

The Economic Club of New York

The Honorable Henry R. Luce
Editor in Chief, Time, Life, Fortune

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Foreign Policy for the People and by the People

We are indeed in great trouble, all of us and our children. Our country is caught in a trap, the monstrous global trap of Soviet Communism, and experts would rather talk about anything than how to get out of it.

One crazy idea is to stay in the trap for 20 or 30 years. This idea seems to be that if we keep thrashing around wildly enough, plunging from crisis to crises, and if we keep on making bigger and better blunders for 30 years, the trap will get tired and wither away. Freedom will be dead and the American system of government and about everything else we hold dear.

At least we should know by now what the nature of the trap is. It can be described in one word: blackmail. The United States is allowing itself to be subjected to a double blackmail. We are also being blackmailed by worldwide threat of chaos. We are told in effect, that if Uncle Sam doesn't make everybody happy, they will cut their own throats. They will jump from the frying pan of their own misery into the fire of Communism.

President Truman has announced that foreign affairs must be taken out of politics in 1952.

Nothing could be more disastrous for our country and for the world. The man who's

Administration allows the greatest country in history to remain a victim of blackmail needs to be brought to trial at the bar of the electorate. He needs to be dismissed for his incompetence and for his incoherence in foreign affairs.

The blackmailing threat of war is now somewhat reduced because of our rearmament. Our rearmament was late, irresponsibly so, and we have paid dearly in lives and money for that lateness, but our appropriations are enough at this stage to provide adequate military counter-threat to Communism, provided the money is used to put real guns into the hands of real soldiers and provided we operate correctly on the other half of the blackmail apparatus. It is of this other half that I speak today, although of course, both halves are diabolically triggered to each other.

The United States today is confronted literally with a lawless world. That is both the essence and the scope of our problem. People everywhere talk about American leadership. They implore it, they deplore it, they hail it, they rail at it. But very few either at home or abroad have any conception of what is required of this leadership.

It is in the perspective of history that we can best see what we are up against. Permit me; therefore, to take you back briefly to the summer of 1914. It was a beautiful summer. A great calm, undisturbed by any news, lay over most of the world. Everybody in Europe was on vacation. The house parties in England were never nicer. On the continent the spas were filled with the rich and fashionable. An old aristocracy blended with a new plutocracy in a fine

harmony of fun and relaxation. Millions of the middle class swarmed through the art galleries and up the green valleys of Switzerland. They feared no evil. And then, as history says, a shot was fired at Sarajevo. War. It was incredible. It was a bad dream. It was a sudden insanity which would pass. But it didn't. In that beautiful summer of 1914, something ended forever. Something very great and wonderful. That something has various names. You might call it the 19th Century. Or you might call it the Age of Enlightened Evolution. Or you might just call it Europe, or perhaps more exactly, the European System. Anyway, it ended forever.

Two and a half years later, the President of the United States, Woodrow Wilson, sent a message to Congress asking for a declaration of war. "God helping us" he said, "we can do no other". Most thoughtful people felt that Wilson had kept God waiting long enough. Anyway at last he did it, on April 6, 1917, and that day something began that will never end until either a new world of freedom and justice is created or the whole of the existing world goes down into chaos.

That something, what was it, what is it? Again, you have a choice of names. You can call it Democracy or you can call it the Revolt of the Masses or, the Age of Unreason or, the Age of Science and Technology or, with all these things, good or bad as back drop, you can just call it the United States—America, our American, entering upon the world scene, never to depart until her name wins the respect, if not the gratitude, of mankind.

Less than two years after Wilson sent that message to Congress he, himself, went to Europe. No

man ever stood on such a pinnacle as Wilson at that moment. Immense crowds went out in wintry weather to greet him, whole populations of famous cities. They wept for joy. Tears of hope poured out to wash away all the pain of the past. Cheers rang out to welcome a new era of democratic brotherhood. That was the greatest wave of promise and emotion that ever swept the Western World and indeed it washed to the remote corners of Asia.

You know what happened, the failure, the disillusionment. A quarter of a century later, another American President, Roosevelt, had the chance to be the greatest Peace-maker of all time and he, too, failed.

In 1945 the power of the United States stood revealed as vastly greater than in Wilson's day. In fact, for the first time in history one nation had more military and economic power than all the rest of the world put together and that nation was ours, America, a nation which we believed to be a moral nation, as sincerely devoted as any nation can be to the principles of justice and freedom. Hundred of millions of people the world over believed it too.

Power, ample power, in the hands of a good nation failed. How come? However much blame may be ascribed to the leading actors on the stage, the meaning of the drama is obviously much deeper than the grease-paint of politicians.

