

libertarian analysis

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LIBERTARIAN ANALYSIS is a quarterly journal of libertarian thought devoted to the study of the areas of social philosophy, economics, history, and strategy for social change. Libertarians of all viewpoints are encouraged to contribute.

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contents

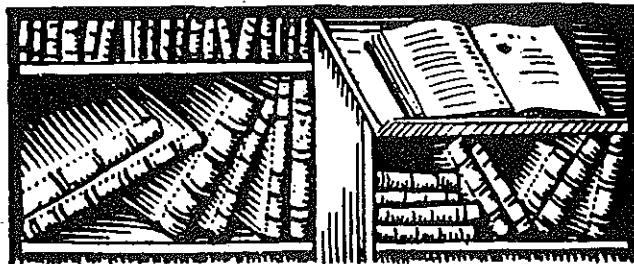
editorial introduction	2
the relevance of anarchism to modern society <i>Sam Dolgoff</i>	5
power OR market: government and the economy: a review <i>Milton M. Shapiro</i>	22
anarchism and education: the dissenting tradition <i>Joel H. Spring</i>	30
a look at gustav landauer <i>J. M. Frager</i>	43
social democracy in germany <i>Gustav Landauer</i>	47
revisionist history & american foreign policy: a review <i>Leonard P. Liggio</i>	56
a letter to our readers	62

DECEMBER

Peter KROPOTKIN
Born Moscow 1842
21

LIBERTARIAN
ANALYSIS
published
1971
22

Thomas Paine's
CRISIS published
1776
23



book review:

Drawing by Louis Moreau

revisionist history and american foreign policy

by Leonard P. Liggio

Gabriel Kolko, *The Politics of War: The World and United States Foreign Policy, 1943-45*, Random House, 1968.

N. Gordon Levin, Jr., *Woodrow Wilson and World Politics, America's Response to War and Revolution*, Oxford University Press, 1968.

Arno J. Mayer, *Politics and Diplomacy of Peacemaking, Containment and Counter-revolution at Versailles, 1918-1919*, Alfred A. Knopf, 1967.

The new International Encyclopedia of the Social Sciences singles out only five American historians for biographical articles. Surprisingly, they are mainly the radicals associated with the New History initiated in the early twentieth century, and two—Harry Elmer Barnes and Charles A. Beard—ended their careers under attack by the Establishment for their historical revisionism regarding American foreign policy objectives, especially concerning World War II. It is not unlikely that the radical historians whose revisionist works are reviewed here will find themselves among those American historians selected for recognition in a subsequent edition of the encyclopedia.

In *The Politics of War*, Gabriel Kolko recommends *Politics and Diplomacy of Peacemaking* and *Woodrow Wilson and World Politics* as

Leonard P. Liggio teaches history at City College, New York. He has contributed to numerous radical publications ranging from *Left & Right* to the *Liberated Guardian*.

[56]

the two books which provide an understanding of the background of World War II and the origins of the Cold War. Gordon Levin and Arno Mayer discuss the centrality of the Bolshevik revolution to the debates and decisions among the Allied powers, and especially the Wilson administration, during the Versailles conference. One reason was explained by Secretary of State Robert Lansing: "Russia is among the largest factors in the complicated system of production and distribution by which the world is clothed and fed. It is not to be expected that economic balance can be regained and living costs brought once more to moderate levels while its vast area [is under the revolution.]"

The October Revolution was successful because it represented the popular hostility to the Allies' imperialist war. The Allies understood that Bolshevism could not maintain that popular support if it continued in the war in alliance with the Allied powers, and Lenin rejected the proposals for Allied aid and fulfilled his promise of peace. Levin indicates that Bolshevik critics of Lenin sought to turn the imperialist war into a revolutionary war by Russia's continued participation in order to precipitate the European revolution beginning in Germany where the workers' movement was strongest. Trotsky was willing to accept Allied aid in continuation of the war while the Left-communists rejected any alliance with Allied imperialism.

Lenin's argument was proven correct—the European Left mainly declined to assume a revolutionary role. Arno Mayer presents a thorough historical analysis of the essentially counter-revolutionary positions of European socialists during the critical period of the collapse of the major states of Central Europe. Whereas the revolutionary Soviet coalition was successful because of popular support for withdrawal from the war and distribution of feudal land to the peasants; in Germany, Austria and Hungary the state authorities transferred cabinet positions to the socialist leaders because the socialists acted as "an ideal foil against revolutionary and anarchist excesses" associated with the Soviet revolution. These socialist parties acted as wardens against revolution by their peoples.

The European communists during and after World War II played the same role regarding revolution that the socialists had a generation earlier. As Kolko notes, in the twentieth century war is the "necessary precondition for the emergence of a powerful Left, and for the first time since 1919 the Left, both in Europe and Asia, issued forth from the shadow of political defeat and impotence to the center of world politics." From their low points during the depression years (economic crises appear to cause the success of the Right whether as fascism or corporate liberalism) war created the condition for the success of the Left. But, for the World War II Allies, the mere numerical growth of the Left was only half the story for this represented the growth of the non-communist or revolutionary Left which "in many nations were no less powerful, and were frequently more militant than the Communist

[57]

party." Where the Communist parties were controlled by the Soviet Union they acted as a conservative force dividing the Left and creating the conditions for cooptation. Due to the moderating influence of the communists, the European Left was willingly incorporated into the modern corporate state structure. With the Communist parties forced to choose between obedience and revolutionary success, the popular, national Communist parties in Yugoslavia and China disobeyed the Soviet leadership and gained success. Kolko notes: "Only Tito, Stalin perceived in 1945, stood for nationalism and autonomy, and only he could prevent the fulfillment of Soviet objectives for stability and security in Eastern Europe. With an independent mass base and a nationalist line Tito threatened to checkmate both Russian and American ambitions."

