specific emergency problem in the name of the President.

What would be the motor-fuel needs, for instance, of a 2,500,000-man expeditionary force abroad? Or how much American textiles would the Latin-American nations require if their European supplies were reduced 60 per cent? What stocks of essential tropical products would the United States

have on hand, and what substitutes could be found if the Panama Canal were destroyed and the Atlantic coast of the Republic successfully blockaded? What would be the effect of a sudden declaration of peace upon employment in the iron-ore regions and the steel mills?

It is not essential to the picture of Uncle Sam's preparedness in the raw-material fields that some of these questions may not have been asked as yet. What is important is that the National Resources Committee, simply by asking them in its present voice of authority, can get estimates from the best experts in private industry and the public service on such points on the President's desk within twenty-four hours. If any government department shows signs of malingering on its experting, the co-operative authority of the Budget Division can be called into play. There is no department anywhere in the government which will not jump through the hoops for the Director of the Budget.

Moreover, through the National Resources Board's own and affiliated network of commissions and committees, practically every significant phase of the material problem in relation to the major potential emergencies is being surveyed. The National Defense Power Committee, an interdepartmental agency, is studying the emergency needs of the nation for productive energy. Other bodies, channelized into endless subdivisions, are doing the same for strategic minerals and fabrics. Others still, with the Federal Coal Commission's experts as a nucleus, are working on fuels; others on petroleum, on chemicals, on the peace and war variations in raw-materials trade currents. To call the roll of the bodies which the war—or the war menace before the declarations—has enlisted in these researches would be a hardly less complicated task than diagramming the structure of American industry.

Through them such analyses of our basic supply problems

are being made as were scarcely initiated by ourselves or any other of the warring powers before the last World War ended. And the findings are instantly available to other groups of experts in a set of dingy offices over in the Federal Munitions Building in Washington where the War Resources Board is working on specific problems of economic mobilization for war.

What should the output of iron ores be and how much of the stocks should be conserved for a long period of not too economically disorderly neutrality? How much rubber should we import against the hardships of relative or near-total isolation? . . . These are the sort of questions the emergency researchists, in their long war days of specialized studies, are professionally putting to themselves. . . .

So check and double-check.

How much oil will we need for warfare, offensive or defensive? . . . Triple-check and check four times.

What uses can we find for copper—how much could we use in public works, for instance?—to cushion an abnormally expanded war-production schedule against sudden peace shock? . . . Check a fifth time.

Shake down the answers together, and try to brew from them an overall economic policy, a master plan of rapidly adjustable programs which will leave us with a maximum of common-sense protection for all the potential emergencies.

This is the method by which the raw-materials front—and, for that matter, the industrial, the food and the transportation fronts as well—is being prepared for "come what may" in the present crisis of world political dynamics: the method of expert knowledge applied to working operations in the field.

The curious paradox about it is that all the policies growing out of the paranoically diverse qualities of so many

studies and problems come back to one thing: rational conservation.

We have oil enough for forty years, say. But this hardly warrants us in burning away the first thirty years of it for a wad of not too dependable cash money to make better air "dogfights" over Berlin or London. We have iron enough for four hundred years, perhaps. But shooting away the bulk of the stepped-up current production on European battlefields is not necessarily the sound way to use it.

So this necessarily roundabout detour brings us back at last to the question of the government's stern conservation powers.

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Uncle Sam can handle the trouble-pregnant business of raw-materials traffic with belligerents as a conservation problem—which is what, at bottom, it really is—in three ascendantly effective ways:

1. Without jumping his grooves as a peaceful neutral living in "normalcy," he can gain a reasonably adequate control over it by simply invoking, in the case of all commodities for which there is an unbalancing amount of belligerent-demand suction—the same powers of output and distribution regulation and indirect price control which have marked his attempts at co-ordinative management of petroleum and sugar operations.

He might even go a little further than this and set up controls over export activities resembling those of the licensing and production quota systems involved in the defunct NRA and the original Agricultural Adjustment crop-limitation programs. There is plausible ground for the suspicion that the revamped Supreme Court of the later Roosevelt era would look with a less jaundiced eye on "regimentation" as a necessary "keep-us-out-of-war" measure than the Supreme

Court of 1935 looked upon the economic vicissitudes of certain sick chickens.

In any case, the chief difference would be that the new regulations would bear less hard than the petroleum and the NRA measures on domestic trading arrangements, and primarily would aim at control over exports.

2. By presidential proclamation, with congressional consent, of a state of emergency, Uncle Sam can virtually center the checks against the raw-materials-and-belligerents involvement in the economic hollow of his hand. The President, armed with the specific emergency powers worked out for him by the staffs of legal and economic experts, would be qualified to "take over" the strategic-materials industries, manage them through boards of his own choosing, put producers and consumers, both domestic consumers and foreign, on quotas, rigidly control violations through a licensing system, and, in some cataclysmic event like totalitarian victory, prohibit exports altogether for the duration of danger.

3. If these powers were not enough, the nation could go to war—or rather, stay at home and just be at war. For as the constitutional pundits have worked it out in their current Washington labors, the constitutional power of Congress to declare war is unqualified. Traditionally, we have always declared war against somebody. But, technically, we don't have to. Congress could declare "a state of war for the protection of neutrality" and, while fighting no one except actual aggressors against our neutral rights, give the President his full war powers as commander in chief of the defense forces: including the power to conserve raw materials for nothing else in the world but America's defense advantages.

There is, in fact, no conceivable power to prevent involvement in war through the raw-materials route which the American people lack if they choose to use it.

We can move into war along this route only if, as the im-

mediate profit temptations (not to say illusions) mount, we come to prefer war booms to any conceivable form of safety.

Or if we decide that our safety lies in providing raw materials, regardless of profits, for our favorite set of belligerents: which is another story.

CHAPTER VII

Assembly Line

IN THE SPRING OF 1916, Mr Newton Diehl Baker, then Secretary of War in the Wilson cabinet, wanted to buy in a hurry a small quantity of machine guns for our Regular Army and National Guard policing enterprises on the Mexican border. After shopping around among the weapon manufacturers for a short period, he could find none with the stocks on hand, and presumably went without.

Much later, Mr Baker in his writings on the period cited this incident as proof not only that the munition makers did not get us into the first World War, but that in the United States of 1916 there were no munitions "interests." But Mr Baker was either being disingenuous about it, or he had a poor nose for giant factories. 1916 actually was the year when weapon manufacturers were turning over from rifle to machine-gun mass production to meet a sudden earth-shaking change in their British contract specifications. From Bridgeport to Wilmington the factories were in such a stew about bringing new tools, dies, lathes and personnel divisions into action that a casual small customer like Mr Baker must have seemed to them a good deal like a little boy dropping into a bank to get his birthday dollar changed during a stick-up.

The assembly line—the factories, the railways, the shipping lines and all the man power that went with them—was so busy entangling us in the war economy that it could not be bothered with taking an afternoon off to get the United States ready for war itself.

A few figures help to clarify this concentration. In the pre-1914 peacetimes, explosives were merely a respectable minor item on our export accounts. But between August 1914 and April 1917 we shipped abroad almost three quarters of a billion's worth of explosives. Exports of iron and steel manufactured products leaped from $1,363,693 in March 1915 to $10,776,183 in November. And kept on leaping. Rifle and machine-gun makers alone by late 1915 had close to $200,000,000 orders on their books. Brass and copper manufacturers were tripling exports at from six- to nine-month periods.

The belligerents' purchases simply of munitions during our thirty-two months of neutrality—quite exclusive of their increased demands for foods and fabrics—reached, as the Monthly Summary of the Foreign Commerce of the United States computes it, the grand total of $2,187,948,799.

Yet buyers' dollars sketch merely a fraction of the development. The languishing railroads of the Republic turned, in those thirty-two months on the war freightage, from jittery idleness to such a boom of activity as they had not known since the West was filling up. To revive a merchant marine that had been dying on the vine since the Civil War, the ocean-transport interests of the country were scurrying around for ships at any price.

The Du Pont powder plants, which had entered the first war year with a modest and presumably static working force of 5,000, were rushing their personnel toward an eventual war peak of 100,000. In Bridgeport, once a conservative New England "factory town" where each generation's natural increase of mechanic apprentices just about balanced the expansion needs and filled the vacancies created by retiring skilled mechanic fathers, the swarming munitions workers paid as fantastic prices for board and lodging as had distinguished the Cripple Creek gold camps. And quarreled with their bosses for what seemed, to the alarmed capitalists

of the day, equally fantastic wages. Almost a year before Mr Baker whistled into the wind for machine guns, they must have $4 a day, or they would strike. They did strike and got it.

To be sure, in a sense, the assembly line was merely a specialized panel in the raw-materials picture. Because we had the raw stuffs of battle, copper and iron ores and the motor fuels, the Entente powers, who could not get them, looked at us with progressive loathing. We were loved and hated in much the same way with each new rise of the factory assembly line's mushroom output of war's mechanical gadgets. And it was out of the home-produced raw materials, with the exception of a few imported chemicals and alloy metals, that the gadgets were made.

Yet there were distinct differences—in degree, if not in essentials. The assembly line was geared more closely into the war economy than the raw-materials interest. Factories in their expansion financing were more directly integrated with the belligerents'—and their American banker-brokers' —credit system. . . . You wanted a loan, did you? Well, what did you have in the way of war contracts? . . . You had war orders, did you? Well, how much would you require in the way of a loan? . . .

Factory owners and managers and big stockholders for all such reasons were enormously more conscious of their connections with war finance and their dependence on the war's fortunes. From top to bottom—and nowhere more palpably than in the securities markets—the industrial structure was more sensitive to hopes and fears in the news from the front; to each new gleam or glaze behind the war bankers' eyelids. The captains of war industry were as conscious of the need for maintaining the export flow of battle gadgets as a gentleman out for an evening is conscious of his need for more drinks after his fourth in order to carry the party on.

Moreover, this sharp sense of involvement on the industrial front directly affected a much larger number of people than was the case with raw materials—or, if you like, a vastly wider public opinion. There were the railroads and the power and the fuel interests who benefited instantly from the boom in the production plants, for instance, and knew where their blessings lay. There were the workers in factories doubling and tripling and quintupling their plant forces to keep pace with the expansion program and the demand for shipments now: hundreds of thousands of workers who, by striking for a few hours or minutes, or threatening to strike, or merely by walking up to the application gates, found themselves with better jobs than they had ever hoped for before in their lives.

There were the stockholders, seeing their "war babies" multiply their values by two or a dozen, or divide themselves pathogenetically into two or half a dozen new "war babies" without losing value and still go climbing miraculously on: stockholders who meanwhile reveled in their lifetime's largest dividends. Naturally there were every month more stockholders. For 1914–17 was the period when, for the first time in authentically mass-movement proportions, "the public came into the market."

Thus the assembly line for the war abroad came rapidly during 1915 and 1916 to resemble a superbillionaire supporting a vast household of relatives, dependents and employees who had no other economic stake in the world but in the success of his immediate business enterprises. Literally millions of Americans—and, for the most part, from skilled laborers to bankers, Americans of the more "influential" classes —came, in fairly short order, to have in the conflict just two objectives of self-interest. For the sake of quicker and bigger profits, they wanted our involvements with the war economy deepened. For the sake of swifter and bigger replenishment

orders, they preferred that the assembly line's total current production should be shot away on European battlefields.

Because, consciously or unconsciously, these motivations became so dominant in the Republic's economy, the battle for neutrality was lost on the assembly line almost before Woodrow Wilson's plea for "perfect impartiality" ceased to echo. Because within two years the nation's whole scheme of industrial production was geared to these special objectives, the menace of sudden peace during the 1916–17 winter affected the business world like an economic nightmare. And because the second objective was so efficiently realized, the greatest munition-making neutral entered the war in April 1917 scarcely better stocked for a great national effort than at the time of the Spanish-American War's outbreak in 1898. The assembly line's performance was a grand preparation for profiteering but not for anything else that greatly counted.

These, however, are errors which are not likely to be repeated.

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The major obstacle to repetition is easily summed up. The assembly line is subject to the same control measures—the Neutrality Law restrictions, the prohibition of loans to belligerents, the conservation and emergency regulation devices —which can be applied in the raw-materials field.

If anything, the industrial front is more easily controlled. Its production processes, on the whole, are of shorter range than those on the raw-materials front, and industrial activity is more immediately sensitive to the operations of restrictive devices on credit. The knowledge that no extra foreign credits will be available and the mere intimation that the 1939 war "boom" is to be checked and "managed" by government tends to have effects upon the wildcatting impulses

of timid industrialists a good deal like those of a new NRA edict plus a crackdown on credit inflation from the Federal Reserve Board on a peace inflation.

