• ARE WE MOVING TO A FREER WORLD? Margaret Thatcher beams as her soul-mate Ronald Reagan talks tough over the Soviet Union – which he once characterised as the "evil empire". But now the American President has signed a treaty with Mikhail Gorbachov. And Mrs Thatcher says Britain won't shift her foreign policy by abandoning the "nuclear deterrent". End of a special relationship?

A WARNING TOO LATE

• *Is RONALD REAGAN'S nuclear pact with MIKHAIL GORBACHOV no more than an act of short-term opportunism? ED DODSON examines the myths at the root of American foreign policy in "the land of liberty."*

BLANCHE Cook's book *The Declassified Eisenhower* appeared in 1985, and one aspect of its merit is the access given to many of Eisenhower's personal papers. She leads the reader on a journey that is sometimes anticipated and frequently troublesome.

The Second World War and its aftermath was characterized by intrigue and by events the world's political leaders sensed were far too damaging for public debate. What occurred during those years unfolds on the pages of this work as more than history but not quite an indictment.

That Cook is disturbed by many of the revelations uncovered is clear; any final judgement – either about Eisenhower or of American foreign policy-making in general – is left up to the reader. Nevertheless, our personal codes of ethics and sense of justice are uniquely challenged by her treatment of twentieth century political decisions and the methods used to achieve certain policy initiatives. Cook asks, however, whether the course of events could have been otherwise:

> Since nuclear holocaust was unacceptable [Eisenhower] pursued alternative means to ensure America's dominance in the race against the Soviet Union and in the race to secure access to the world's resources and markets . . . . that was a commitment to a free-market economy. Others called it empire. Whatever it is called, to control the world's resources and defend them against nationalists and communists proved to be an ongoing and draining experience.

This is as close as Cook comes to a moral judgement insofar as the interests of multinational corporate power were aligned with those of anti-communist politicians to "promote the American way of life throughout the world".

Cook identifies the years of the Second World War as the beginning of the "American Century" and the rapid expansion of the "American System". What she and so many other observers do not see is that the uniqueness of the "American Experience" was itself fast losing ground. The global wars of 1914-18 and 1939-45 acted as catalysts, advancing the expansion of centralised authority in American socio-political structure at the expense of individualism and large-scale political participation.

Strong, in fact, are the parallels between America after 1949, particularly, and Britain in governments policies in that year:

> During a war it is no easy task to prevent your sympathy clouding your reason. The whole social system seems to be organised against any individual attempt to concentrate the attention dominantly upon the causes of war. Governments, churches, theatres, the press, and local authorities direct their efforts, in the main, warwards; the whole thought of society and commerce seems to be occupied with war; and all desire to question the reasons given by statesmen for participating in the war must be suppressed. It has been ruled already by certain 'leaders of thought' that it is unwise, unpatriotic, and un-English to suspect the motives of Governments,

or waver for a moment in swearing wholehearted allegiance to the authorities [Neilson, p. 369].

In the U.S. even the tremendous backlash against the long involvement of Americans in the Vietnamese civil war has not seemed to diminish the ability of subsequent Governments to rekindle the spark of militaristic adventurism. Our society does seem to nourish a strange respect for aggressiveness in the guise of our self-assumed role of the protector of 'free peoples' — wherever that may take us. As one historian writes, "The crisis and the beneficiaries were those few with simple, persuasive answers and the means at hand to implement them" (Wiebe).

THE DEVELOPMENT of an expansionist mentality in America can be traced directly from the founding of the nation; the rapid industrialization experienced early in the twentieth century accelerated the process.

In the 1920s, nativism raged against the new waves of immigrants flooding into American cities and took form in a determined anti-communism crusade. Americans were faced with tremendous moral challenge when the war against fascism required an alliance with the Soviet Union, knowing full well that the defeat of Germany and Japan would leave Russia and its Marxist-Leninist regime as the United States' major competing power.

As Blanche Cook concludes, this attitude was carried right through the Second World War and only deepened afterward. The American leadership was not about to accept a division of the spoils of war that gave to communism new opportunities for political power:

> **The United States was . . . . committed to a crusade against 'communism' no matter how popular and broad-based or nationalist and democratic the independence movement might be, and no matter how repressive, cruel or generally unsatisfactory the right-wing ally might be.**

Certainly, few Americans knew of or cared about the sacrifices made by the Russian people during the war; even if this had been general knowledge this was, as Blanche Cook describes, the era of Americanization, of 'making the world safe for democracy' and for using our new military superiority to preserve (consistent with the earliest Jeffersonian instincts) our free access to foreign markets and sources of raw materials.

Underlying American foreign policy was also to be found a strong current of 'Liberal consensus' traced by historian Frederick Lewis Allen to the 1920s and a uniquely American anti-egalitarian mentality. Allen noted in his1931 work *Only Yesterday* that "the typical American of the old stock had never had more than a half-hearted enthusiasm for the rights of the minority . . . . he had been accustomed to set his community in order by the first means that came to hand — a sumptuary law, a vigilance committee, or if necessary a shotgun."