I have reminded you of this much history in order to emphasize one fact. In our lifetime, the

social structure of practically the whole of humanity outside of the United States collapsed. Even before the 20th Century opened, the civilizations of Asia had collapsed. Confucius was finished; he under whose moral authority a dozen brilliant dynasties had flowered. Hindu India lay impotent and is still today caught in a psychic dilemma of whether to go modern or to die. Islam, the warrior faith, had also become degraded. After a thousand years of conquest and survival the Sultan had earned the title of “Sick Man of Europe”, and then while all Asia was down and out or perhaps just beginning an upward climb, Europe, Europe whose law as effectively the world’s law, went down, tried to get up, went down again for the count.

Today the United States is the only political entity of global significance, able to defend itself where law and custom, however threatened, are still coherently intact. This United States is confronted literally with a lawless world. Too few have grasped what that means.

Winston Churchill is one of the few. I believe he has come here not primarily to beg. He has come here to search for some coherent principles of American policy with which to confront a lawless world. What can we tell him are those principles?

The other day, Geoffrey Crowther of the London Economist said, in effect, that Britain has no policy in the Middle East and that it is impossible for Britain to have any policy in the Middle East except one which is first of all an American policy. What shall we tell him? I would begin by saying that American leadership can be successful on one condition, namely that our activity

in the world is in accord with the nature of the American nation.

The key to the nature of the American nation is the constitutional structure of our Federal Government. It is a government of limited powers. American society is based on the wide diffusion of power. Power is diffused within the Federal Government and between it and the 48 states. Power is diffused between all government on the one hand and, on the other, everything that is not government, which is by far the biggest part of American life, and we intend to keep it that way. Government has already amassed too much power. We want less government, not more.

Applying this American instinct to the conduct of foreign affairs, we can state the global proposition in two terms. First, it is America's task to take the lead in establishing throughout the world conditions of freedom and order. Second, that tax is to be done partly by the Federal Government but equally by the American people as people, with their unrivaled genius for successful non-governmental organization. To be concrete, let me cite three things the Federal Government must do.

The first and foremost aim of our Government must be to establish in the world the rule of law. But the first thing we learn about International Law is that there isn't any, or hardly any. Therefore it has to be created. Recent efforts have been in terms of disarmament with international inspection. Disarmament proposals are weak in theory and illusory in practice.

They may or may not be good propaganda.

I should like to propose a better and more fundamental way to apply the principle of international inspection. It is that the penal institutions of every country should be open to continuous international inspection.

Here is something which comes home to every man and woman in his daily life. Who may take you from your home and cast you into prison and for what cause? For what cause may the State lay violent hands upon you, snatch away your property and/or your life? It is not suggested that one common criminal law should be imposed upon mankind. Great are the varieties of social custom and inheritance. We both respect and we desire variety as well as commonality in human affairs.

Take for example, our good friend, Iban Saud of Saudi Arabia. Now I understand that the law in his country says that if a man is caught stealing he shall have his hand cut off. Should the United States and Saudi Arabia get together on this criminal law so that in both our countries a thief will have his finger cut off? Obviously not. The present proposal is not to change any laws overnight. It is merely to invite all nations which claim to be lawful and law abiding to make their law and its execution an open book. The only nations which could refuse are nations which are ashamed of their laws or nations which are shameless in the lawlessness.

The consequence of such a proposal by the United States would be immense. It would set the whole world earnestly thinking about law which is the only conceivable basis of any decent (let alone democratic) relationship between man and man. A serious concern for law would set a solid base for constructive efforts in all other fields. Soon, at the international level, a new importance would attach to a World Court, and soon we would restore some meaning to that now shattered phrase, "the sanctity of treaties".

I undertake at all, this effort to restore respect for law should be undertaken earnestly and not as a propaganda gag. But in this propaganda conscious age, an American appeal to law would do more than anything else to convey to the peoples of the world what we Americans are driven at, which is neither domination for privilege nor suicide, but liberty under law and it would help to clarify our own minds too, which most Americans agree are more than ordinarily confused.

Secondly, the task of the American Government is to clear the way for the world wide activity of people, of the American peoples and of all people in all their lawful pursuits. The prime example of this is business. We Americans know what we mean by business. We are almost the only people who have any rational conception of business in the 20th Century.

By business we mean the creation of wealth on the colossal scale of this age and its universal distribution. Wealth, we know, is not created by governments but by people. Accordingly the American Government must make clear that it in itself does not know how to build wealth and

even if it did, the American people will not tolerate their Uncle Sam cavorting about the world in the role of global businessman or planetary planned economist.

However, in our American tradition, the Government is charged with a few very specific responsibilities. Under the Constitution, our Government is directed to provide a sound and stable currency. It is now 20 years since gold ceased to be the recognized international currency. By virtue of gold and a strong British pound, nearly everybody in the world could freely convert his own money into the money of any other country. In those days, as Oliver Lyttleton remarked, convertibility in a currency was like virtue in a lady – part of the definition.