But above and beyond these generally applicable safeguards is another restraining influence—our plans for our own preparedness. For nearly two years after the Old World War came, the Woodrow Wilson administration considered industrial, along with military, preparedness a dirty business. The 1939 administration begins, in a sense, with an industrial co-ordination plan which takes up where the 1918 war-supplies machine left off.

This 1939 preparedness program centers in a master collection of co-ordination arrangements known as the Industrial Mobilization Plan of the Army and Navy Munitions Board. It was prepared first in 1931 at the direction of Congress, revised in 1936, and is now being rapidly brought up to date in relation to the development of the new war's methods and emergencies, with the assistance of practically every government agency and branch of private economics and industry likely to be affected by it.

To treat the Industrial Mobilization Plan with anything like searching adequacy would doubtless require several additional volumes. The gist of the program is, however, not overwhelmingly complicated. In war, or in an emergency imminently threatening war, the government will be empowered to set up a sufficient number of economic control authorities to organize the assembly line in whatever way the national defense requires.

There is to be a War Resources Administration, for instance, with authority to "manage" the exploitation and production of "strategic materials" and manufactured articles and implements; to co-ordinate both extraction and production industries with the needs at the front or of our preparedness program.

There is to be a War Trade Administration to regulate the flow of both foreign and domestic commerce and to balance, as far as possible, the distribution and supply needs of the fighting machine and the civilian population.

A War Labor Administration will deal with intricate problems of the placement of skilled labor in strategic industries, with training for special production needs; will set up machinery for the mediation and adjustment of the vast inequities in pay and living-cost balances, hours and speed-up requirements with which war mobilization afflicts labor fronts.

There will be a War Finance Commission to keep the country's money and credit structure adjusted as smoothly as possible to war's production and distribution crises. There will be a Selective Service Administration to manage the military drafts. And a Price Control Administration to advise the President on the use of his latent "commander-in-chief-in-time-of-war" powers to decide what the American people and their fighting, or geared-to-fight, government shall pay for their commodities.

Inevitably, too, there will be a Public Relations Administration to channelize official information on the country's war activities, spread whichever form of propaganda the government decides to believe in, and presumably control opposition which threatens to interfere with the war effort. A great many people are probably predestined not to like the Public Relations Administration, but if the country by an overwhelming majority goes in for war or intensive defensive preparedness, the authorities will probably be upheld in the decision that it is no time for the meeting of debating societies.

The membership of these administrative bodies in their various categories will be made up of high government officials, of representatives and experts from private business

and from the consuming and labor elements directly affected in the different economic spheres. In addition there will be a binding network of a large number of liaison committees to see that the various commissions and "administrations" are properly introduced to each other and that each is kept in a state of advanced concrete information as to what the others are doing. And in the subdivisionary brackets, all the Old War's complement of Fuel and Railroad and Shipping and Metallurgical commissions are arranged for.

It is true that a somewhat similar organization grew up under the Wilson administration. But it grew up haphazard and for the most part after the war effort had started. The old Council of National Defense and Advisory Commission from industry, created by Congress late in August 1916, was hardly more than a ground plan for establishing a body to make a ground plan.

It was March 17, 1917—not quite three weeks before the war declaration—when a General Munitions Board, contemplating a survey of army and navy supply needs jointly, was commissioned, and the war was nearly four months old before the assembly line was given a permanent management star to steer by in the War Industries Board. Even so, the Fuel and Railway administration revolved during the later phases of the war effort largely as separate planets. The war actually ended with the control bodies still making fresh discoveries about the currents of our economic life—the fact that by cutting down retail deliveries to one a day, for instance, much man power could be saved and much damage to goods "bought on approval" could be avoided—which are in the files of the present-day preparedness agencies as part of the nation's accepted economic background knowledge.

Moreover, many of the 1939 preparedness agencies are working as intensively on action plans for emergency as the 1916–18 agencies worked at the top form during our belliger-

ency; were working, for that matter, before the war started.

Consider, for example, the not too happy labors of a body known as the War Resources Board. In a sense, the Resources Board—not to be confused with the permanent National Resources Planning Board with its overall concern for all economic and social plans for war, peace or neutrality—started under a handicap. Its membership of seven, except for a lone economics professor, was purposely overloaded with spokesmen for big business. Four of the members, Chairman Edward R. Stettinius, Jr, of "big steel," Walter S. Gifford, of American Telephone & Telegraph, John L. Pratt, of General Motors, and John Hancock, of Lehman Brothers banking house, are fiscal moons of the Morgan planet. No representatives of the labor or consuming-public interests were invited by the board's sponsor in preparedness baptism, Assistant Secretary of War Louis Johnson, to join.

Every Wednesday and Thursday, also, when the board gathers in a grimy retreat in the Munitions Building in Washington, a colonel-secretary is on duty in the outer offices to inform all inquirers politely that the subjects the board is surveying are not to be discussed, and that the members are likely to be too busy to see anyone until wars have been adjourned and peace has come to reign permanently. Collaborators and assistants in the agency's labors, when encountered socially or otherwise, are likely to shudder at references to work in progress in the manner of second lieutenants entrusted with their first military secret.

Under the circumstances, an early war wisecrack flourished in Washington that, what with its reticences and its Morgan and nonlabor connections, the War Resources Board will keep us out of war even longer than Chamberlain.

But to accept the wisecrack at its face value is to misinterpret the Resources Board's functions. It had not been called in to be a war-administrative, or even, except in a special

advisory sense, a war-planning agency. Its job was to go over the broad sweep of the Industrial Mobilization Plan item by item and to correct errors of estimate as to the assembly line's potential services in the light of what big industry knows about industrial methods and practices.

The Industrial Mobilization Plan was framed primarily, after all, mainly by officers of the army and navy munitions boards. Hence, in many of its specific provisions, it partakes of the theoretical quality of the military mind applied to strictly business matters. "Big business" will unquestionably have to furnish a good deal of executive direction for a war or an intensive preparedness effort, so now it is being given a fair chance in advance to check the "master plan" against impracticabilities.

During the war's first few weeks, that job was so far advanced that already the Resources Board was entering the process of being thanked for its services and politely bowed out. There are few, if any, intimations, in fact, in Washington's higher directing quarters that there is anything to the legend that the War Resources Board will ever grow overnight into a War Resources Administration, or that through it the Morgan interests will "run the war." All plans for a War Resources Administration for the ultimate emergency include, if not the banishment of the big-business representatives, at least the balancing of their influence by a heavy representation of labor and consuming interests.

In other high planning quarters similarly specific checks against obstacles and impracticabilities are being made. The National Resources Board has suddenly taken an interest—and put its best vocational education, social-science and Labor Department affiliates to work—in the problem of the shortage of skilled labor for war-industries production rolled up by the ten years of depression. What can be done to overcome the lag which ten years without job openings have

caused in the normal crop of skilled labor apprentices? Within a few weeks or months certain answers may be forthcoming to this question, and things may be started down toward the learning end of the assembly line to make the answers effective.

In other high executive quarters an even more subtle survey was launched in profound quiet as soon as the guns went off. The government is suddenly taking an intimate curiosity in the personal qualities of the prominent citizens who, come the emergency, may be called on to man the key commissions and administrative agencies. Many superficial matters can be learned about such worthies from their *Who's Who* biographies, their income-tax returns and the floral tributes of their public-relations departments, but these are not exactly what the government wants. . . . Will such and such a magnate or labor leader team well, or has he arrived at the top chiefly by mastering underlings and being cantankerous? . . . Does he work for the good of the organizations he serves, or does he specialize chiefly in profit motives, limelight-seeking or triumphs in "office politics"?

The answers may be hard to come at, but the compilation of character sketches is not solely the province of novelists. In any case, owing to a discreet inquiry service now being conducted by certain trusted advisers, a great many answers may shortly be piling up in a few technically "unofficial" files where Uncle Sam at least will have rummaging privileges.

For Uncle Sam proposes to have his assembly line, for whatever efforts are required of him in 1939 or the 1940s, as little jammed up by unnecessary conflicts in the executive branches at the top as by shortages and unbalances and embittering inequities on the labor front, or by profiteering and its wastages in the production division.

So another necessarily long digression brings us back to another conservation point. Uncle Sam intends to control

his assembly line for the duration of the present emergency for his own potential service; not for the quick-dividend swallowers and the warring powers.

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The problem boils down, in fact, to what is called in preparedness circles a question of priorities.

From 1914 to 1917 priorities were simply a matter of who were the best customers. The British and French were producing the assembly line's biggest arms and munitions contracts and the fattest profits. So they got all the "go" signals. Mr Baker could wait for his machine guns until the warring foreigners were satisfied.

In the new World War such fast-and-loose laissez-faire dispositions of essentials are banned from the schedule in advance. Partly on the point of sheer incentive. Owing to the neutrality legal restrictions and the excess-profits taxes to be confidently anticipated on the munitions traffic, there will be less differential between the profits to be made by selling war gadgetry to the belligerents and to our own War Department. And whatever the profit temptations to the munitions makers, Uncle Sam will be in a position, by invoking his emergency powers of industrial and material control, or by merely threatening to invoke them, to demand that the servicing of America's preparedness needs comes first.

When you read in your newspapers, for instance, of a $2,767,000 order for radio equipment for our war planes, it means that, without permission of the Army Air Corps as purchaser and its "strategic materials" advisers, no orders from foreign belligerents will be permitted to interfere with the Air Corps' deliveries. When you read that the airplane industry is equipped to deliver a total of $108,000,000 worth of planes in 1939 war-export orders, it does not mean—even

with the Neutrality Act's prohibitions of the sale of finished war implements withdrawn—that $108,000,000 of our airplane production will go on the fighting lines. As many planes can be held back as Uncle Sam concludes that he needs for his own defense services.

With each screw turn of the war's fortunes, the allotments of the assembly line's output can, with the powers at the government's disposal, be adjusted to new defense emergencies. War orders from the belligerents, for example, can be definitely fitted at once into the training program which the preparedness planners have in mind to overcome the ten years' shortage of skilled mechanical apprentices. "War prosperity"—a "war boom" controlled by neutrality regulations and taxation—can be used for the time being to relieve the relief problem and ease the strains of the past few years on the Federal revenues. In this case the social and fiscal objectives of American neutrality economy would have, in a sense, "priority" over the feckless profit motives of the munitioneers.

Or, under more drastic circumstances, it conceivably could become the sound strategy to let the fighters against totalitarianism have, for some desperate period, practically the assembly line's total output. Then it would be a question of Uncle Sam's passing, for the duration of a special danger, specifically reserved "priority rights" to the front-line fighters who were fending the danger off.

In a more desperate period still, the imminent collapse of the European fronts against the totalitarians might lead us to divert the whole of the assembly line's products to preparations for the defense of the hemisphere. Here the degree of Uncle Sam's "priority" would be essentially the same as during a period of defensive war.

Such developments depend upon events beyond the present calculations of either our or the belligerents' high com-

mands. But so far as the assembly line is concerned, whatever the events may be, they are being planned for.

Either to keep us out or to get us effectively into the war, the assembly line requires an as yet not wholly predictable degree of co-ordinated management. Washington's conscious insistence today on management for controlled war prosperity and preparedness' sake is a far better guarantee than 1914's, that whichever aim is eventually required of us will be met as the needs demand.

CHAPTER VIII

Who Eats?

IN A SENSE, America's first action in the second World War was on the sugar front. Eleven days after the Nazi tanks began driving across the beet fields of Poland, Mr Roosevelt exploded a mine under a synthetic sweet-hoarding boom in the American grocery store.

On the public's dark memories of Old World War dessertless days and various retailers' subtle insinuations that stocks were low, housewives throughout the land in the war's first days began doubling and tripling their normal weekly purchases. It was canning season. Some of the ladies apparently were getting ready for the 1940 canning season as well.

On this whipped-up demand, and the rumors that fostered it, ten-pound bags of sugar were up in price approximately 20 per cent by the sixth of September. In the next few days they rose a few more points. The situation had in it all the makings of a seizure of kitchen hysteria which might convert sugar overnight into the first of the "war babies."

Then the President acted. On September 12 he issued a proclamation temporarily suspending the Agricultural Department's quota restrictions on the marketing and planting of sugar within the United States. From now on every American grower in the beet or cane fields was at liberty to plant all the sugar he wanted and rush it to the market as he pleased. The fancy prices collapsed. Before nightfall President Roosevelt was able to inform his press conference that

all along the food front abnormal demands for staples were leveling off.

