



Vol. VIII, No. 4

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The New Imperialism

U.S. Objectives in West Europe

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The Japanese "Peace" Treaty

"Sign on the Dotted Line"

Economic Progress in Manchuria

Madame Sun Yat-sen's Report

Soviet Trade with Central Asia

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"To put a worthwhile truth in circulation
is a good day's work."

PUBLICATION OFFICE NOTES

● One more winter in damp and dreary Washington—and then Florida and sunshine for WE and us! That is, if our good friends take off our hands a couple of thousand Nearing books which it would be too costly to take with us. Christmas is coming and good books make good gifts.

● Three sound arguments in favor of SN books and WE as Christmas presents: 1—They will make unique and interesting gifts from which your friends will derive pleasure and profit. 2—You will be aiding in the dissemination of ideas which will help make future Christmases brighter. 3—Your money, instead of enriching some free-enterpriser, will help to spread SN's ideas and thereby benefit mankind.

● There is a certain sadness in seeing some SN items go out of print. As if an old friend had passed away. Only a few copies of our first book-publishing venture, *The Soviet Union as a World Power*, are left and *War or Peace?* will soon be gone. The pamphlet, *The American Way of Life*, is already "o.p.," as are two leaflets, *Peace-loving Peoples* and *The Present World Situation*, but we may reprint all three if we have any money left after we get to Florida.

● More cheering is the news that SN has completed the writing of *Principles of Economics*, which we persuaded him to undertake. Now comes the job of finding a publisher. If no commercial house is willing to handle this "hot potato," we will—with your help.

● For interesting information about the new world that is developing in Hungary, ask to be put on the (free) mailing list of the semi-monthly, *New Hungary*, 2437 15th St. N.W., Washington 9, D. C.

Continued inside back cover

World Events

Analyzed and Interpreted by Scott Nearing

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Friends:

THE SMOKE HAS CLEARED AWAY and dust has settled on the field where Marshall and MacArthur fought out the issue as to whether Europe or Asia is of greater strategic value in the war which the USA is leading against communism. Much of the evidence has been published. The Senate committees have reported their findings. The 1951-2 foreign-aid appropriation bills laid before Congress by President Truman and supported by Secretaries Acheson and Marshall, the Chiefs of Staff, Defense Mobilizer Wilson and many persons of lesser political stature have been passed by Congress. Under their provisions the bulk of the US economic and military aid will go, not to Asia, but to Europe.

Does this prove that Marshall was right in his estimate of the world situation and MacArthur wrong? Speaking generally, the answer is "yes." If this controversy had been merely a public debate, General Marshall's team would have been declared the winner.

The Marshall-MacArthur controversy was more than a public debate, however. In a limited sense it was a discussion of historical trends. Second, it was an effort to determine where US economic surpluses could be dumped with greatest advantage to US economy and least pain to US taxpayers. Third, it was an attempt to determine how US material and manpower resources could be employed most effectively in the current war on communism.

The decision favored Europe partly because of the larger pool of machine tools, human skills and means of transportation available in Europe and partly because West Europe was willing to take money and arms on US terms, while Asia was not.

Until half a century ago West Europe was the planetary center of science and technology. Had it not been for the past four decades of war, it might still be the primary center of world life. Asia, on the other hand, had few modern industrial installations in 1900 and, with the exception of Japan, Siberia, Manchuria and recent developments in India and Central Asia, it has few such installations today.

There are four West European areas into which the USA can pour its economic surpluses for years to come: (1) Britain-France-Belgium-Holland, (2) Spain, (3) West Germany, (4) Italy. If Greece, Turkey, Egypt and Asia Minor are included, this East Mediterranean area may be counted as a fifth possible recipient of US aid. Asia, on the contrary, offers not a single parallel opportunity, with the possible exception of Japan. Siberia and China, like European Russia and the East European Soviet areas, are out of the picture. India will accept US aid only on her own terms. Burma goes along with India. Indonesia is deeply suspicious of any wooden horse made in the West. That leaves only the weak Bao Dai regime in Indo-China, the unstable government of Thailand, the corrupt and inefficient Philippine government and the Nationalist rags and tatters in Formosa. Manila has been tried and found wanting. Billions were squandered on Chiang's Nationalists to no purpose other than the personal enrichment of certain of his friends and relatives. Aside from the re-industrialization and rearmament of Japan, Asia offers poor pickings to the US oligarchy.

ACTUALLY there was no real choice between West Europe and Asia. The basic reason for Washington's decision lay in the willingness of Europe to accept US aid and the stubborn determination of Asia to reject it. Asian release from the yoke of western imperialism is too recent and her newly won independence is still too precarious to permit Asian statesmen any considerable leeway in dealing with the West. In 1947 and the years following, it was West Europe or nothing.

At the present writing, with corporate profits in the United States running at a rate (before taxes) of around \$50 billion a year and with savings and inventories piling up, \$60 to \$75 billion must be lifted annually out of the US economy and

dumped outside the world market if the wheels of industry and commerce are to continue running at full speed.

(The *Federal Reserve Bulletin* for August 1951 reports corporate profits, before payment of taxes, as \$41.4 billion in 1950 and \$50.1 billion for the first six months of 1951. On June 27, 1951 the total of bank deposits and currency in all banks, including the Postal Savings system, was the highest on record—\$199 billion. Manufacturers' inventories for June 1951 were \$39.8 billion, trade inventories were \$30.6 billion. Both figures were at or near record height.)