American ambitions in both World Wars are carefully presented in each of these volumes. American economic advisors in both World Wars—often the same people, such as Allen and John Foster Dulles, (nephews of Secretary Lansing), Bernard Baruch and Herbert Hoover—viewed America's post-war economic objectives as two fold—using economic power to prevent the rise or success of revolutionary movements, and improving the long-term economic position of the American monopoly system in the world. Herbert Hoover played a major role in wartime and postwar planning. As Mayer suggests: "admittedly Hoover had the most precocious, integrated, and operational conception of the politics and diplomacy of foreign aid. But he merely articulated and synthesized ideas and programs that were just then crystallized in influential segments of the American power elite." At the end of World War I the pressure for foreign aid came from the export industries, and Senator William Borah charged that foreign aid did not originate among Europeans but among American businessmen and bureaucrats. In order to get foreign aid appropriations through Congress, Wilson constantly appealed to the specter of Bolshevism.

As Secretary of Commerce and President, Hoover was central to the continued implementation of this foreign economic policy, through massive legalized American price-fixing and export-trade associations during the 1920s, which was accelerated after the great depression. In 1945 Hoover participated in post-war planning urging the politically crucial food program be shifted from the neutral UNRRA to U. S. military authorities. War Secretary Henry Stimson said Hoover's "ideas followed very much the line which [John J.] McCloy and I had been fighting for. . . . We could turn the tide of Communism in all those countries. Hoover stamped out communism in this way in central Europe." What Stimson, McCloy and Hoover did not recognize was that the promises in 1919 condemned it to passivity, to cooperation and integration into the program of Allied imperialism.

Levin's analysis of Wilsonian world finance is especially valuable. Baruch, Hoover, Dulles "all expressed concern over what they saw as efforts being made by the Allies to have the United States assume a larger share of war indebtedness through the creation of economic plans involving America in the unsound financial structure of Europe." The Wilsonians rejected John Maynard Keynes' plan for America to add to its creditor position with the Allies the role of underwriter of German bonds issued to cover reparations. The Americans did not believe the United States' financial position was sufficient to assure dominance in the world economy, and were even less enthused when Keynes' plan for reasonable reparations was replaced with impossible demands upon Germany.



'A Paradox, A Paradox, A Most Ingenious Paradox'

The impact of the Versailles economic system and the consequent great depression was a major factor in the development of America's post-World War II objectives. United States economic policy in the 1930s caused deeper and longer unemployment and decline in economic activity than suffered by any other industrialized nation. Access to desired raw materials was restricted by the colonial systems, especially the Sterling Bloc. The Lend-Lease agreements with England in 1941-42 was the United States' opening wedge into the Sterling bloc.

Similarly, the international monetary system established at Bretton Woods (1944) represented a victory for the United States and the defeat of Keynes' plan which would have permitted business expansion subsidized through taxation by inflation without limitations imposed by balance-of-payments or gold requirements. Harry Dexter White of the Treasury Department presented the counter-plan which recognized American dominance in international finance. White's plan "demanded

an international banking fund which would expand trade and stimulate loans in a much more accelerated fashion, with special emphasis on its holding currencies in short supply, which is to say United States dollars, and they insisted that control of any cooperative organization be vested in proportion to contributions giving the U. S. a dominant voice with international protection for the dollar.

One of Kolko's major contributions is his discussion of Treasury Secretary Henry Morgenthau's plan for postwar Germany. Kolko emphasizes that to analyze it merely as a proposal to destroy the German arms industry, prohibit all but consumer production and separate the Ruhr has caused misunderstanding. It "was in a most integral fashion also a plan for de-Bolshevizing Russia and of reintegrating it into a new capitalist world economy." First, the Morgenthau plan aimed at preventing Germany from regaining a major role in Europe's industrial production, and substituting England, allied to the United States, as the major industrial unit in Europe. Second, it implied a limitation on the reparations expected by Russia, since Russia could receive larger and faster reparations from Germany's producing industry than from the transferring of machinery to Russia. Thus, the Soviet Union would be forced to rely on U. S. industrial goods in exchange for raw materials. Kolko concluded that, "Morgenthau and White became the most important and sophisticated advocates of the reintegration of the USSR into the capitalist world economy on a basis which economists have dubbed as neocolonialism."

U. S.-Soviet wartime negotiations reached an impasse at the Potsdam conference over a rational reparations policy and forced upon the Soviet Union inefficient economic development rather than cooptation and integration into the American-dominated Western monopoly economy. With the studies by Mayer and Levin as introductions, Kolko's masterful analysis of United States foreign and economic and political policy during World War II provides the most comprehensive treatment of the origins of the Cold War. The continuation of the analysis past mid-1945 will be a further major contribution to historical revision of American foreign policy. [This continuation is the subject of a forthcoming book by Kolko—ed.]

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[60]

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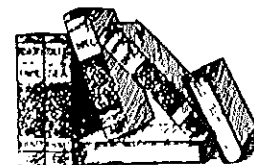
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[61]