As a matter of fact the quota suspension was unnecessary to overcome any physical unbalance in the sugar situation. Not only the United States but the world in general was far better off as to stocks in September 1939 than in August 1914. Whereas Great Britain twenty-five years ago was cut off from more than half of her supplies by the closing of the German frontiers, last September found her sweets front prepared. She has developed vast new colonial production fields in South Africa, Australia, Fiji, Guiana, with special contract-purchase rights in the Dutch Indies. In 1938, instead of taking 55 per cent of her sugar from Central Europe, she took 17,000 tons.

Germany and her satellite Danube and Baltic powers were almost equally well off in spite of the destruction in Poland. The Old War's sweets famine taught the peoples things.

Including America. Uncle Sam's satellite powers in the Caribbean produced in the 1938–39 crop 8,300,000 more tons than the normal American consumption need. In 1914 they were nearly 5,000,000 tons below need. In general, American domestic production has been up in proportion.

The world after a fashion started its second general war with an all-day sucker in its mouth. To this extent Mr Roosevelt's quota ukase was simply a spectacular warning against profiteers' nonsense.

But back of this instant tactical action lay latent executive powers to control other and more poisonous nonsense—and genuine shortage perils—on still more vital fronts.

The government, for instance, can exercise a high measure of control over the quantity of staple-food production, and a high degree of management over distribution through the processes of acreage allotments, marketing quotas, Federal loans for surplus purchases, and the "ever normal" reserves

machinery through which the Agricultural Adjustment Administration functions. It can provide for maximum yields in foodstuffs where shortages are threatened by developing war conditions; or curtail production in quarters where the blocking of normal export channels brings the menace of overwhelming glut and price collapses.

In circumstances where such dangers develop too rapidly to be planned for on the leisurely timetables of the growing seasons, the government has further powers in reserve to check the effects of catastrophe.

It can loan its credit to buy up nonessential stocks of overproduced commodities and hold them against the day of released demands when blockades are lifted or the war itself collapses. In the meantime it can close the commodity exchanges where speculations get out of hand, or limit credit and "futures" buying down to a fine point of virtual purchase-for-immediate-consumption transactions. And back of these control mechanisms stands the authorization of the President to declare a war or "imminence of war" emergency, during which he can fix the prices of agricultural products absolutely.

Nor are these powers simply geometrical designs in a paper plan of preparation for the war's potential emergencies. Most of them, in one degree or another, in substantial fields of farm production have already been exercised, and administrative practice gained through facing concrete enforcement problems. Throughout the country spreads the vast continent-spanning organization of the Department of Agriculture's field agents. Advising and guiding them are the 100,000-strong forces of county committees of practical farmers: three thousand planning bodies capable of framing regulations and of carrying them out, with all the tedious local minutiae which agricultural adjustments require in the field.

American agriculture suffered more directly and con-

sciously and over a longer period from its involvements with the Old War's economy than any other of the Republic's major economic divisions. Because of these devastating experiences the food front in September was better prepared.

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The chief difficulty in 1914 was that no one thought of war economy in terms of world food shortage. When the shortage came, it accordingly was challenged with boundless emotional enthusiasm and amateur remedies.

America's first reaction to the impact of the war's mass commissary problems was, in fact, strictly romantic. We fed the Belgians.

Soon after the German army overran the little kingdom so awkwardly located in Europe's strategic geography, the problem developed. Most of the Belgians' own stocks of food were destroyed, or consumed during the melee by invading and retreating armies. Afterward the Germans, with the British blockade beginning to tighten, did not feel that they had food enough to feed their own fighting and behind-the-lines populations adequately and at the same time provide a sufficient diet for a conquered people. For the time being the Entente powers had more food to spare for several reasons—and indeed spared some—but had a natural disinclination to sending it into Belgium except under conditions guaranteeing that the Belgians would get it instead of enemy soldiers. Plainly, feeding the conquered was a job for neutrals. As the most dietetically overstuffed of neutrals, the United States did it.

To say that the job was done romantically does not imply that it was done without business or eleemosynary efficiency. Mr Herbert Clark Hoover, who established his reputation for executive expertness as Commissioner of Relief in Belgium,

perhaps never quite attained such peaks of performance afterward. That he was better as a distribution than as a production engineer or a general economy manager may, indeed, come to be his final rating in history.

What is important is that the mood in which the job was done was romantic. America, to herself while the healing task was going on, was the Lady Bountiful among nations, simply spilling over with food and kindly impulses—not to mention a refined consciousness of her own benevolence. For more than a hundred years, after all, we had been told that we were a land of "burgeoning valleys and limitless teeming prairies" where the oppressed and the hungry could turn from their penury to restore themselves with the Earth Mother's bounty. Not for nothing was Thanksgiving—a sheer nutrition festival—next to Christmas the most cherished of American holidays.

This romantic concept of the national place in the world's grocery business colored our war food-controlled policies from then on. At the beginning the problems involved were not particularly pressing. Our wheat exports for 1914 leaped, to be sure, to an all-time record slightly more than three times as large as the 1913 outflow. But this was due less to the war than to a 435,000,000 decline in world wheat crops, and to the fact that in the United States a bumper crop was available. Price advances registered hardly more than would normally have been expected from this unusual geographical distribution of the world crop, and it was 1916—when our own crop was short and exports were down to less than twice the 1913 total—before wheat began to take on as a big-money crop.

Pork registered an immediate 57 per cent export gain in 1914 with the shutting off of the German supplies to the British market, but our cotton went distressingly down with the loss of its German customers and stayed down throughout the war.

Except in 1914, with the vast bulge in wheat sales to swell the averages, farm exports in general were never more than 18 per cent above the 1913 level. Germany could not get deliveries from the United States past the British blockade in sizable quantities, and the Allies lived fairly well on their own and their colonies' production plus slightly increased imports. Down to the period of our entrance, in fact, the war did not impose on the American farm belt the strain of fantastic demands.

Prices accurately reflected this situation. Through June 1916 they never varied more than four points from the 1910–14 averages. Except in a few special fields, like pork, there was nothing approaching a war boom. If 1915 and 1916 had not been bad crop years, there could have been a disastrous surplus of supplies.

Yet America in those first two years had premonitions of a period when her natural bounties would be called on to feed all the belligerents like the Belgians, and she rather enjoyed it.

With the 1916 harvest season that period came.

The Allies had drawn heavily upon their reserve stocks. Next, in a year of generally bad European harvests, the nations, because of the death rolls and the increased man power mobilized for fighting service, found themselves short on field labor. Finally, in the autumn, they lost the bulk of the Rumanian harvests through the German invasion. Russia, too, began to fade out of the supply picture before her 1916 surpluses had been exported, with the revolutionary troubles beginning in March 1917.

American crops—and they were still short crops—suddenly ceased to be a convenient marginal supply to the Western powers and became a vital necessity.

The American farm front and allied financial sectors embraced the opportunity with cries of happy fulfillment. There

had always been a tradition in the Republic that a predominantly agricultural nation—which we were rapidly ceasing to be but did not yet know it—should be a nation of wealthy farmers reveling in the comforts and luxuries of life on the proceeds of their own milk and honey.

Now was the time to bring the dream to fruition. The farm belt greeted the soaring price curves of the 1916–17 season, not as sinister symptoms of a coming international food shortage, but as signs, to be greeted with whoops, of a long overdue bull market. The American farmer had a right to his fling at prosperity—after all, hadn't the Bridgeport munitions workers been getting theirs for years? Now, by jingo, he was going to enjoy it.

Joy shortly turned out to be virtually unconfined. General farm price averages went to 146 before mid-1917 and manifestly were bound higher. Individual commodities shot far ahead of the general average like munitions stocks before a four-for-one split. Sugar, suddenly, was blazing, for Louisiana cane and the new Western beet entrepreneurs alike, in a special price heaven of its own bound for an eventual zenith of 538 per cent.

What to do about the situation was obvious. The "progressive" farmer must expand his holdings and his planted acreage to make the biggest of all possible killings while the golden eggs were being laid. And whatever he could hold back from the homeland grocery front, he must slam into a ship bound for the war zone to collect his bonus profits while the collecting was good.

It was under these circumstances, with the war's first grumbles arising in the late spring of 1917 along the consumer-larder line, that Mr Hoover was summoned home from his Belgian labors to prepare himself for the job of Federal Food Administrator. When he became this on August 10, 1917, the country—except for a few small areas under

military occupation during the Civil War—had not sniffed a food-control regulation, much less experienced a price-fixing edict, in all its 141 years.

Yet the Republic of God's special bounty was not—as a few in the inner secrets knew—an impossible distance away from potential famine. It had shipped so much of its reserve stocks through the submarine zones for quick profits that a not abnormally bad succession of harvests in 1917 and 1918 might have caused universal suffering.

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The Food Administration swung into its task of averting "eatless months" with the kudos for romantic virtuosity behind it garnered by Mr Hoover in Belgium.

The problem was threefold: to break down the fantastic price structures roaring upward along the groceries line; to ballyhoo the American people for the first time in their history into going co-operatively into the business of conserving their victual intake; and to produce food in flamboyant abundance.

The first objective was obtained in invoking the first nation-wide application of the President's wartime price-fixing powers over necessities. Mr Hoover's marketing and distribution brainsmen got together and allotted wheat an official value of $2.20 a bushel. Sugar was fixed at varying small fractions under eleven cents. Other commodities were not officially "fixed" but were pegged near the same proportionate levels by an almost equally effective moral-suasion device. The Food Administration's outriders in the provinces announced "unofficially" from time to time what "fair prices" were in the various localities. Merchants and commissioners who chose to ignore their suggestions soon found what it meant to have the government's purchasing and licensing

powers, to say nothing of local public sentiment, arrayed against them. In this way staple commodities tended to settle at more or less dependable price levels somewhat as follows:

Oatmeal:	10.3 cents per lb.
Potatoes:	49.5 cents per peck.
Milk:	13.9 to 14.2 cents per quart.
Eggs:	53.1 to 60.5 cents per dozen.

In determining prices the Hoover production riggers had constantly also their second and third objective in mind. While they were intelligently resolved to keep values down to a point where there would be no mob scenes on the retail buyers' front, they were equally anxious to make them high enough so that the profit motive would lure every farmer into steamed-up production on his acres. From the conservation angle, moreover, it was considered desirable that prices be high enough to discourage wasteful use of food products without making the pinching sensations painful.

$2.20 wheat was hailed as an ideal transmission mechanism for co-ordinating these objectives. It did not seem a fantastically high price against the general background of war-goods scarcities and credit inflations, and the mere fact that a standard price had been set at all assured the public that the speculative profiteers would be kept from dipping into their flour barrels. On the other hand, it was sufficiently breath-taking to the housewife to make her serve bread sparingly and to make corn and the coarse grain substitutes for wheat seem unusually attractive.

To be sure, the farmer could not buy much more for his $2.20 than he could for the profits on his ninety-cent wheat in a good prewar year. But his economy had brought him up—and his father—to look on "dollar wheat" as a kind of symbol of cosmic justice. So $2.20 wheat and the paper profits he could compute on it sounded to our rural entre-

preneurs in the headlines a good deal like the millennium being ushered in with golden bugles.

There was even, on the agricultural front, the happy sense of putting something over on Wall Street and the wicked industrialists. The speculative element had been sent, nominally at least, to Coventry "for the duration," and the industrialists in their war contracts were limited, technically, in any event, to "cost-plus-10-per-cent." No government officialdom could ride herd sufficiently on the farmer's bookkeeping to stop him if he made 80 per cent.

The farmer, moreover, found himself suddenly in the unusual position of being pampered by his government in his production needs. Washington's field agents rounded up more or less regimented labor for his harvests—including, with more publicity than practical results, perhaps, women and teen-age children. (One of the minor grotesqueries of the war, indeed, was the occasion when the Springfield, Mass., *Republican* transposed a picture of bloomer uniforms for the lady harvesters with one of an apostolic group in a smashed stained-glass window of a French cathedral and labeled the latter: "Snappy new farmerette costumes.") Besides labor, the government rounded up "priority" freight cars for the farm's autumn shipments and credit for crop movements in volumes which made Mr. McAdoo's $19,000,000 1914 advance seem like slot-machine change.

As cheering as the immediate prospect of profits, balmily exhilarating rumors ran around. The war would last five more years, the word was passed at the Five Points general-store conclaves. And after it was over, it would take Europe another half-decade or more to repair the destruction and manpower loss and get back to normal food production. 1917 was something more than another bull-market year. This was the new bull era.