If West Europe had rejected the US offer of aid and if there were no rearmament at home, North American economy, barring a major war, would have bogged down in a catastrophic depression in 1947-48. It was a case of a US boom through arms production or a US bust without it. That is the desperate situation in which those who propose to perpetuate capitalism-in-one-country find themselves in the autumn of 1951.

Under these painful circumstances Marshall, Wilson and Truman propose to spend \$50-\$60 billion a year during the next three years on arming the USA and to pour \$20-\$25 billion more into the restoration and rearming of West Europe. The decision is a fateful one because it means that Washington is putting all its money on one card—armament—and that the working out of the arms program rests on one semi-controlled territory lying outside the boundaries of the USA, namely, West Europe. When has a ruling oligarchy, with the fate of millions of people hanging in the balance, gambled more irresponsibly and more desperately?

I want to devote the next few pages to an exposition of the situation in West Europe because I believe that Marshall, Wilson and Truman are wasting time, energy, money, lives and human well-being on 1951 West Europe, just as the same team wasted time, energy, money, lives and human well-being on Chiang and his Chinese Nationalists in the years from 1946 to 1949. This triumvirate, representing army, business and politics, led the USA to defeat when it backed Nationalist China in 1946. It is leading the USA to defeat and disaster by its backing of West Europe in 1951.

West Europe: 1895-1951

LET ME BEGIN my analysis with a refresher from history. I do not lay too much store by history but, if its facts are accurately stated and interpreted, history tells us where we have been and, as we look back over its pages, we get a sense of trend and direction that is hard to come by in any other way.

Half a century ago West Europe was the economic, political and cultural center of the planet. In terms of production, commerce, exchange, wealth, income, capital, export, communication, the movement of goods and people, financial stability, budgetary solvency, the control of colonial empires, armies, navies and cultural dominance, West Europe held a unique position of global prestige and power.

West European stability and security, however, were apparent, rather than real. The dog-eat-dog struggle for economic and political supremacy had been fought, since 1815, economically and diplomatically, or in short and local wars. Beginning with the Japan-China war of 1894, the struggle was transferred from the economic and diplomatic to the military field. The Spanish-American War of 1898 and the Japanese-Russian War of 1904 led up to the general wars of 1914-18 and 1939-45. Revolutions in Mexico (1910) and China (1911) added class war to the inter-imperial struggles. The past half-century has witnessed a succession of aggressions, invasions, wars, revolutions and counter-revolutions that mark the transition of the competitive international struggle from its economic and diplomatic to its military phase.

Increasingly, the world conflict has been transformed from a struggle between rival nations and empires to a struggle between rival classes and peoples. The rise of the Soviet Union led to the first anti-Soviet alliance (1936), led by Germany and Japan. A decade later saw the beginnings of the second anti-Soviet alliance, led by the USA. In 1895 West Europe was master of the planet; in 1951 it is a pawn in the power game. War, revolution, economic and social disruption have left it a devastated, disorganized, exhausted victim of social forces which it can no longer control. West Europe of 1951 is a wreck, a shell, a mere shadow of its nineteenth-century self.

U.S. Aid to West Europe

IN 1895 WEST EUROPE was the production, wealth and power center of the world. Five decades of war, revolution and economic disruption and disintegration have dislocated, splintered and wrecked West Europe's economic, political, social and psychological life. Out of these remnants, US oligarchs propose to erect a barrier which will hold back the forces of communist East Europe. To achieve this objective, West Europe must recover—what? World dominion? A sense of direction and purpose? Momentum, pride and the will to conquer, subjugate and exploit?

These characteristics and qualities West Europe possessed during the closing years of the nineteenth century. Today she has none of them. Can Messrs. Marshall, Wilson and Truman restore them or can they be recovered by the nations and peoples of West Europe? What does the record show?

The idea of "business as usual" and a return to normalcy was widely held in 1919. To be sure, there was the threat of Bolshevism which Lloyd George outlined to his fellow peacemakers in his memorandum of March 22, 1919, but that was no insuperable obstacle. Once the peace treaty was written, a disarmed Germany would make good the war losses through reparations, and a rehabilitated West Europe would be able to deal with the ragged mobs led by Lenin and his associates. But a battered and depleted Germany could not feed its people and pay reparations also. So American and some British money retooled German economy and made possible a few token reparation payments. War debts were adjusted, currencies revalued, debts scaled down or repudiated, and portions of West Europe enjoyed a few months of stability and apparent prosperity before plunging into the chaos which followed the global economic breakdown of 1928-29.

The next ten years proved that the return-to-normalcy ballyhoo had been a wild dream. During the 1930's not only was there no restoration of business-as-usual but, with minor exceptions, European private capitalism became a state-managed economy, parliamentary institutions in strategic areas such as Poland, Germany, Austria, Italy, and Spain were replaced by dictatorships and the only centers which could report full pro-

duction had achieved that result by giving up butter and manufacturing guns. Furthermore, during the intervening twenty years, the puny Bolshevik infant of 1919 had become a lusty young giant.

Such was the state of affairs in the summer of 1939, when West Europe tottered and reeled into six more years of organized destruction and mass murder, with science and the techniques of mechanized war-making fully employed by the oligarchs on both sides of the battle.