The principles of individualism were misused again and again in pursuit of opportunism; and, continues Allen, "when running things himself [the typical American] had usually been open to the suggestion that liberty was another name for license and that the Bill of Rights was the last resort of scoundrels."

When the editors of the *New York Times Magazine* in 1963 asked the question "What Sort of Nation Are We?" they responded "We are probably the most democratic in feeling and action," a statement that conveys the extent to which myth has dominated mainstream American thought. Our history has not been characterized by toleration and equality of opportunity. 'Liberalism' may have softened the impact of unbridled Social-Darwinism, but the changes were those of degree and wrenched from the powerful at great cost.

American political leaders and those who wielded tremendous economic power successfully perpetuated the even greater myth that 'the American way of life' represented the highest 'good'. In places such as Vietnam and Korea we experienced bitter disappointments as we attempted to Americanize the globe; nevertheless, the way we conduct our foreign policy has changed only in degree and according to what the political leadership views as acceptable re-election risk.

Interestingly, before entering the political arena Eisenhower sensed that the world had changed, had become a global community and, in fact, "naively wondered why the world's resources could not be internationalized," suggesting that "since raw materials represented the world's basic needs, they should belong to and serve everybody" (Cook, p. 229).

He would soon abandon these principles in favour of those provided to him by certain interest groups as THE agenda for American foreign policy.

IN 1951 THE Guatemalan government of Jacobo Arbenz declared its intention "to give land to the agricultural workers [and] expand agricultural credit for the benefit of all who work the land" (Cook, p. 224).

The American response by 1953 was to support the overthrow of Arbenz, precipitating "the return of almost a million and a half acres that had been

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3. Neilson Francis. *How Diplomats Make War* (New York: B.w. Huebsch), 1915.
4. Weibe, Robert H. *The Search for Order* 1877-1920 (New York: Hill and Wang), 1967.

has been relatively ignored.

The main criticism of George's theory, she says, disputes the assertion that the private appropriation of the rent of land is the major cause of poverty; that the landowner is the residual claimant in the distribution of wealth which leaves labour and capital with only enough to sustain them and keep them going; and that all the benefits of increased productive power are finally absorbed by the rent of the land.

Rhoda Hellman examines this criticism and concedes it to be the weak spot in George's argument, although it does not invalidate the Georgist claim that to take the rent of land for the people would go much of the way towards remedying the maldistribution of wealth.

The other argument of the critics and a corollary of the first, is that there is a leak in the classical formulation of the distribution of wealth to rent, wages and interest, and it flows to the holders of special privileges and monopoly powers other than land.

But George, says the author, far from ignoring these unearned profits, specifically pointed them out, detailing them in his book *Social Problems*. But the question remains, she says, "why is it not generally appreciated how keenly aware George was of all these non-land monopolies?" She concludes that it is because George himself did not emphasise it, his eyes being fixed on the "first great reform" without which nothing else would avail.

Thus when crystallising his reform in

• HENRY GEORGE

Progress and Poverty with the statement that to relieve poverty it is necessary only to appropriate land values, George did not incorporate the proviso that all other sources of unearned income – from monopolies, privileges, cartels, etc. – should also be eliminated.

This, Rhoda Hellman calls "the missing proviso", which has led to so much misunderstanding, when coupled with his economic theory that rent is the residual claimant in the distribution of wealth.

WAS GEORGE all that misunderstood? I wonder. Perhaps by some academics, but not by the landed interest, who appreciated only too well the implications of his proposals. And that is where the real opposition lay, and their objections cannot be theorised away.

Hellman concludes with some suggestions as to what Georgists could do. She seems to feel the movement (speaking, as always, of the U.S.) has been hijacked by those who would make George's reform a property tax issue (merit though this has) to the exclusion of the wider issues contained in George's philosophy.

She considers there are a number of opportunities being missed to support more taxation on oil, coal, gas and other windfall profits that arise, and to support anti-privilege legislation. Rhoda Hellman would not eschew government controls and legislation when they are directed at monopoly profits linked to natural resources. Profits may be an ambiguous term, but their source in many cases is unmistakable.

Such activities she considers would be more in the spirit of Henry George's philosophy than the Shearman line of "single tax limited" reflected in property tax reform.

Finally she considers the direction in which the extra revenue should flow so that wage earners and the poor would benefit, such as relief of the payroll (PAYE) tax and low-cost housing.

Altogether, this is a fascinating and provocative book relevant to both sides of the Atlantic and beyond. Get it.

• *V.H. Blundell is the former editor of* Land and Liberty, *and served for 25 years as Secretary of the United Committee for the Taxation of Land Values London.*

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distributed among one hundred thousand families."

Eisenhower had assumed the foreign policy stance that dictated a blind reaction to any and every revolutionary group that in any way appeared pro-Soviet or pro-Marxist and against the interests of international business concerns.

This statesman in war had become very much the pawn; only at the end of his second term, in his farewell address, did he seem once again aware of the incongruities of American foreign policy in an age of emerging self-determination. Too late he raised a warning against the perils of the expanding military-industrial complex.

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