Under the circumstances, the farm belt rushed out to

meet the millennium with two blades for one. Farmers not only raised their seeding quotas on their normal acres but they rushed out—with enthusiastic co-operation from their local town magnates and bankers—to buy more and each other's acres. Magnates from everywhere with investment funds took flyers in this land-buying competition, and prices on soil surface went up, more or less regardless of arableness, in ways which made $2.20 wheat look like the last thin line of hard-bitten conservatism.

Mortgages became available, not on the basis of 1917's and 1918's expectation of profit, but on the basis of what could be believed in toward the end of the bull era's rainbow: in—say—1925. Our agricultural economy had abandoned dealing in commodity "futures" for the more highly dynamitish business of speculating in land "futures."

The Food Administration smiled happily, remembering that it was getting crops out of the situation. Also, it extended its benevolent blessings in other directions. Over years, for instance, "the plow that broke the plains" had been a major poetic folk hero in the Republic's gadgetry. Plows followed the pioneers—or was it pioneers followed the plows?; plows and pioneers together made homes, real wealth, the rural background for booming cities, bounty for all mankind. In breaking the plains, the plow made America great.

So, with romance in its steel entrails, the plow—suddenly mechanized in increasing numbers—invaded the high, dry grass plains and valleys of the Western foothill and mountain areas. And broke the hell out of them. On top of the super-wedding-cake pyramiding of the land values and a frantic excess of production acreage, Mr Hoover's epic production engineering created the 1930s' Dust Bowl.

The food, to be sure, came out of the ground, and in due course was shipped where the need was. The "emergency"

was overcome. Our allies, and eventually our defeated adversaries and war victims everywhere, thrived on it, or at least were saved from starvation.

But nowhere in the government while the job was being done was the power created to co-ordinate production with long-range land use and land-exploitation problems; to disentangle the profit system on the farm from speculative finance; or to cushion our 10,000,000 "food-production heroes" against the deflations of peace and a new and more self-sufficient ordering of the nation's subsistence economies. The occasional polite warnings of the Hoover staff and of Mr Hoover himself against "undue expansions" had, roughly, the potency of "smut lectures" in a reform school.

Thus with peace and the collapse of the postwar relief food demand, the American farm economy lay in a state of chronic ruin to which shell fire and decades of mass troop movements could hardly have exposed it.

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But while the country's general economy was following the farmer into the great desolation after 1929, the farm front itself was profiting from longer and more bitter experience with adversity. The depression was, after all, six years old on the farm before it even approached Wall Street. "Emergencies," it appeared, were the chronic item in agriculture's medical history. The farms bore their brunt earliest and there they lasted longest. So the farm front, with a vastly greater co-operative willingness than the industrial or commercial fronts, put itself, as soon as the Roosevelt administration arrived, in a state to weather emergencies.

In result, a better mechanism for production, distribution and marketing control of food products, and for protection of the farm economy against gambles in land values and zany

projects of soil exploitation, stands ready for instant operation today than the Hoover Food Administration enjoyed at its peak of effectiveness.

In so far as world food shortages can be estimated one growing season ahead—and many war disturbances to food supply can be anticipated more easily than crop failures can be previsioned in peacetimes—they can be planned for under the acreage-allotment system. So many million John Smiths plant more acres in wheat in 1941 than in 1940, for instance. So many million John Smiths sow more wheat seed.

Even if growing conditions prove unfavorable, the fact that the additional acreage has been planted relieves the price structure from the hysterical pressure of fear-of-famine demand. Even if the crop yield turns out an eventual disappointment, its excess over a short crop produced on a restricted acreage will probably be enough to go around with reasonable rationing.

Furthermore, a minimum of disturbance to land values and to normal land-use practices is involved. The wheat-growing possibilities of hundreds of thousands of American farms have been surveyed with fair adequacy under the acreage-allotment system as it has functioned under peace conditions. Planting expansion as a war supply measure, then, would be simply a matter of the more intensive cultivation of good wheat soil already in use, or of planting extra wheat on millions of individual farms in new plots so small that they would neither affect land demand materially nor much more than casually affect the individual farmer's income or investment balances.

No capitalist would have any incentive to buy up huge tracts of diversified farming land in order to divert it to superspecialized wheat culture, because, in practice, through the discriminatory powers of the acreage-allotment system over marketing and distribution facilities, such ventures

would be outlawed. The farmer himself would be checked from selling off his hogs, or abandoning the corn, the cotton or the staple-vegetables branches of his business in order to become a wheat king, for similar reasons. A wheat boomers' rush into vast new land tracts after profits to be had through the reckless destruction of light topsoils would be out of the question even if such lands in large quantities were still available. Both the allotment machinery and Federal farm-credit banking system would be against it and would have the power to check it.

And if a farm land-value boom of 1917–20 proportions threatened to develop regardless of these obstacles, the Farm Credit Administration, by sitting on the lid of the farm-mortgage industry, could blow it down where it belonged.

America, in a word, could produce wheat for a starvation-threatened world almost up to the limit of her natural bounty without submitting the food-commodity price structure to either earthquakes or volcanic eruptions; without converting the farmer into either a banker's peon or a speculative plunger. If the production-control mechanisms cannot spare the farm all of the effects of the war economy—and the farm will regard some of the effects appreciatively, no doubt —they at least can keep farm finance reasonably out of the clutches of war finance.

Neither is the question of glut commodities fraught with 1914's assortment of horrors. In 1914, for example, a 16,000,000-bale cotton crop with a carry-over of approximately 3,000,000 bales dropped to the near-bankrupting price of six cents on the loss of a heavy German account and the temporary disruption of shipping facilities for export. In 1939 a 25,000,000-bale stock of new crop and carry-over barely trembled from war shock. Thirteen million bales, practically the total of the carry-over, was held against future market needs on the government's surplus-marketing credit accounts.

There will be more such surplus-cushioning arrangements as the strains in the New War's economy begin affecting the demand curves. But mostly there will be planning to prevent, so far as the American front is concerned, unmanageable surpulses and enjittering scarcities from happening; and to balance American production against scarcities and near-famine conditions indicated in the war's prognosis tables elsewhere.

Already in the statistical bureaus and economic-oversight branches of the Federal Department of Agriculture, all the indices of war-caused fluctuation in the consumption and production schedules of both belligerent and neutral nations are being charted. Long before next year's planting season is here, data pertinent to each American growing region's needs will be in the hands, not only of the Department field agents, but, what is more important, in the hands of the 100,000 members of the county committees of practical farmers through whom the vast machinery of production limitation and expansion functions. Before spring sowing, the questions of whom America is to feed, and how much, will have been faced in the light of the utmost obtainable information, and answered by democratic processes, on the edge of the waiting acres themselves.

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Yet it is hardly enough to say merely that the food front is organized to meet its strategic problems with data and cooperative intelligence. The situation can realistically be put much more strongly than that.

In a sense, all that the Hoover Food Administration aimed for in the way of production and distribution control—and much more—has been set up in American agriculture, and inured to its job by from two to six years of peacetime practice.

Because the control engines have been installed and "shaken down" by practical operating tests, the American farmer will have less reason to follow his profit motives and his financial involvements into the war than any other major economic group. Less object, if war comes for other and less immediately economic reasons, to fear its destructive effects on his personal economy.

The question of "Who eats?" no doubt will continue to settle the fate of armies and of peace agreements—witness the effect of German hunger experience and memories on the rise of Nazism—and to further bedevil the perilous business of peace deflations, as in times past.

But more than any other sector of our economic life today the farm front has the machinery in operation for getting, and applying, the answers.

CHAPTER IX

Emotional Climates: A Postscript to Morals

WHEN THE Old World War came, there was almost no serious inquiry during its first few weeks as to America's practical stake in its developments, as to the risks of our possible involvement, or as to how our national policies or the country's safety might be affected. In so far as lay opinion was aware that such things as balance-of-power politics existed, America was as sure that she stood apart from them as that Mars was a separate planet. Balances of power between nations were Europe's specific trouble, as distinct from ours as Serbian poetry was from a South Carolina accent.

Accordingly our immediate emotional response to carnage was closely akin to the mood in which the public of Indianapolis might have received news of the ultimate "holocausts" —it was the newspapers' favorite big-fire headline word of the times—in Peoria. There would have been nothing the people of Indianapolis could do about the distant population being decimated by the conflagration except to rush supplies to the survivors. But everyone would want to know whose carelessness or villainy set the fire in the first place. Then, not having been able to prevent the original catastrophe, we at least would do our part by exercising our nobler emotions and deciding who was to be "punished" for it.

So the first thing America wanted to know about the war was—who was being bad? By deciding who was bad, we

would both be indicting the evildoer in "the world court of public opinion" and going a good distance toward making repetitions of his crimes impossible by putting him through the doghouse of our acute indignations. For we had been told at the time, so persistently that in mass we believed it, that America's moral judgments had an all but cosmic potency. They had upset thrones and empires—witness what had happened in Latin America when we proclaimed the Monroe Doctrine. Tyrants, kings and oppressors were supposed to tremble before them. (Look what happened to Spain, for instance, when wicked Queen Regent Maria Cristina oppressed the Cubans!) Indeed, we were rather convinced for the moment that American democratic disapproval had outlawed old-fashioned, bloody dictatorship forever. . . . Why, in 1912, hadn't we even shamed the Czar of Russia into calling off his pogroms? . . . There would be no more such horrors, and there might be no more World Wars if Uncle Sam sufficiently disapproved of this one.

And next to knowing who was being bad, America wanted to know who was being glamorously virtuous. For equally with casting out the wicked, America wished to throw the mantle of her ordinations about heroes for righteousness. Yet there was more to her motives than merely wishing to maneuver herself onto virtue's side. By holding aloof from the war while bestowing her applause and her condemnations with beautiful equity, America actually fancied that she could win it for the right and make future wars unthinkable.

Owing to these powerful psychological fixations, during the first few weeks the taint of impiety hung over the mere suggestion of examining economic and social stresses and strains and racial conflicts as primary war causes. To do so would be somewhat like attaching the gadgetry of blood-pressure and gland-flow measurement to a saint during performance of a miracle.

On the questions of who was "good" and who was "bad," to be sure, certain instant differences of opinion arose, not all of which yet have been solved by time's researches. But America, at the moment of evil impact, passionately wanted to know the answers.

After all, it was not quite two years since Theodore Roosevelt in Chicago stood before the first Progressive party convention and battle-roared:

"We stand at Armageddon and we battle for the Lord."

In 1914's slightly more cosmic Armageddon, America proposed to battle for the Lord, not with swords, but with righteous judgments.

The American emotional climate was moral, and the morals were fervid.

America was actually, in August 1914, more in danger of being lured into the war by her sense of virtue than by the scheming international bankers. There were no brakes whatever on the 1914 sense of virtue, either in taste or in rationality or in conscience. And much has never yet been told as to how much conscience helped us on to No Man's Land.

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The fact behind the situation was that America had been so long geographically separated from the impact of a naughtier world's political forces that she actually and honestly believed all problems admitted of moral solutions.

That certain social and economic adjustments needed to be made, the people keenly recognized. From Theodore Roosevelt's arrival in the presidency in 1901, indeed, a kind of a "new day" had dawned for social-reform projects.

Immense masses of voters were conscious that labor needed to be rescued from predatory sweatshop proprietors, that women's rights to decent pay and working conditions in in-

dustry needed to be defined and protected, that the rank and file of workers and small independent entrepreneurs and farmers needed to be released from the clutch on their personal destinies of the money power of the nation's great fortunes and of the expanding economic controls of corporate big business. Much further to the left, growing groups of recent college graduates and newly spawned intellectuals dreamed of gradually and peacefully emergent Socialist Utopias in which, after the voters had jauntily voted away the profit system, the citizens of the Republic would spend their time happily and everlastingly serving each other.

In anti-trust laws, in railway-regulation statutes; in the beginnings of labor and workmen's compensation and labor safety codes; in initiative and referendum and recall acts; and in mass political "crusades" like the Free Silver and Bull Moose movements, demand for this type of regeneration had been registered. The word "crusade" is instructive. Leaders and followers, the groups on the side of "social betterment" thought of their ends as moral ends.