War in 1939-45, like war in 1914-18, had its chief center in Europe, although the Pacific war of 1941-45 was also a massive affair. France was defeated and occupied. Britain was saved from military occupation by US intervention and by Hitler's June 22, 1941 invasion of Russia. Through most of the war years West Europe and Central Europe were subject to merciless bombing and strafing.

TWO THINGS featured the war's end in 1945-6. (1) European economy and society were exhausted to the point of collapse. (2) The Asian colonies, from which so much of West European income and wealth had been drawn, gave notice.

In 1946 Central European economy was being supported by subsidies from the US Treasury. Lend-lease and UNRRA, using chiefly US funds, were holding West Europe's head above water. When lend-lease was terminated in August 1945 and UNRRA was liquidated, European economy went under. In 1946 a special loan of \$3,750 million was made to Britain on the assurance of J. Maynard Keynes and his mission that this lift would restore British economy to solvency and normalcy. In March 1947 President Truman demanded aid to save Greece and Turkey from collapse. In December of the same year \$597 million were rushed to West Europe as interim aid. In 1948 aid was furnished to West Europe under the Marshall Plan, with the understanding that by June 1952 European recovery would be completed.

ECA Administrator Paul G. Hoffman estimates US aid to West Europe from 1916 to 1950 at \$22 billion, exclusive of war outlays. He estimates the cost of the Marshall Plan, 1948-52, at \$13 billion (*Peace Can Be Won*, 1951, pp. 35 and 78).

For 1951-2 alone the cost of carrying West Europe has been upped by the President and Congress to around \$8 billion. Secretary Acheson told Congress in July 1951 that during the next three years the outlay would be in the neighborhood of \$25 billion.

The Guaranty Trust Company's economic survey for September 1951 presents figures on aid to West Europe which are somewhat higher than Mr. Hoffman's. The survey quotes a Chamber of Commerce study to the effect that US aid "immediately before and during World War II" totalled about \$50 billion. "About \$40 billion more has been spent since the war" (p. 2).

As West European economy and society have broken down through the past four decades, the US oligarchs have poured in tens of billions in economic aid and other tens of billions in military aid, not to mention manpower. Have these contributions resulted in recovery or restoration?

What Can West Europe Recover?

ON MY DESK there are three documents dealing with the present status of West Europe. The largest one is an "Economic Survey of Europe in 1950" prepared by the Economic Commission for Europe and published in 1951 by the United Nations. The second document is a study made by the Brookings Institution, of Washington, D. C. It is titled "Foreign Economic Assistance" and deals specifically and in detail with US aid to West Europe and with the progress of West European recovery. The third document is the *Monthly Bulletin of Statistics*, August 1951, published by the United Nations.

Further, I have the *New York Times* report of an August 30, 1951 memorandum circulated by the Economic Cooperation Administration among its officials, in which it is predicted that the "already dangerously low standards of living" in West Europe are being lowered by the rapid climb in prices, with a resulting "wave of labor unrest" (*N. Y. Times*, 9/5/51, p. 1).

Side by side with this story, *The New York Times* printed a report from Blackpool, England, that Hugh Gaitskell, Chancellor of the Exchequer, had warned the 900 delegates to the

Trades Union Congress that they must prepare for more belt tightening. Mr. Gaitskell stated that Britain this year is paying, for the same volume of imports, a billion pounds sterling more than she did in 1950. The *Federal Reserve Bulletin* for August 1951 shows these index numbers of wholesale prices:

	1949	1951
United Kingdom	230	321
France	100	138
Italy	5,170	5,680
Sweden	216	302

The UN reports show some recovery in the production and trade of West Europe since 1947, but that recovery is being rubbed out during 1951 by the increase in prices and by the rearmament programs which West European countries have reluctantly undertaken under pressure from Washington.

West Europe is stalled economically. War in Europe has thrown its economy off balance. Revolt in Asia has further disrupted it. Division into East Europe and West Europe has destroyed normal trade relations. War losses have transformed West Europe from the world's chief exporter of capital into an importer of capital and a recipient of relief. West European economy has been dwarfed in comparison with that of East Europe and North America.

West Europe has also been stalled politically. It has lost its richest sources of colonial exploitation. The class struggle dominates its political life. Attempts to build socialism, as in Britain, and to set up managed economies disrupt the political balance. Lack of working majorities leads to government by weak, short-lived coalitions, as in Italy and France. In the same countries the multiplicity of parties prevents the formulation of strong policies. Politically, West Europe is neither bourgeois-democratic, according to the nineteenth-century pattern, nor is it actively building a collective society.

West Europe is stalled socially and psychologically. It is dominated by the terrible experience of two exhausting, destructive wars in one generation. It seems likely to become the battlefield in the present East-West dispute which threatens momentarily to become a "hot" war. Korean experience since

June 1950 offers frightening evidence of the utter destructiveness which accompanies the use of recently developed weapons. West Europe is annoyed, baffled, frustrated by its fear of invasion from the East and its dependence upon an increasingly aggressive, impatient and arrogant North America.

What can West Europe recover? Its productivity? It has already done that in part, but within three years, under the Marshall Plan and the arms program, the newly recovered productivity has been turned into the familiar, vicious pattern of an armament race. Prestige? For an indefinite period, West Europe will occupy a subordinate place between the Soviet Union and the United States. Power? Only insofar as West Europe links its lot with that of East Europe. So long as it accepts US leadership, it will be a junior—and, on the whole, a silent—partner.

West Europe's wealth, prestige and power position of 1895 cannot be restored in the foreseeable future. Yet the myth of its restorability is one of the essential elements in Washington's drive for planet-wide prestige and power.