Except on a few obscure fringes of the intellectual world no one thought of the bargain-driving bankers, the competitor-squeezing trust magnates, the rebate-boodling railroads and the labor-sweating garment-shop proprietors as creatures of their group economic interests. Bankers and magnates and railway "kings" and sweatshop proprietors took advantage of the weak and the helpless because they were willfully wicked. What was needed to make them treat men and women of lesser economic potency with justice and compassion was laws that would make men be "good." The anti-trust and the railway-regulation and the labor and minimum-wage statutes were aimed, consequently, more at compelling men in the seats of power to be virtuous than at making genuinely basic economic adjustments.

The slogan appeals of the reform movements high-lighted

their moral aims even more than their legislative programs. . . . "Thou shalt not press down upon the brow of mankind the Cross of Gold!" . . . "The square deal"—meaning, quite obviously, a deal so lubricated with Anglo-Saxon fairness that it would charm away economic complexities. . . . "Malefactors of great wealth." . . . It is hardly more than a rhetorical exaggeration to say that the Theodore Roosevelt administration sat out its seven delightful years in the White House on the strength of its promises to keep moneyed villainy from doing wrong by our Nell. . . . And the Bull Moose party marched to its Armageddon of good vs. evil singing "Onward, Christian Soldiers." Members of such groups and mass movements called themselves by such revealing names as "right thinkers," "forward-looking men and women," "crusaders," "moral reformers" without a single shudder.

The nation had been brought up by preachers for the better part of three centuries, and, though the church bonds were weakening under the assaults of Darwinian materialism, the emphasis on the superiority of moral enthusiasms to critical analysis and to "thinking things through" still held. It held in society's private codes of thought and manners no less than on the political fronts.

During the campus career of the Yale class of 1911—to quote from the records of a member—

> the college Y.M.C.A. (Dwight Hall) was a recognized means to social and fraternity preferment, but to refer to the fact objectively, or—much worse—to poke fun at the system or its top-ranking saints satirically was considered by mass campus opinion an offense against the "Yale spirit" and a serious breach of good form.

The pious *Outlook* and the *Literary Digest's* collects of editorial writers' virtuous platitudes were the weekly news

reviews entering the group of homes corresponding with those which today *Time* Magazine enters. *Life* was the country's last word in sophisticated humorous publications, and *Life* spent its moral energies demolishing "cads" in the spirit of Thackeray's Colonel Newcome.

Time's flippancies toward the moral stuffed-shirteries of leaders sanctified by national eminence, and the *New Yorker's* tone of dead-pan realistic appraisal of current excesses of "caddishness," would not have been merely shocking to the Old War's ruling generation; they would have been unintelligible.

And not only were moral attitudes held to be the solving and the simplifying attitudes to strike in all perplexities; they were also, psychologically, the satisfying attitudes. In a social atmosphere in which men and women more or less utilitarianly competed against each other for reputations in nobleness, self-righteousness was virtually the headiest pleasure with which the average American's inner life could provide him. Nor did flaws spring easily in our moral confidence or in self-righteousness' armor. The great disillusionments of a war in which nobleness would lose the peace, and of an experiment in temperance reform in which noble regulations could make no one virtuous, were yet far off.

Out of a society cherishing—not to say lustily enjoying—these certainties and values came Woodrow Wilson. It is not to his discredit that he shared in them and accepted them. He could only have become President in such an era by accepting them sincerely or by hypocritically professing to. It is the measure of his honesty as well as of his courage that he gave his life for a vision of his times.

But it was a vision rather than a realistic appraisal.

The President saw the struggle for neutrality as a struggle to keep the neutrals moral. . . . ("Impartial in thought as well as in action"; . . . And, in the famous "too proud to

fight" speech: "There is such a thing as a nation being so right that it does not need to convince others by force that it is right.") . . .

Later the President saw our war effort as a struggle to "save" the world for democracy, and equally to "save" the moral values, which he somewhat romantically read into democracy, for the world. . . . ("Right is more precious than peace. . . . We shall fight . . . for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations. . . .")

And the struggle for lasting peace was to be won, as the President rationalized it, by committing our future policies and risking our future fortunes in international affairs to the thesis that "universal dominion of right" would come out of the League of Nations. . . . ("In drawing the humane endeavors of the world together, it [the Versailles Treaty and the League of Nations] makes a league of the fine passions of the world, of its philanthropic passions, of its passion of pity, of its passion of human sympathy, of its passion of human friendliness and helpfulness." . . .)

All that we thought and felt about the first World War—and feeling was the more important—was colored by such attitudes. All that we did about it was conditioned by them. The President was not so much trying to manage events or to manage the Republic amid a bombardment of events as to prove that certain moral codes and theological postulates were "rights" by applying them to events.

There were the famous Gore-McLemore resolutions, for instance. They were introduced by Jeff McLemore of Texas, a leader of the isolationist bloc in Congress, and they both warned American citizens against taking passage on the armed merchant ships of the belligerent powers bound for the war zones and admonished the State Department to

clamp down on passports. Conceivably, by keeping our citizens out of the trouble areas and depriving them of the technical international-law right to risk drowning in submarine attacks, the McLemore resolutions could have kept the United States out of the war. If no Americans had been permitted to go with their government's blessings into the war zones, the issue of their personal safety would not have been there to fight about. The resolutions represented an effort to manage events by realistically facing the changed conditions of twentieth-century warfare.

But Mr Wilson threw the full weight of the administration's influence into defeating the resolutions, and they were defeated. They were not defeated on points connected with the realities of the military situation. They were rejected on a point of morals.

The Germans, Mr Wilson's debating supporters argued, had threatened our people with danger and death if they crossed the submarine blockades, and they had sunk the *Lusitania*. Therefore the Germans were "bad." Hence America could not, either for the sake of her reputation for virtue or for the safety of world morals, let the "bad" have what they wanted. Nor was it a question of the immediate issue only. Moral values were imbedded in the Republic's inherited emotional traditions as well as involved in the business of rebuking the Germans. A great nation could not let down its War of 1812 sailors. They also had fought for international morals!

The President, however, was merely one of a competing circle of moral prescribers, and he by no means held the best strategic lines. On one of his flanks was the large pro-German element. Millions of 1914 Americans had been born in Germany, and the bulk of the German Jews were pro-Kaiser. For two and a half years these groups struggled to prove that the spark of international villainy for world conflagration had

been supplied by Great Britain and that they, in their rage against British blockade policies, were more "impartial in thought" than Mr Wilson was.

Thus the pro-German party, too, rested attack and defense on grounds of ideal morality rather than on the realities. Until they could convince America that Germany was "right," they were content to let America continue pro-Ally. Since, from the time of the Belgian invasion on, their appeals were constantly being hamstrung by the iron-fist war policies and the inept propaganda deliverances of the Kaiser's government, they were never one of Mr Wilson's vital embarrassments.

The war party, however, was different. The war party was led by Colonel Theodore Roosevelt, a more seasoned and strugglesome competitor for moral limelights than even the President. And the war party had enormous strategic advantages. The war party could take the position that simply rebuking the "bad" and being "favorable" to the "good" was not enough; that *it* was more virtuous than the peace-and-neutrality party because *it* proposed to do something about it.

Colonel Roosevelt's first proposal, in October 1914, was that we should enter the war because of the violation of Belgium. It was our moral duty to uphold the sanctity of a European treaty dating back to 1839. Those who did not propose to uphold the treaty, by force if necessary, were not moralists at all, the Colonel clamored, but shirkers of obligations.

Next, after the *Lusitania* was sunk in May 1915, it was our duty to enter the war to drive "barbarism" from the seas. Those who did not propose to discipline and restrain the perpetrators of such outrages, the war party raged, no longer could rationally claim to be "good" themselves or to be on the side of the "good": they were merely "goody good"—and probably consciously hypocritical in their pretenses to the pacific virtues, into the bargain. And from crisis to crisis

the stridency of the appeal to militant self-righteousness redoubled.

These attacks maneuvered the President into positions of almost intolerable awkwardness. He did not dare lose face before the self-righteously terrible, the emotionally aroused American conscience—stand naked before the siroccos and blizzards blowing up out of the emotional climate. By losing face he would have lost the power to direct war policy altogether. On the other hand, he could not "keep face" before the conscience unless he could dramatize the passive virtues of a neutrality policy as more morally glamorous than the active program of going to the aid of the abused "good" in battle.

It was a task for a superdramatist, and Mr Wilson was not insuperably apt for it. His "too proud to fight" speech, as a challenge to warmongers after the *Lusitania* sinking, was easily turned into a libel on his character by the simple parlor vaudeville trick of repeating it with falsetto inflections; easily battered to rhetorical—and moral—pulp by the virile pseudo-Biblical cadences of Colonel Roosevelt's "Fear God and take your own part" rejoinder.

The fact that Mr Wilson sought to do his disciplining of Germany by diplomatic notes rather than by action was easily converted into the reproach that he was the type of moral leader who preferred speaking for the right to fighting for it.

Nor did the President appear to have any advisers on dramatization problems who had any brighter suggestions than to urge him to go on in the way he was going. After Mr Bryan's lightning-flash insight into the nature of money as "the worst of all contrabands," the Secretary of State lapsed into the device of representing the fight for neutrality as a battle for the ideals of Chautauqua, and into the blunder of intimating to the Austro-Hungarian ambassador that the *Lusi-*

tania notes were not to be taken at their face value. And so blundered out of the cabinet.

The rest of the presidential brains circle were either inclined toward the war party themselves—and like the Secretary of War, Lindley M. Garrison, dropped for it—or they were little better than hand-holders between the rounds.

The President had to do his theatricals alone. And the curious paradox about them was that they were more effective on the war than on the domestic front. In the spring of 1916 his threats of visiting America's sense of moral outrage upon Germany caused her, temporarily, to relinquish the unrestricted U-boat campaign. For nine months the President could confront the pious jibes of the war party with the accomplished fact of moral victory. During those nine months he won the "he kept us out of war" election.

But in the developing drama of good vs. evil the victory carried enormous liabilities. It was a victory for the President's, for the neutrality party's, superior righteousness. So when that righteousness was offended—"betrayed" was the more fighting catchword—by the resumption of unrestricted U-boat warfare in February 1917, neither the President nor the neutrality groups could any longer claim that it was effective righteousness. Mr Wilson, in order to prove to the war party that he was more purposefully moral than a tailor's dummy, had to join the war party himself.

It is no detraction to his sincerity to say that "face" for the spokesman of a peace morality had become impossible. God helping him—and the war party standing by to rend him if he examined the economic causations of submarine warfare realistically—Mr Wilson could do no other.

Thus America blew into the first World War on the wind off a cyclonic disturbance in the emotional climate; which, in essence, it should be repeated, was a climate of aggressive self-righteousness.

The battle for neutrality was lost to conscience gone berserk on self-admiration. Our sense of virtue had led us at last into playing nice, clean, "hit-the-line-hard" games with the Furies. And the European sense of power balances. But the long months of debate preceding the decision had dealt practically wholly with the question of what we ought to do about the war in conscience.

Except for the brief turmoil over the McLemore resolutions, there had been practically no examination in high responsible quarters of what we ought to do about it in horse sense.

We were so "good" that we could no longer stay out of it. And now, by God, we'd make 'em all be "good."

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The war of 1939 started with America's conscience decks cleared. For the period of the impact, at least, this was, perhaps, an outstanding measure of our moral—or would the Wilson-Theodore Roosevelt generation say amoral?—preparedness.

It was not a question of the nation's having abandoned morals. It was chiefly a question of our having learned, through chastening experience, not to be so sure of moral answers.

We had gone into the Old War to succor the "good" and to purge the "bad" of their iniquities. Out of the first enterprise we had got the exacerbating injustices of the Versailles Treaty, twenty years of rising power politics under—and around—the fragile control mechanism of the League of Nations; the Chamberlain-Sir John Simon ethic of international behavior, and the betrayals from Manchukuo, through Ethiopia and Spain, to Munich. Certain powers in the 1939 conflict quite possibly were more on "our side" than

others. But they were hardly "good" enough to get excited about.

On the second account, we had exchanged Kaiser Wilhelm II for Adolf Hitler. Hitler was "bad," American popular sentiment almost universally recorded. But the very degree of his "worseness" to the Hohenzollerns made us doubtful of the moral efficacy of further military purgations.

Again, we had gone into the Old War to make the world "safe for democracy." Out of this we had got Fascism and Nazism with their apparently fatal fascination for whatever might be left of the economic implications of democracy in the Russian Communism. And besides Nazism and Fascism, the corridors-ful of royal and military and ecclesiastical pseudo-dictatorships from Lisbon to the Euphrates; and the suggestively prelate-like control of government by the dominant economic groups through creatures like Chamberlain and Daladier in the still "constitutional" democracies.