Why Is U.S.A. in West Europe?

WE MUST NOW TURN from our study of the attempts at restoration in West Europe and ask what the USA proposes to do in West Europe. What are its objectives for that unhappy and harried no-man's-land?

The US oligarchy is consciously and deliberately building a global power pattern, independent of—and, where necessary, in opposition to—that of the United Nations. This power pattern is being fashioned to promote "the American Way of Life"—or, in plain words, the interests of the US oligarchy.

At the moment, the primary essential in this global power pattern is an iron ring around the Soviet areas—one that will "contain" communism, quarantine it, isolate it, boycott it, blockade it and eventually destroy it.

This iron ring of encirclement is composed of four segments. (1) The Atlantic segment (N.A.T.O.). (2) The Pacific Treaty Organization, now in process of formation. (3) An Asian bloc, built around a rearmed Japan. (4) The Pan-American bloc, which is the US homeguard. A fifth, Near East segment,

will be added if opportunity offers. West Europe is crucially necessary in this power pattern because of its geopolitical location and because of its potential productivity, unequalled save in North America.

The US oligarchs have a program for West Europe, which may be outlined under seven headings.

1. Enough economic recovery to allow West Europe to parry the first thrust in a global war, but not enough to threaten US global power.
2. Political integration under US leadership, which aims to add Greece, Turkey, Spain and perhaps Egypt to the North Atlantic Treaty Organization.
3. The conversion of West European economy from a peace basis to an arms economy basis, coordinated with and subordinate to the US arms economy.
4. West Europe is to absorb US economic surpluses and thus cushion the USA against the threat of depression. For the moment these surpluses will be classed as military assistance.
5. A West European military organization, financed and equipped in part by USA and led by US personnel, will be set up along lines determined by Washington. For an indefinite period US military forces will occupy West Europe, including bases in Germany, Britain, Iceland, the Azores, Spain, North Africa, Greece, Turkey, Egypt, Arabia.
6. The broadest possible united front of West European powers will be established and maintained, extending from semi-socialist Scandinavia and Britain through a re-industrialized and rearmed Germany to totalitarian Spain and Portugal.
7. An all-out global drive, under US leadership, will be carried out to contain and finally stamp out communism.

The beginnings of this program may be seen in the Truman Doctrine of 1947, the US military occupation of the Philippines (since 1898), of the Japanese mandated islands (since

1944), of Japan proper (since 1945), the US intervention in Korea (1950), the US boycott and blockade of China (1950-1), the current move to end trade and diplomatic relations with the Soviet bloc, the development of the N.A.T.O., the Pacific Treaty Organization, and the present rearmament of West Europe.

As this program of the US oligarchy develops, West Europe will become an autonomous province in the projected US world power bloc, subject, however, to a US veto of its economic, political and military program and a permanent US military occupation of strategic European bases.

European Resistance to US Domination

WEST EUROPE HAS NOT ACCEPTED US domination without protest. In the 1914-18 war and its aftermath, US aid was considered a way out of an uncomfortable but temporary condition of embarrassment. During the 1939-45 struggle, US aid was the indispensable means for holding together the West European colonial empires and averting the conquest and absorption of Britain and France by the Central European coalition. Since 1945 US aid alone has stood between the business classes of at least Italy and France and communist-led revolutions.

Nevertheless, West Europe resents and resists US domination. Refusal to integrate West European economy on the lines outlined by E.C.A. Administrator Paul G. Hoffman was led by Britain. Resistance to a West European army, equipped and directed by the USA was led by Britain. Resistance to the inclusion of Spain in the N.A.T.O. is led jointly by Britain and France. Resistance to the ending of East-West European trade came from the business classes throughout West Europe, but was voiced most insistently by British spokesmen. Heel-dragging on the US Asian policy of 1947-51 was led by Britain. In Britain a faction of the Labour Party, following Aneurin Bevin, is dedicated to an anti-USA policy. In France and Italy numerically large communist parties denounce US imperialism and war-mongering.

Such demonstrations are noisy. They attract some public attention and gain much popular support. But West European

policy-makers, dependent for their continuance in office and power upon US grants-in-aid and US military equipment, are in no position to make a stand against Washington's demands. They may hesitate, regret and even protest. But in the end, even on distasteful issues such as branding China an aggressor in Korea, accepting Franco Spain as a side-partner in the encirclement of the Soviet Union or signing an unpalatable Japanese treaty on a dotted line drawn by Washington, they are compelled to yield.

The Shape of Things to Come

NO ONE WHO HAS FOLLOWED the course of world events during the last four decades can question this outline of US policy and its economic, political and military implementation. Those who advocate, those who question and those who oppose must realize that the US oligarchs are following an evolving pattern of world power-politics.

Essentially this policy is aimed to protect and advance the interests of the US oligarchs as the oligarchs interpret those interests. President Truman may protest that the Washington government does not desire additional territory and is concerned only with the preservation of peace and the extension of freedom, but he has matched these fine words by directing the armed forces under his command to occupy and fortify strategic areas at every available point commanding the Soviet areas. The President does not like to hear General MacArthur, in his Cleveland speech of September 6, 1951, assert that these territories are escaping "the dreadful consequences of a Soviet military occupation" and, instead, are being brought under "the benign guidance of the American people." But President Truman asserted bluntly (June 27, 1951) that military necessity required the occupation of Formosa by the US Seventh Fleet.

The President may pay lip-service to the UN and its charter. But since his enunciation of the Truman Doctrine in March 1947 the Truman administration has gone it alone, dragging in its wake such dependents, satellites and UN forces as it needed to implement its unilaterally determined policies. Latest in this category is the handling of the Japanese treaty.

Sign on the Dotted Line

JAPANESE SURRENDER in 1945 left US military forces in control of the island chain stretching along the eastern shores of Asia. In terms of productivity and, to a lesser degree, in terms of strategy, the Japanese islands were the most important single unit in this "defense" line.

With the war's end, Washington let it be known in no uncertain terms that the United States and only the United States intended to occupy Japan. The general in command was Douglas MacArthur. Arrangements with the defeated Japanese, the re-establishment of a Japanese government, the writing of a Japanese constitution, the disposition of occupation forces,—all these matters were in American hands. Any attempt at interference by the Soviet Union or Great Britain, both of whom had extensive interests in the Far East, was brushed aside as an impertinence. When the time came to draw up a treaty which should officially and legally end the 1941-45 war in the Pacific, the State Department entrusted the task to John Foster Dulles, a Republican who had collaborated with the Democratic administration in working out the bipartisan foreign policy.

A draft of the completed treaty was published in July 1951. A final draft was published on August 13 and invitations were issued to a signing-bee in San Francisco, September 4, 1951.

Up to this point the entire procedure had been unilateral. US negotiators had drawn up the treaty, submitted it to the British and other governments, incorporated some suggestions in the revised text and insisted on a joint US-British sponsorship. Protests from the Soviet sphere were brushed aside or ignored.

Invitations to the signing-bee were sent out on July 20 under US-British auspices. Three weeks later the Soviet Union notified the US State Department that it would send a delegation. On August 20 the State Department replied that, while Soviet representatives would be welcomed at the ceremony, it should be borne in mind that the United States and the United Kingdom had circulated "a final text of the peace treaty" and had invited various nations "to a conference for conclusion and

signature of a treaty of peace with Japan on the terms of that text" as amended in the August 13, 1951 version. "The San Francisco Conference is not a conference to reopen negotiations on the terms of peace. The terms of the prospective treaty have been arrived at by intensive multipartite negotiations which, in effect, have constituted an eleven-month peace conference which began in mid-September, 1950, and the final conclusions of which are embodied in the August 13, 1951 text . . .

"The United States will welcome the opportunity to explain fully at San Francisco the nature of the treaty, and every nation represented will have opportunity for exposition and statement. In that conference we welcome the participation of the Soviet Union."

The head of the Soviet delegation to the September 4 conference, Andrei Gromyko, repeatedly insisted upon extensive modifications of the treaty.

The Republic of China, which has suffered during the past sixty years more than any other nation from Japanese aggression, which is Japan's next-door neighbor and has more at stake than any other nation in the proposed rearmament of Japan, had no direct part in Secretary Acheson's intensive, multipartite, year-long peace conference and was not invited to San Francisco.

Ten days before the San Francisco conference was scheduled to assemble, Prime Minister Nehru, with the enthusiastic support of the Indian Parliament, announced that no Indian representatives would be present at San Francisco because—

1—The treaty as drawn up did not accord to Japan sovereignty over traditionally Japanese territory and permitted US military occupation of the Japanese homeland.

2—The Chinese Republic was excluded from the San Francisco conference. In effect, the treaty violated the principle of Asia for the Asians, giving to the USA military footholds which threatened the independence of Asia.

3—The treaty did not provide for the return of Formosa to China.

In its note of August 23, 1951, India, speaking for a large segment of Asian opinion, squarely challenged the MacArthur-Truman formula which would permit the United States to occupy an island chain along the Asian mainland. The Indian note was carefully worded and specific in its rejection of the proposition that the Pacific be recognized as "an American lake." Despite the State Department precautions against any public discussion of the Japan peace treaty, the Indian refusal to have representatives at San Francisco brought into the open the Asia-North America conflict for the control of the Pacific. Indian official opinion was squarely opposed to what the London *New Statesman and Nation* called "a separate and anti-Chinese peace."

Before the San Francisco conference assembled, newspapers published the rules of procedure which Secretary Acheson and Mr. Dulles had prepared for that occasion. The rules limited each of the fifty-two delegations to one hour for the statement of its position. Amendments to the treaty were prohibited. These rules were adopted on the second day of the conference. From that moment to the signing ceremony, the Acheson-Dulles steamroller worked with mechanical precision. There have been many major treaty-making assemblages in modern times. Some of them have lasted for months, some for years. I know of no other instance where an attempt has been made to end a major war, involving more than fifty nations, in a conference lasting only five days and under rules excluding effective discussion.

The results of this procedure must have surprised and dismayed even such hardened legalists as Acheson and Dulles. The government of India, representing roughly a fifth of the human family, refused to send representatives. The government of China, Japan's nearest neighbor, speaking for another fifth of mankind, roundly denounced the treaty and refused to recognize or abide by its provisions. Representatives from the Soviet Union, Poland and Czechoslovakia attended the conference, denounced the treaty and refused to sign it. These five absent or opposing countries comprise about half the human race. Among them are the three most important nations of Asia.