We had gone into the Old War to exorcise militarism, and for half a decade before the New War's coming, Europe was armed for Bedlam.

We had gone to the 1917 war in the confidence that a better peace would ease the economic rivalries of nations. Now, against the new trade barriers which the peace had created, we were wondering whether nations could achieve economic prosperity and feed their hungry except through the methods of Adolf Hitler.

We had not been paid in peace by those to whom we had given our blood and our money in war.

We had been freed, perhaps, for twenty years from the responsibilities of maintaining ourselves as an armed camp for the protection of our hemisphere. Barely, perhaps, that was worth it.

Morals remained, but they called more for critical analysis —or at least for an all-pervasive skepticism—than for emo-

tionally satisfying action. Conscience was still an admirable traffic signal for the personal life, but could it tell us the truth about international relations? We had learned that taking the Lord's side at Armageddon, while fun in a nineteenth-hole argument, was a question of devious and subtly realistic choices in which one's shirt could be lost.

Neither were the conscience decks cluttered at the onset of danger with explosive bundles of emotional sympathies. Again, it was not a question of America's lacking sympathies. As compared with 1914, America's conviction as to which side she was "for" was overwhelming. The Gallup poll researches, for what they were worth, suggested that the population sector indorsing the Hitler side and favoring a Hitler victory was scarcely larger than one of the more obscure sects of the Holy Rollers.

But along with this almost unanimous anti-Hitler partisanship went a powerful resistance to the emotional forms of pro-Ally partisanship. The diseases in European politics which brought Hitlers to the top were, our 1939 mass opinion strongly suspected, incurable; or at any rate experience suggested that neither our moral Galahad-ing nor our arms could cure them. Furthermore, even taking Hitler at his worst, what reason was there to have confidence that Messrs Chamberlain and Daladier and the other European politicos who had made Munich would carve out of his defeat a much safer peace for posterity than Messrs Lloyd George and Clemenceau carved at Versailles?

America, in a word, took its 1939 partisanships with reserve and handled its emotional sympathies gingerly. Practically no responsible spokesman urged that we fight to clarify our preferences and certainly not that we fight to make the world safe for future Utopias or to justify the national nobleness. What we must do to stay safe, was the central point in the congressional debates on neutrality legislation.

In a sense, too, the conscience decks were cleared of undue moral gear and litter in the important matter of domestic issues. Increasingly during the 1930s our practical politics revolved about hard-boiled questions of economic rules and adjustments rather than about which cells of statesmen could best give tongue to virtuous aspirations. We had passionate differences of opinion as to whether the current adjusting experiments were destroying or refueling us, but the arguments were more rarely than in most previous decades on the point of whether they squared with abstract idealism.

A great many strands of sophisticating experience had contributed to this state of affairs. The fate of prohibition and the general social "goings on" in the "depraved decade" of the 1920s had shaken our faith in ancient beliefs that America was in some peculiar way the citadel of the world's respectability. The great depression had weakened our jaunty confidence that America's special virtues were sure to be rewarded, and had damaged the impression that God was in honor bound to give us brains enough to solve our perplexities.

New Dealers and Old Dealers alike, we were rapidly losing our sweet tooth for moral certainties. The *Saturday Evening Post,* it is true, still throve on editorial touches of the pious sarcasm with which the self-righteousness of the elder generations had rebuffed critical analysis of its shibboleths. But into hundreds of thousands of homes representative of new types of opinion leadership went periodicals like *Time* and the *New Yorker* with their weekly deftly turned reminders that we were not the best people on earth; that if we were, it was not necessarily important; and that it was not proven beyond demonstration that it would be desirable if the end could be attained.

The emotional climate with which the 1939 America greeted

its war differed from the 1914 emotional climate as far as the effects of this complicated ganglia of conditioning forces can be measured.

1914 welcomed its war, starry-eyed, thrilling to "La Marseillaise" and "Die Wacht Am Rhein" in its restaurants, opening its literary gullet for books on "the passionate adventure."

In 1939, as during the first few days the alliance groupings and the policy lines of the major European powers shifted back and forth like situations in a drama of infernal whimsy, a definitive wisecrack had its hour of currency in Washington's National Press Club:

"Every day this war gets more like watching a tart undress."

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These moods and philosophical premises conditioned America's 1939 reception of the tragedy—it was distinctly *not* "incredible catastrophe" to the "thirty-niners"—and laid down, encouragingly enough, at least a pattern for a pattern of our future psychological reactions. There is reasonable—not to say optimistic—ground for the reserved expectation that the same attitudes and premises will condition our decisions as the new war's critical phases force decisions upon us.

The 1914 America dramatized itself as a succoring Galahad. The 1939 America dramatizes itself as a consciously cynical appraiser of what we have to be afraid of at Armageddon, and what we may get out of it. It is impossible to overstate how important this is. How nations dramatize themselves, and why, is a better prognosis of their conduct in given emergencies than what they are—assuming there is any real difference.

The disillusionment guards that are up on the emotional front, are, in fact, stronger guards against war involvement

than any conceivable code of war ethics that could be invented for international bankers.

They are not, to be sure, to be regarded as impregnable guards. From the beginning there have been symptoms of weak spots—curiously enough, specifically among the isolation groups. In their eagerness to disentangle the United States from all contact with the wicked munitions traffic, the more extreme isolationists, at first onset of the neutrality debates, invoked the 1914 spirit of conscience by demanding that the neutrality statutes include laws to make bankers be "good." If, in due course, the outraged cries of isolationist conscience should provoke an equal and opposite response from the "go-to-war-and-do-your-duty" conscience, an explosive lump of 1914 moral and romantic fat will be on the fire again.

Thus, in taking down the first guard, the isolationists by so much have exposed us to 1917's danger. For conscience in its ardors arouses conscience, and, on whichever side of a surcharged emotional issue it raises its ravaged head, an aroused conscience has no conscience.

But to the degree to which their walls of disillusionment protect them from these excitements, the American people are safe from emotional involvement as they never were in the Old World War or in the older world wars of Napoleon. Their emotional climate has gained in salubrity by becoming less moralistic; less credulous of "right thinking" whether on our part or of others.

In proportion as our subjective reactions to Armageddon blow less out of the glamorous quarter of self-righteousness in the 1940s, it will be harder for this war's propagandists to fill the national belly with the east wind.

CHAPTER X

Eastwall Against Ballyhoo

NINE MONTHS BEFORE the second World War's coming, Harold Ickes, Secretary of the Interior, announced to the world over radio ether waves from Cleveland, Ohio, that the Nazi leaders of Germany were dangerous barbarians. This disburdening indulgence of honest feeling amounted, in December 1938, to little more than a show of an angry man being superlatively, spectacularly angry; angry in a popular cause, since the prevailing winds of the emotional climate were blowing Mr Ickes' way. But in September 1939 such sentiments from on high would have been unneutral propaganda, inflammatory stuff, likely to push us for no good reason along the emotional road to war which the atrocity-tale propaganda helped to map for us from 1914 to 1917. The Ickes international indignation was an immediate casualty of World War II.

The new war found America virtuously hoping that it could think out its path and armor-plate its mind from the breast-stirring garblings crossing the ocean from Europe. The government, which has to protect not only the national will to skepticism but also to bulwark its professed neutrality, suggested that it was squarely behind the campaign against appeal to unreason. It let it be known that it was forbidden to officials—Mr Ickes or any other—to sing hymns of hate or chants of love about the nations in war. The newspapers and the radios, meanwhile, worked out systems for evalu-

ating the propaganda songs from over the sea and preventing the spread of gullibility across the land.

In general technique the propaganda war is a good deal like the military war. There is attack and there is defense. But the attack is made with blandishments rather than bombs, and the defender must have the cool head of a beautiful maiden withstanding seduction by a Casanova. On an occasion like this war the seducers work at cross purposes and devote much of their sweet nothings to belittling the worth of the rival seducers. Thus, while the British have spent a long time spreading the word across the United States that a successful Hitlerite military undertaking would mean civilization's destruction, including America's civilization, the Germans have broadcasted messages like this to the United States: "America is independent of Europe. You are free and shall stay free." Stay free, that is, come what may—even a German victory.

The first line of propaganda defense, then, is an attitude of skepticism toward war news, a feeling of "Oh, I bet you tell that to all the girls."

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For many reasons the United States in 1914 had a country girl's naïveté about news from abroad.

Not that the nation was uncynical about its newspapers and believed everything it read in them. Far from it. Democrats suspected the truth as it was served by Republican papers. Republicans took Democratic newspaper revelations with a pound of salt. Democrats and Republicans both took for granted journalistic venalties like the taboo against printing news of mishaps in department stores, which always are large newspaper advertisers. The most uncolored news reporting often actually was colored by the fiscal prejudices of

the paper in which the report appeared, and Americans, who were pretty adult as far as their domestic world was concerned, knew about this colorless coloration.

The United Press was selling its service in 1914 with an argument that presumed sophistication among not only newspaper readers but newspaper editors, who occasionally see the light after their subscribers. We write the news the liberal way, went the United Press's sales argument. We give you the side of the story that the Associated Press, which is dominated by the very conservative capitalistic viewpoint, keeps out of sight—thus spoke the U.P.'s salesmen in the dim ear of the U.P.'s youth. In the time of the New Freedom, when a majority of the voters were on the side of the liberal party, this sort of sales talk was sound business as well as sound realism.

The people of the United States in 1914 knew the United States.

But Europe was a mystery—even more for the average citizen than for the confused diplomats reporting meaningless good news to the State Department and for the international moralists close to the White House.

There was a tendency to judge European affairs by strictly American standards, which gave no clue to the significance of the tribal restlessnesses, the national hatreds and the entangling diplomacy drawing Europe toward war. The American was inclined to laugh at the fist-shakings between countries, just as he would laugh at a good display of temper between two of his acquaintances in a sidewalk altercation. He could see little more reason for irritation between Serbia and Austria, let's say, than he could between Iowa and Minnesota. All those ill feelings could be patched up, the American was confident, if the countries would only keep their shirts on.

Holding these vague notions, the American was puzzled about the reason for the arrival of the war.

He did have pretty sharply defined feelings about the countries chiefly involved in the war, but they were based on vague prejudices rather than knowledge, and at first they were rather fluid. The propaganda of events in the war's early days hardened the feelings into stereotyped sympathies, firm and definite, resting on such fundamental emotional grounds as distaste for seeing a big man hitting a little one. Over the years planned propaganda helped turn the sympathy into a desire to fight.

The prewar American view of Europe was harshest with France. Seen at three thousand miles by eyes which suffered still from puritanical blurring, the French were a sexually immoral race given over mainly to the practice of adultery and the manufacture of pornographic postal cards. The French were fast, that was all there was to it, and the greater their writers, like Flaubert and Zola and Hugo, the greater their delight in the naughty. With France, America had practically nothing in common. French politics and politicians were unknown in America. People from America, to be sure, visited France in droves—they were impressed with its history, its dash and its civilized depravity, but not with its meaning to the world in 1914.

Yet France swiftly became the beloved of America, for precisely the same reasons which helped keep America aloof from France before the war. The Americans rallied around her emotionally as rather stiff-necked gentlemen will come to the verbal defense of a slightly shady lady who is being attacked by ruffians with whom she wouldn't care to treat. France was invaded, and the United States remembered Lafayette. That was the propaganda of events which early put America morally on the side of immoral France. She was,

it developed, a decidedly seductive lady brand snatched from the burning.

The attitude toward Great Britain in July 1914 was slightly more rational. Since the passage of the Stamp Act the British had been moving into and out of American favor, one time the selfish old British lion, another time the enlightened stronghold of man's hard-won liberties. Fortunately for Britain, she had been pursuing a domestic policy in the years immediately preceding the war's coming which was bound to win American good will—initiating a program of social reform that cut the veto power of the Lords, whose hereditary authority sat ill with Americans, and giving new protections to working men while hoisting the burden of taxation onto the rich.

The English Liberals, led by Prime Minister Asquith and Lloyd George, the Chancellor of the Exchequer, and Earl Grey, the Foreign Minister, pleased American public opinion when the most powerful political groups were Woodrow Wilson's New Freedom Democrats and the Bull Moosers. The British, from 1905 to 1914, seemed actually to be catching up with the Americans, and the Americans as a result were not only friendly toward them but rather proud of them, as a nephew is proud of an uncle near the age of dotage who suddenly has shown that he can think. There always was a feeling in America of ethnic kinship with the British. And, from Defoe to W. J. Locke, a constant—an emotionally conditioning—flow of literary interchanges.