Of the fifty-two countries represented at the San Francisco conference forty-nine signed the treaty on September 8, but with a wide variety of reservations based upon (1) fear of a rearmed Japan, (2) alarm over the revival of Japanese economic competition, (3) dissatisfaction with the reparations provisions, (4) objections to the presence in Japan of western (US) armed forces, (5) opposition to the method by which the Japanese government waived claims against former enemy countries and (6) concern over the resumption of Japan's pre-war fishing practices.

Indonesia's attitude toward the treaty was expressed thus: "The treaty, as it now stands, has given rise to many reservations from the Indonesian point of view. It brings no satisfaction to our minds."

Iran's delegate said: "The West must respect, in its relationship with the East, the principle of equality of rights . . . The countries of the West must realize that, as long as more than half of humanity lives in poverty, the world will never know peace or rest."

Carlos P. Romulo, for the Philippines, made a long statement bristling with specific reservations. "The peace treaty with Japan, in its present form, falls short in certain respects" of what Manila considers "just and necessary . . . We repeat that this treaty is not wholly acceptable to the Philippine government." The dissatisfied delegates from Indonesia, Iran and the Philippines signed the treaty.

Maneuver may win decisions in law and in diplomacy, but it cannot assure justice or bring peace. A treaty-making technique which excludes half of mankind from participation in an international settlement and leaves other large segments of humanity dissatisfied with the outcome can be little more than a stop-gap. Washington's decision to go it alone, bludgeon its economic and political dependents into acquiescence and exclude such large segments of world economy and polity will lead to war situations rather than peaceful solutions.

Whom the Gods Would Destroy

THE AUGUST 1, 1951 issue of *U.S. News & World Report* carried on its first page an advertisement from Warner and Swasey, machinery manufacturers of Cleveland, Ohio. "There's nothing the matter with the world that a little *American self-confidence* won't cure." The words "American self-confidence" were underlined.

The advertisement notes that 175 years have passed since a handful of Americans "wring freedom and independence from what was then the greatest nation on earth. Today we have that power and responsibility—we produce more steel, more oil, more aluminum, more electricity than any other country in the world. It is our freedom, our self-respect, our American system that does it."

"The USA is the greatest nation on earth," Warner & Swasey and many another successful profiteer boast in the press and over the air. They repeat it and reiterate it loudly and proudly.

Was the ancient philosopher right who said, "Pride goeth before a fall"?

Turn from page 1 of the same magazine to the feature article for the week on page 11, "Breakdown in Morals?" West Point cadets caught cheating. Politicians selling jobs. High officials accepting gifts and favors from people doing business with the government. Influence is peddled in Washington. Tax frauds are overlooked. The Senate Crimes Committee linked the underworld of gamblers and racketeers with local and state government officials. Members of Congress and of the armed services are caught red-handed defrauding the government. Government officials sell secrets. Basketball players fix games for professional gamblers. Dope peddlers corrupt teen-agers. Juvenile delinquency increases. "The idea seems to be growing that anything goes if you can get away with it."

Quite a list for one article in a magazine published for business and professional leaders. Are racketeering and profiteering two sides of the same coin? Are these instances of moral breakdown straws in the mighty wind which will turn "the greatest nation on earth" into a continental Korea? Can it be that pride is the first big step toward destruction?

Turn now to page 55 in the same issue of *U.S. News*. The

powerful and irresponsible oligarchy which is making the policies and administering the public life of the United States is having trouble with its economy. There was a minor depression in 1949 and a "slowdown" in the early summer of 1951. However, the obstacles in the way of full production are now surmounted. "Industry's output rate, a trifle lower in July, will be up in August, then will move strongly ahead as the armament industry begins to hit its stride. New orders, recently lagging, are rising again. . . Retail trade before long will be reversing its recent downward trend. Sales, by late 1951, may be breaking all records. . . Next turn in the business cycle is to be upward, not down."

How is this result to be achieved? Through expansion of arms production. Under its "Trend of American Business" heading, *U.S. News* estimates arms spending alone as follows:

Full year ending June 30, 1951	\$20 billion
June 1951 annual rate	32 "
July 1951 annual rate	36 "
Year-end 1951 annual rate	41 "
Early 1952 annual rate	45 "
Mid-year 1952 annual rate	50 "

(50 billion dollars is ten times the total average annual Federal budget during 1931-35.)

"Arms industry, as now scheduled, is going to be a \$50-billion-a-year business. It may be more than that if Congress approves a bigger Air Force. . . As long as that spending goes on, there's little chance of a set-back."

U.S. News & World Report for July 6, 1951 wrote that "defense" in the future will cost from 40 to 50 billion dollars a year. Non-defense items will add 20 to 25 billions, making federal government expenditures of 60 to 65 billions annually. "Armament is the great pump-priming mechanism of the future."

On August 24, 1951 *U.S. News* wrote that there will be no big war in 1951-52. The Soviet Union is getting relatively weaker as the United States grows relatively stronger. Since 1945 Moscow has avoided any move involving a general war. "U.S. soon to be very strong. . . Danger of war, next time, may come when U.S., flexing its bigger muscles, decides to stop fooling around and force a showdown with the Russians."

That is the answer of monopoly capitalism to the boom-bust cycle. Bigger and bigger government orders—for arms, the building of military strength—and then the use of that strength for national aggrandizement. Capitalists propose to save their social system from disintegration by the large-scale manufacture and use of the implements of destruction.

Whose destruction?

World War I crushed the feudal-capitalist system of Russia and Austria-Hungary and undermined capitalism in Germany, France and Italy.

World War II crushed the capitalist system in Japan, wrecked the Nazi variant of capitalism in Germany, gutted its counterpart in Italy, bankrupted capitalism in France and Britain and let loose the chain reaction of colonial rebellion which has wiped out all but a few tattered remnants of the British, Dutch and French empires in Asia.

Did the multiplication of armament save Augustan Rome? Did Napoleon's Grand Army rescue the French Republic? Hitler assembled under his banners the most powerful military machine of modern times. The Japanese navy was unbeaten. The Japanese army was unbeatable! Did these huge machines, built for wholesale destruction and mass murder, bring peace and prosperity to their creators? Will the story be different with the sea forces, land forces and air forces of Truman, Marshall, Eisenhower and the allies and satellites with which their hand-outs of money and arms have surrounded the North American remnant of an erstwhile world-dominant capitalist society?

The USA story will differ in some respects. The concentration of wealth and power in the United States is somewhat greater than it has been in the past. The foreign military bases are more numerous and more widespread. The present-day war machinery can wipe out life and rubbelize property more quickly than in any age of which history makes a report. What then?

For whose destruction have the US oligarchs, including Warner and Swasey, launched their \$50-billion-a-year arms program? For their own destruction, of course. Whom the Gods would destroy, they first make proud and then make mad.

VICE-ADMIRAL Arthur D. Stouble hit the nail on the head in a talk to the Los Angeles Rotary Club on August 3, 1951. His subject was *What Can We Learn from Korea?* His answer was, we must learn to be "offensive-minded."

What does "offensive-mindedness" mean in the opinion of Admiral Stouble? He spelled out the answer, in his Los Angeles address, carefully and methodically.

1. The essence of success in war is surprise. Take the enemy unawares. Attack where and when he least expects you. Let one surprise follow another—surprises in strategy, in tactics, in the type and use of weapons.
2. The price of success in war is remorseless hammering. Attack! Attack again! Continue to attack! The best defense is always a vigorous and successful offense.
3. The means of success in war is to hold the initiative. Keep the enemy guessing. Audacity! More audacity! Still more audacity! It is always easier to advance than it is to retreat. He who holds the initiative, holds the key to the confidence, morals and momentum which overpower the enemy and lead to victory.
4. In the present-day world success in war rests upon control of the seas and the air, where mobility is greater and surprises more possible than it is on land. He who dominates sea and air can hold the initiative and force upon the enemy the disadvantages of defensiveness. The USA must control both sea and air but, of the two, command of the sea is more vital. "If we are to retain the ability to conduct successful military operations overseas, we must be certain that we can control sea communications and the waters adjacent to the areas of operation."
5. "The Korean War has underlined the old lesson that war is still chiefly a contest of violence between the wills of two organized human societies, employing every device which they consider will gain their respective ends." The fundamental object of war is to "persuade the enemy to change his mind; it is to cause the enemy to desist in his aggression, or whatever course of action he is pursuing in opposition to our national policy."

6. Modern war is total, requiring the coordinated action of all the forces at the disposal of a nation. "The navy cannot win a war by itself, but neither can the army or the air force." Successful military operations are conducted by the three services "operating in proper coordination."

This is Admiral Stouble's idea of "offensive-mindedness." It means keeping ahead and, if there is a scrimmage, keeping on top. It means singling out an objective and getting there first by any means which promise to win the desired ends.

Is such a pattern of conduct moral? Is it ethical? Will it permit of justice? Does it have a place for mercy and forbearance? Certainly not. The warrior does not pretend to be moral or ethical, just or merciful. He proposes "offensive-mindedness." He will employ any and all means which will ensure victory.

Warriors are the present-day shapers of US policy.

SUPREME COURT JUSTICE William O. Douglas has been traveling again in Asia. This time, with a single guide and interpreter, he walked the length of the Kulu Valley through territory which borders India on one side and Tibet on the other. At New Delhi on August 19, 1951, he told an Associated Press representative that "he had found evidence that Soviet influence, well planned and directed, had changed the traditional north-south movement of Central Asia's goods to an east-west direction, making all of them flow into Russia. 'In many border trading posts,' he said, 'it is evident that normal commerce is drying up as a result of the program of the Soviets for channeling trade into their country or into the hands of their satellites.'" Justice Douglas cited Tibetan wool, which for centuries moved southward into India and thence into world markets. He also instanced rugs from Sinkiang province in western China. Both, along with other products of Central Asia, are now being channeled into Soviet lands.

The A.P. dispatch further quotes Justice Douglas: "This is an effective weapon, politically as well as economically, and its weight is already being felt in the great 'midlands' region

between Communist Asia and the still democratic nations, like Pakistan and India." Officials in Pakistan and India are aware of the change, but thus far have devised no counter-measures.

"Douglas said he found the Soviets skillfully exploiting Central Asia by flooding many regions with consumer goods at low prices. He talked with many traders who predicted this will result soon in the Soviets capturing, not only the trade, but also the allegiance of thousands of tribesmen who once regarded India and other Southern Asiatic regions as their benefactors."

In the preceding *World Events* letter I commented on Chapter XI of Robert Payne's *Red Storm over Asia*, in which the author describes the rapid development of Central Asia under Soviet auspices. Justice Douglas's report confirms Payne's estimate of the revolutionary changes now taking place in Asia's pattern of living. Without firing a shot or moving a soldier, the Soviets are winning this no-man's-land with consumer goods at bargain prices. When asked by the A.P. newsman what the United States could do and what India and Pakistan were doing to check this latest manifestation of Soviet energy, ingenuity and enterprise, the judge is reported to have replied, "Nothing."