Ethnic kinship—and a sense of the lesser of two evils—was about all that was left, on the other hand, as a basis for American friendliness toward Britain in 1939. In place of the amiable and liberal Asquith was Chamberlain, who pursued such a cautious, devious, small-banker's course in the years leading up to the second war that sometimes many Americans wondered whether he or Hitler was the more unlovely

leader. The very thing that Chamberlocracy represented was a large factor in the will to propaganda resistance in the American of 1939.

Instead of admiring the British for their domestic policy in 1939, America contemned them for their foreign policy. America remembered Britain's uninterest in the fate of little peoples, the indifference of Sir John Simon to the death of Manchuria (including the "letting down" of Mr Stimson's own State Department), the chicanery of Sir Samuel Hoare on Ethiopia, the effrontery of Prime Minister Chamberlain himself in the Munich "settlement," not to mention faint social rancors over the fact that the Queen's name was not Wally.

The French, too, had made mistakes. America remembered that Pierre Laval had teamed with Hoare in the infamous Ethiopia deal of 1935, and that long-nosed Georges Bonnet invented Munich. Instead of being uninterested in France, the Americans were suspicious of France.

Under these circumstances, it would have been surprising if America had rushed emotionally to the standards of France and Britain on September 3, 1939. What the French and British had in their favor that year, however, and lacked in 1914 was a well-established American dislike of the German ruler. Americans pasted on Hitler all sorts of labels of despicability which they never thought of applying to the Kaiser in prewar 1914—iconoclast, earth shaker, Jew baiter, murderer, treaty breaker, liar. In 1914 the Americans felt rather well toward the German *Gemütlichkeit,* even while they disapproved German militarism.

In 1939 America had the hay out of her hair and knew pretty well what the European seducers were up to. As soon as the war began, she made her will-to-resistance plain by undertaking to analyze and weigh the propaganda of events and the planned propaganda. The country was self-consciously

mature, and she was out to let the world realize it. Instead of abandoning herself to a course of moral emotionalizing over the rape of some Belgium, she wondered impatiently just what sort of war was going on.

The country's high moral sense was shocked beyond repair in 1914 when Germany invaded Belgium. It was Belgium, indeed, whose plight proved for America that *Gemütlichkeit* was secondary to militarism in Germany. The Belgium invasion was the maneuver which almost won for Germany in a *Blitzkrieg* rush toward Paris, and the maneuver which lost in the end for Germany because it stereotyped the American sympathy and prepared the country girl for seduction by planned propaganda. The German at once ceased to be the friendly "Dutchman." He became the "Teutonic barbarian" first, the "Boche" second, and very quickly the "ruthless Hun."

Belgium was tiny and Germany was big. In further illustration of what, for moral America, seemed the bully tactics of the Central Powers was the Austro-Hungarian declaration of war on Serbia, a state smaller than South Carolina. Russia, whose pogroms against the Jews had made America think about canceling diplomatic relations with St Petersburg, became a good boy in American eyes at once by going with Galahad promptness to the rescue—as it seemed to a people who were evaluating everything on the simple basis of right and wrong—of its little Slavic cousins, the Serbs.

In 1939 the picture was almost reversed. Poland was too large to assume the Belgium role of a small girl pummeled by a sadistic Hercules. And the Hitlerite army, from whom the United States expected the very basest sort of military show, conducted itself in Poland with almost exhibitionistic gentility at least on one or two stage occasions like the surrender of Westerplatte. Further, the Germans by the end of the Polish war appeared less ruthless than ridiculous. They

rode off to war like the young lady from Niger, and came back, it seemed to many, inside the Russian tiger with whom they were allied. In his most provocative moments Hitler, the house painter, had always been good for a laugh, and even in war he kept a touch of the unpitied fall guy.

The substitution of Poland for Belgium in the second war robbed Great Britain of some of the fine fur of idealism in which American eyes draped her in 1914. Then Britain charged away romantically like Saint George to battle for the weak. Belgium thus had the twofold propaganda effect of turning America toward a passionate, moral hatred of the Kaiser's Germany and an admiring, moral approval of Britain. But in 1939 Britain could do nothing immediate and spectacular for a Poland whom she could not reach. She could only egg Poland on to fight while England blockaded Germany in the North Sea. Blockades are unexciting. The Poles themselves complained about Britain's inaction. Part of the British press wondered why England did not get in and fight herself. By the end of September 1939 Britain looked less like Saint George than Saint Simon Stylites.

America shared the impatience of the Poles and the British press. The war lacked drama, and the moral issue was not sharply defined. Instead of stirring America to passionate taking of emotional sides at the war's very outset, the propaganda of events served in 1939 to erect a sort of Eastwall propaganda-resistance fortification.

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Behind the fortification was a matured and skeptical America, applauding its newspapers for aiding in the national anti-propaganda defense with their warnings that, so far as European news is concerned, all is not truth that parses, because all the news is censored.

The radio chains, which were unborn during the first World War, undertook to make "every effort consistent with the news itself . . . to avoid horror, suspense and undue excitement," formally promulgating a radio code of wartime behavior in demonstration of their incredulity and impartiality. The National Broadcasting Company, the Columbia Broadcasting System and the Mutual Broadcasting System sent representatives to Washington on September 7 to draw up their code with the "co-operation" of the United States government in the guise of the Federal Communications Commission. They bound themselves in their war broadcasts not to say "anything in an effort to influence action or opinion of others one way or the other."

Before the code's adoption, in the excited last days of August, when the whole world was wondering whether or when it was going to be shaken, the radios on occasion fed the popular passion with propaganda adjectives which, piled high enough, might have overtopped the Eastwall and brought about a break in the resistance. On the afternoon of September 1, when the war against Poland was about ten hours old, H. V. Kaltenborn, speaking from London for the Columbia system, expressed his views about Hitler—"unaccountable, changeable, irascible, temperamental." He recalled that, in his speech to the Reichstag making known the German *drang nach* Poland, Hitler spoke against traitors, and then he remarked:

"Well, isn't it strange that at a time when war begins the leader who says that he has the German people unanimously behind him must thus emphasize the traitors within Germany? And isn't it also significant that when Germany presents an English official translation over the radio, it leaves out Hitler's mention of the traitors within Germany?"

This sort of *obiter dictum* was forbidden by the code.

Later in the month of September, Columbia gave two note-

worthy demonstrations of its refusal to be snared by propaganda.

To William L. Shirer, the Columbia system's Berlin correspondent, the German Foreign Office suggested that he visit a camp filled with Polish prisoners so that he could describe to his listeners in America the conditions under which the captured enemies of Germany were living. Shirer turned down the offer. He suspected that he would be shown a model camp made especially neat and stocked with well-fed prisoners just for the occasion.

A short while later Mr Shirer notified his home office that he had arranged a broadcast from a Berlin tavern which was a newspapermen's hangout. He said he had received permission to conduct an ad-lib broadcast for which the correspondents taking part would not have to observe the usual requirement that they first show their scripts to the German censors. Columbia, however, turned down the suggestion. The system thought that the broadcast might create the false impression in the United States that the correspondents were free to write and say what they pleased from Berlin.

Despite their efforts to be impartial, radio networks have received thousands of letters berating them for putting "propaganda" on the air. After every news broadcast the telephones in radio stations begin ringing, bringing calls from irate listeners determined that America shall not be pushed from its propaganda resistance.

The newspapers also participated earnestly in the business of protecting the Eastwall. Many of them followed the lead of Manchester Boddy's Los Angeles *Evening News* in guiding its readers by a code which has operated in connection with all stories from Europe. Over every war story goes one of five labels: official propaganda, verified, propaganda, seems authentic, rumor. Other papers ran announcements on their

first pages similar to that appearing every day in the Washington *Times-Herald* from September 1 onward:

What is true on the war fronts? No one knows, for sure. All countries involved have adopted strict censorship. Censors, of course, permit news to flow only when it is not harmful to their particular view. This accounts for the "conflict of facts" in news stories.

The strange death of Colonel General Werner von Fritsch on the Polish front produced one of the most striking of these conflicts. The general, formerly the commander in chief of the German armies, was assassinated by Nazi secret police, according to a story from London quoting the Warsaw radio station. On the same day a story came from Berlin quoting Colonel General Walther von Brauchitsch, Fritsch's successor as commander in chief, who delivered the principal oration at the general's funeral. One of the "best men the German army ever knew," Von Brauchitsch said magnanimously.

A day later, September 28, American papers carried stories from both Berlin and London about an air raid on the British navy. We didn't lose a ship, the Associated Press quoted the First Lord of the Admiralty in London. We destroyed an English airplane carrier, the Associated Press quoted the German Foreign Office in Berlin.

Shortly after the war began, the Associated Press sent to all its member newspapers this announcement:

Conflicting accounts in the European war make it difficult to tell where the truth lies. Each side naturally tells a story favorable to itself. Often the facts are hidden somewhere between the two versions.

Both the A.P. and the United Press contributed heartily in the propaganda-resistance mood. Both services instructed

their correspondents to qualify their stories in every instance with statements of news sources. Never come out flatfooted on anything, they were told. The United Press recalled with great chagrin the difficulty it got itself into late during the last war by its unqualified false armistice story. The Associated Press reported that "we've always fallen over backwards to qualify facts."

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While America has grown sophisticated, the propaganda from abroad has matured. The atrocity story which was so effective against the Germans in 1914 and 1915 has been almost abandoned. During the Chinese and Spanish wars America had so much news of ripping open babies and similar low military crimes that it came to look on them as part of the ordinary round of human existence in war areas. The Bryce report about supposed German atrocities in Belgium which everybody was talking about appealed with great success in 1915 to America's capacity for passionate moral indignation—something of which the country is not so capable in 1939. Today the memory of its credulity on this subject is one of our national history's major psychological scandals.

In a subtler age the governments are appealing to America on subtler grounds.

The chief direct propaganda medium in the second war is the government-controlled radio, which puts Keokuk in Europe's backyard. The European governments seem to stand in the backyard and shout their messages direct from government to citizen with no middle-man sifter like the correspondent or the commercial radio announcer. The British evoke Mr Keokuk's sympathy by telling him that the men and women in the Anglo-Saxon homeland are going quietly and grimly about their duty of saving the British

Empire and civilization (it used to be democracy they were saving until they put the issue on a broadened basis).

The British broadcasts stress the old bulldog spirit, which is reflected also in the "color" stories sent from London to the United States by newspaper correspondents after being passed by the censor—"the populace has accepted the countless wrenchings away from normal peacetime life and habits with admirable good humor and a minimum of grumbling," writes Edward Angly in the New York *Herald Tribune*.

The German government, which could not reach America except through its diplomatic and consular agents during the last war, when the British cut the cables, began to address the United States night after night over the radio when the second war came. The Germans adopted a slightly flattering tone, and their message was aimed at convincing the United States that her role was really one of isolation.

"American taxpayers," announced the voice of the German government, "do you know whether you or the British taxpayers will have to pay the British war debt? You will have to pay it."

In mid-September the German propaganda assault took a cultural turn.

"The American poet, Robert Frost," the argument opened one night, "wrote poetry that was great because it came from the ground from which it sprang. It was not complicated by any internationalism."

The Germans, French and British at the war's opening organized information offices concerned with propaganda and censorship. The British early made ready to send to the United States a team of appealing speakers, as they did in the last war. Then they used, among many others, John Masefield to lecture across the states on the essential oneness of the cause of Britain and the cause of America. The French relied at the opening of the second war on the general propa-

ganda theme of a righteous nation withstanding attack. Maurice Chevalier, a French actor popular in America, was put to work composing a song for the French poilu to sing at the front—to sing not only to keep up his own spirits but to arouse America's spirits.

The German propaganda toward America of the second war has disclosed much greater intelligence than the first war propaganda. In 1914 and 1915 Ambassador von Bernstorff in Washington, a man of great charm and popularity among Americans, sought to put across the theme of *Lehrfreiheit* to the United States. He did succeed in some part in taking the curse off the Belgian propaganda of events, but the German Foreign Office made him accede to heavy-handed power-propaganda schemes executed by dull old Dr Dernburg and Franz von Papen, the military attaché, whose operations really turned out to be better for England than the most expensive British propaganda in the end. The British, at the first war's close, declared officially that they opened their propaganda campaign in the United States only to combat the German undertakings.

The German sense of its supremacy in the modern propaganda field is so smug that Hitler, in his triumphal speech at Danzig, made slighting remarks about the propaganda efforts of his enemies. The British in turn announced, for the benefit of America, that Hitler was their chief propagandist in the United States. In scaling the heights of some kind of obvious subtlety, the British at the end of September bombarded the United States with the propaganda that they would direct no propaganda at us at all.