I am reminded of the phrases used by Secretary of State Acheson to describe the catastrophic failure of US policy to check the transfer of Chinese power from the Nationalists to the Communists. "The unfortunate but inescapable fact is that the ominous result of the civil war in China was beyond the control of the Government of the United States. . . It was the product of internal Chinese forces, forces which this country tried to influence, but could not." (*United States Relations with China*, Dept. of State Publication 3573, 1949, p. xvi). I should like to amend that statement so that it will apply to the areas recently traversed by Justice Douglas. It would read, "It is the product of internal Asian forces which this country is trying to influence, but cannot."

SINCE THE CHINESE PEOPLE'S REPUBLIC was proclaimed on October 1, 1949, the US big-business papers, following the lead of the State Department, have denounced "Red China" and have urged every means, including boycott and blockade, to hamper and thwart the growth of the young republic. They have scoffed at it and smeared it, in the hope that the people of the West would be convinced of the hopelessness of this new experiment in lifting economy from the jungle of private profiteering to the dignity of public business.

In its May 1, 1951 issue *People's China** published a long report by Madame Sun Yat-sen on her 4260-kilometer trip through China's Northeast (Manchuria). Madame Sun was most impressed by the "unprecedented upsurge in agricultural output," for which she gives detailed figures. The increased output she attributes to (1) land reform, (2) improved farming methods, (3) better organization of labor on the farm, (4) examples set by model workers, (5) government aid in crisis situations.

Higher farm production in Manchuria has been accompanied by a parallel development of industry. Both state and private industry are making immense gains. Together with agriculture, says Madame Sun, "they forge our New China."

Anyone who will take the trouble to study Madame Sun's report, studded with figures and enriched by personal observations, will begin to understand what the unification of the country and the establishment of the Republic have meant to the Chinese people.

The same issue of *People's China* carried an article, "Viet Nam on the Road to Victory," and a supplement containing the manifesto and platform of the Viet-Nam Lao Dong Party, which present from an Asian viewpoint some of the essential facts concerning the struggle in Viet Nam to establish a people's republic.

US publications are more and more inclined to reflect the opinions and program of the business-dominated oligarchy. *People's China* helps to counter-balance this warped, one-sided picture of developments in Asia. (Subscriptions received by Imported Publications, 22 East 17th St., New York 3, N. Y. \$2.50 a year, \$1.50 for 6 months, if you mention *World Events*.)

AMONG THE REQUESTS for help that are coming from the East to the West, there is one which will appeal to many *World Events* readers. Two provinces in India, Bihar and Madras, are facing famine conditions. Many students and their families are in desperate need. For \$10.00 CARE (20 Broad St., New York 5) will send a food package specially prepared for India.

Food packages marked "For needy students" may be addressed to Brinda Prasad Sinha, Box 54, Boring Road, Patna, Bihar, India or Bhikshu Nirmalananda, the Gandhi Mission Society, Thayagarayanagar, Madras, India. They will be distributed through committees set up for that purpose.

Those interested to help in combating the epidemics particularly fatal in these distressed areas of India can do so through the Health Service for India of the Friends Service Committee, 20 South Twelfth St., Philadelphia 7, Pa.

Jamaica, Vermont
September 26, 1951

Scott Nearing.

The New Imperialism

WASHINGTON does not wish additional territory—it is cheaper to subsidize and lease than it is to own. But Washington is making a determined attempt to extend its sphere of influence across every continent, upon the sea and in the air. Instead of joining colony to colony, as Britain, France, Germany, Belgium and Holland did in the previous epoch of capitalist imperialism, US policy-makers are shouting "freedom" at the same time that they are reaching out for economic and military world domination.

Scott Nearing assumes sole responsibility for writing "World Events" but takes no part in its publication or distribution.

Continued from inside front cover

● We had planned to carry in this issue a schedule of SN's lecture dates on his trip across Canada and down the Pacific Coast, but invitations to speak have come in so slowly that all we can say now is that he may have a meeting in Toronto about November 3rd and in Vancouver and Victoria, B. C., around the 12th, then probably in Seattle and perhaps in the San Francisco area, surely in Stockton and Monterey and possibly in Sacramento. His one certain public-platform date is at the forum of the Unitarian Church in Los Angeles, 2936 West 8th St., Friday, Dec. 7, at 8 p.m. On his way east, he will stop at Phoenix, Ariz., about December 19th.

● Commenting on the scarcity of opportunities to speak, even in private homes, SN warmed our wizened old heart by adding, "So much the more need for a medium like *World Events*."

● We are enclosing a recommendation card which we hope you will send to some friend intelligent enough to appreciate *WE*. Not having funds for promotional work, we rely largely on our readers to help us keep up the circulation of *WE*—no easy task in these times! (Last year, Mrs. G. C. R. enclosed a *WE* recommendation card with each Xmas card she sent out!)

● Supplement SN's analysis of US foreign policy with the excellent editorial on the same subject in *Monthly Review* for October. (35 cents, 66 Barrow St., N. Y. 14.)

● We can still send 8 copies of the current issue of *WE* (with envelopes for mailing if desired) for \$1.00 but, on account of the increase in our parcel-post costs, we will appreciate it if you will add 10 cents toward postage—15 cents if you live west of the Mississippi.

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