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The watchmen on the Eastwall had best turn their eyes west occasionally if they want to make sure that their de-

fenses are absolutely tight. In the end, even if we continue to resist the propaganda shafts from the east across the ocean, we may succumb to our own government's propaganda.

The war of 1939 was scarcely begun when Washington began to lay down a barrage of what may best be termed the propaganda of excitement. The White House apparently was determined to stir up the country, to impress the citizens with the apprehension that perhaps they, as well as the luckless men and women in danger capitals like Paris, London and Berlin, were close to some unknown, unseen enemy. The presidential proclamation of the existence of a "limited emergency" brought no practical result which could not have been assured through a routine recruiting order. But it aroused the nation to a state of alertness—alertness for what, the nation wasn't told. "We are not at war and we are not going to war," was the gist of the President's attitude when pressed for public expression.

Still, three thousand miles from war, the Secret Service officials, with the President's knowledge, ordered the White House grounds closed to all except the especially identified elect. The unselect were privileged only to stare from the Pennsylvania Avenue sidewalk through the high iron-barred fence and see the paths on which formerly the most humble persons were permitted to stroll without question, feeding the squirrels and the pigeons, gaping at the President's mansion, photographing their companions. Within the grounds and within the view of the passers-by were many blue uniforms worn by policemen. Traffic officers from the force of the Washington metropolitan police and the park police augmented the ranks of the White House police. What enemy were they thwarting?

The Capitol was ordered closed on Sundays, a day popular with Washington-bound tourists, and uniformed policemen paraded in front of the Capitol entrances. Each week brings

thousands of visitors to Washington from all parts of the country. Now, when they go back to the Carolinas, to the Pacific Coast, to New England, the Southwest, they carry the tidings that the men who govern the country are nervous. Where are we headed? What *are* our chances for peace? The closed White House and the closed Capitol suggest that there are doubts. The Americans can dismiss the news from abroad as 60 per cent guff, but they can't help being nervous about the developments in their own land.

Within two weeks the White House grounds were reopened in response to determined public protests and wisecracking on the suppression, but the sense of mystery had already been created.

Mr Ickes is gagged as a war commentator, but Stephen Early, the White House secretary, goes out of his way to draw the attention of the press to the fact that the *Athenia,* which was sunk off the Hebrides on September 3, was carrying no munitions. Is he suggesting that the nation has a right to high moral indignation against the Germans, who were universally blamed at first for the ship's sinking?

Again, the government comes into possession of a mysterious cablegram from Berlin to friends of Germany urging that they organize a propaganda campaign against repeal of the embargo on arms shipments. It makes the cable known to newspapers with the proviso that the message be not attributed to any government source. The cable's effect is to brand the opponents of repeal as pro-German. Why did the administration feel in September 1939 that the pro-German label was reprehensible? Where was the administration leading the country?

The will to foreign-propaganda resistance evident since the war's outbreak is one aspect of preparedness. The course of mystery pursued by the administration is another. The resisters behind the Eastwall have been making themselves

prepared to take with wide-open eyes whatever step they should decide upon. The administration, it seemed, was preparing the steps toward the national unanimity of opinion which would be imperative if the United States did go to war—preparing for it first by establishing a unanimity of wonderment and then by directing an unofficial yet official subtle propaganda against Germany.

The relations between the United States and the German governments were difficult for many years before 1939's war—difficult because of American official disapproval of the Nazi Jew baiting and the frequent American official condemnation of Germany's international commercial policies.

The American official propaganda has been a means of telling the country what the administration declined to tell it in its request for repeal of the arms embargo—that the greatest argument in favor of repeal is the aid it assures to Great Britain and France against Germany.

What does all our propaganda resistance shake down to? Certainly we have adopted a highly analytical attitude toward European news and European statements. As a people we won't be seduced by Europe. The Eastwall is up, and it's high. But in the end our own government, with its determination to be prepared on every front for all the "come what mays," might knock the first hole in our strong armor against ballyhoo.

Yet again, if the people "think things through" with Mr Roosevelt, perhaps not!

CHAPTER XI

Preparedness for What?

THE CENTRAL DISCUSSION of this book, if the details have kept you from noticing it, has been about the broadening of our ideas of preparedness. This broadening has been the most significant—and possibly propitious—effect that the slow, 1935–39 development of the war crisis and its final impact have had upon America.

To realize the full extent of the expansion, it is necessary to do one small bit more of historical recapitulating.

In all former wars and international tensions the idea of preparedness was as simple as the old folk melodrama of good vs. evil. It was just a matter of getting the army and navy ready for fighting. Fighting was all you had to get ready for; and behind the lines of the military professionals' preparations the civilian population, at least until war actually started, had nothing to bother their heads about.

President Wilson did not begin preparing even the army and navy for our entrance in the last World War until early in 1916, or consider preparing the economic supply lines for action until more than six months after. And then he prepared for fighting only. The assumption was that unless and until we fought, everything could go on as usual.

The new World War—with some help from our old World War experiences—has introduced us to the knowledge that preparedness is almost as complicated as power-age society.

If we are going into a war, we need to prepare the eco-

nomic, the psychological, the diplomatic, the propaganda and the financial fronts along with the military front.

On the other hand, if someone else's war on the grand scale is going on within range of our vital interests, and we want to stay out of it, we need almost as elaborate a degree of preparedness on all these fronts to preserve neutrality effectively as we would need to fight.

In certain emergencies we should need to have the fronts prepared for the risk of having our neutrality policy carry us into virtual economic isolation. We also need to be prepared as far as possible for the economic and social maladjustments of sudden peace. Finally, we must look ahead wth reasonable practicality to the shock that would register itself on our economy, our political life and our national defense programs, were the powers which are friendliest to us to be catastrophically defeated.

More difficult still, we cannot choose in advance which type of emergency we will prepare for. Relatively, we are at the mercy of the war's events in respect to some of them. But we cannot decide absolutely even apart from events.

We cannot announce positively, for instance, that we will isolate ourselves from this war economically, politically, socially and ideologically, and be sure that, in all developments, our isolation will be respected. We cannot insist that we will preserve our neutrality at all costs, because under certain circumstances and in the face of certain types of misconduct from the belligerents, the cost might be a matter of going to war to preserve neutrality. Even if we decide to become belligerents, there is no absolute certainty that we could get to the battle fronts in time to fight there.

So preparedness for the new World War is a matter of preparing all the fronts as rationally and constructively as possible for all emergencies; and of co-ordinating the con-

flicting needs of the various fronts in conflicting emergencies as realistically as we can.

In the broad sense that all preparedness problems are interlocking, then, how ready are we for—come what may?

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The first item to consider, since it is definitely the country's favorite program, is neutrality. How ready are we for that?

Not all sides of the outlook are propitious. We have been through one tremendous wrangle already over what constitutes neutrality for us—indeed, it began more than four years ago, long before the war did—and there may be more and more furious ones. Too many rows over what to do about neutrality might, by rousing too many passions of belligerency on the domestic front, to say nothing of tossing too many cockeyed prescriptions into the air, wind up by pushing us nearer to war rather than pulling us away from it.

But there is a brighter aspect to this disagreement phase. The mere fact that so many methods of being effectively neutral are being proposed shows that the American people realize that neutrality is a matter of practical adjustments; that ideal neutrality, if such a thing were possible, is as fluid and all-occasion-fitting in its lines as a sensible garment.

Whether we agree about the changes or not, this at least gives reasonable grounds for hope that our neutrality policies will be changed as the war's emergencies change. Our neutrality may not be the same thing nine months from now that it is today. Two years from now it may be something still different. But nobody is likely to be shocked if we still manage to keep neutral.

Furthermore, as the previous chapters have shown, the United States government already has done a fair number of positive things, and has powers and fairly realistic plans up its

sleeve for doing a good many more, to make neutrality last.

It has laid a ground plan at least for a system of checks and restraints which should keep our involvements with the war economy and war finance down to a reasonable—if hardly a neutrality idealist's—minimum. It has protected us on the psychological front, not by official orders and disciplines, perhaps, but by a no less powerful official attitude.

It has avoided, that is, the overdelicacy of appeals to "perfect impartiality"; recognizing on the one hand that war-spawned propaganda is dangerous and on the other that practical neutrality must be reconciled realistically with our normal human partisanships. Thus government has thrown its influence on the side of a reasonable interpretation of war events, and, much more important, perhaps, than anything government has done, the country's newspapers and radio chains on the whole have intelligently responded.

Moreover, at the Panama Conference, the government has sought, with unusual success, judged by its general average in Latin-American negotiations, to make neutrality, so far as the Western Hemisphere is concerned, the function of a concert of powers. In a general way it has issued its warning that war, as well as other "foreign political systems," must keep out of the geographical areas delimited by the Monroe Doctrine.

On the other hand, official policy has avoided the error of linking the fortunes of American neutrality with those of less fortunately placed neutrals. No common program with the nonbelligerent states of Europe has been considered or projected. The administration has recognized that pledging ourselves to support Denmark's or Estonia's or Rumania's neutrality might get us into the fight as quickly as pledging ourselves to support Great Britain's—or Germany's—war aims.

In this sense we have already isolated ourselves from the

more exposed neutrals. While a more sweeping isolation, economic and otherwise, from the warring continents could only come about as a result of a desperate emergency, the American political system and the American economy are, for the first time in history, measurably organized to sustain it.

Within the framework of the Panama Western Hemisphere accord, the essential supply and demand economics of isolation could be not too parsimoniously managed. And against isolation's preliminary maladjustments stand the powers of the government, studied and catalogued and ready for application, today, to mobilize our resources and finance and industries for the preservation of neutrality, substantially as they could be mobilized for war effort.

For all such reasons, our preparedness for war itself is more sweeping than mere plans for military defense and industrial mobilizations can indicate.

In this war our resources for preserving neutrality are so great that we need not—unless we blunder in our emotional reactions and our evaluations of the issues—enter it, as we did the old World War and the Napoleonic world wars, on points of neutrality alone.

Our lines can be held, if we determine to make the necessary sacrifices, until the moment clearly comes to strike for overwhelming future interests or for our safety.

Starting out with rational skepticism toward our stakes in Armageddon and its issues, we have a better chance, perhaps, than any nation has ever had to avoid going into this war until we know with reasonably practical sanity just what for.

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We are less prepared for peace, but we are by no means cavalierly indifferent to its perils. In the Treasury and the

economic branches of the government, in the strategic quarters of big and little business, experts with data at their elbows are framing, for the emergencies with which peace may confront us, such plans as were not made during the last World War or even after it was over.

In general, as these plans may crop up in our government policies and the voluntary arrangements of business, they call for holding war inflations in bounds and spreading their temporary benefits around so that when they cease to be benefits the effect will not be so paralyzing: for holding profits down, for instance, and parceling out as much of the "boom" as possible in "boom" employment at "boom" wages; for working off the largest possible fraction of war's speculative impulses in bigger national incomes and more nearly balanced budgets.

Then, if peace comes crashing through the ceiling like a bombshell, it may find us better balanced for heroic adjustments than we have been for many years.

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We are least prepared, perhaps, for the totalitarian side's victory. And this is more than a question of armaments. Armament programs doubtless need to be hedged against the possibility that we may someday have to defend the Western Hemisphere against a world of enemies with no blocks to their ambitions except ourselves. But the dangers of totalitarian victory are no less insidious even if the winners should be temporarily too sated with spoils and occupied with world-reorganization problems to notice the Western Hemisphere.

Totalitarian victory would immediately set up in every American—and Latin American—society a powerful and ruthless element whose personal interests and personal vani-

ties would lie in "totalitarianizing" the rest of us. Then our troubles with the totalitarians abroad would largely become a question of how well equipped we were to keep down the totalitarians at home.

That question, with all its implications, has not been "thought through" yet. Conceivably at any moment while the war lasts, it may need "thinking through" with a vengeance.

For Mr Roosevelt's advice about "thinking things through" is the best rule of safety for a nation in modern warfare.

Only there should be a corollary to it:

Don't stop thinking when you run up against a fact or an idea or a line of developments that you don't want to believe in.

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And perhaps one more point is pertinent. Owing to the compositional convention that readers should be beguiled with clarity, some of these items in our various preparedness programs may have seemed simple.

None of them is. Nothing in modern life is simple in peace or in war.

So we come back again to "thinking things through," which is even less simple than programs: with *fortissimo* on the corollary.