While Hitler and Dr. Schacht were completing the destruction of this system of stable currencies, the United States Government cursed them regularly and gave much verbal support to the idea of convertible currencies as the only basis for healthy world trade. During and after the war our Government continued this lip service. We wrote it into the Lend-Lease agreements, into the Bretton Woods Agreements, into the British loan Agreement and into the ECA agreements. On paper, it was the nearest thing to a consistent policy the United States had and if it could have been achieved by milking the American taxpayer, Mr. Truman would have achieved it.

But despite all his lavish “donation diplomacy”, the world is farther from having a stable currency than any time since the collapse of money began, twenty years ago. Nearly every nation in the West now imposes on its citizens that most sinister of all economic controls, the direct

rationing of foreign exchange. The British have carried exchange control to lengths Hitler never dreamed of. The feeble protests of our Government have proven utterly ineffective. While being lavish with our money, our Government has completely failed in its first economic duty to the world.

There are many things the United States Government should have done and still must do to help other countries free themselves from exchange control. It must bring unremitting pressure on their governments. It must do much more than it has to enable them to earn American dollars and so remove the excuse for giving them away. This may mean the encouragement of imports into the United States to the point where we no longer have an excessive export surplus. Another thing it may mean is the revival of a healthy capital market in Wall Street, a market to healthy that foreign countries will seek to attract investment funds from it by internal reforms of their own. The ways and means to achieve a general convertibility of currencies are manifold and extremely difficult, and I have not the time or knowledge to list them all here.

But this much is certain, that a sound and stable money system should be the foremost aim of the United States in all its economic dealings. If this goal is neglected, as recently Washington has neglected it, nothing else will be achieved. There is no substitute for a sound currency. It is fundamental and it brings other economic benefits in its train. Let us call upon the United States Government to make a sound money system the first order of business in the economic sphere.

The third thing our government must do is to overhaul the State Department. By all means, eliminate Communists or other eccentrics. But there is another question: Is the State Department ineffectual, anemic, devitalized or in cartoon language, is it a striped-pants and cookie-pushing outfit? Individually, most of the people of the State Department are not cookie-pushers. Yet the phrase has truth in it. The atmosphere, the morals of the State Department is striped-panted and cookie-pushing. In other words, the State Department lacks a sense of dynamic purpose and drive.

By contrast, one example of purpose and drive was given by John Foster Dulles. In September, 1950 he persuaded the President to give him a job of making a peace Treaty with Japan. Exactly one year later, over every conceivable obstacle, the job was done. It is the only success American Diplomacy has had in three years.

At the very same time that Mr. Dulles set out on his mission, our government was put on notice that the situation in Iran had to be fixed. I know of my own knowledge in detail, from businessmen and others who lived with the problem, that it was a quite manageable one, infinitely simpler than Japan. The State Department made a few footling gestures and got nowhere. Why? Because it utterly lacked the will to perform.

In 57 countries of the non-Soviet world, there is a job for the American Ambassador to do. The job takes brains and guts and a 60 hour week. Of our 57 Ambassadors how many would get

passing marks on this standard? There are good people in the State Department at home and abroad. I have seen fine younger men, eager to serve, yet leading lives of quiet desperation. The leadership they get is bad. It is frustrating, incoherent leadership.

Here then are three primary things for the Government to do. First, get going on international law beginning with a worldwide revival of respect for law itself. Second, clear the way for the world wide activity of free men in the building of wealth and in whatever other lawful activities they may wish to pursue. Third, transform the State Department into a dynamic organization.

What would the American people do, as they effect these major changes in their Government's policy and action? My time is nearly up and even if I had all day in which to talk, I could not begin to list them all. For what the people are to do is nothing less that the whole catalogue of all the ways by which the American people enjoy life, realize liberty and pursue happiness. I mean, first of all, very simple things. Let the people travel. Let them travel not only to Europe but everywhere, for fun, for culture and for learning. Let them climb mountains, explore nature and make pilgrimages to holy shrines. There is no substitute for personal observation and experience. If Americans are going to operate in the world, to do business in the world, to understand the world, indeed if they are going to live in a livable world as well as in a home town, then they must get about in the world.

Travel is not trivial, but, of course, it is only a sort of prelude or background to all else. There is

everywhere poverty and ignorance. The, let those Americans whose hearts are touched by the needs of others go out as true Samaritans to the needy world. If poverty is mainly to be overcome by building wealth, let the Americans go forth as the greatest wealth builders of all time, and let every American profession and group and occupation get into the job of creating a world of tolerable justice and liberty – lawyers, doctors, scientists, ministers of the gospel, businessmen, engineers, oil men, cattlemen, farmers, labor leaders, educators, students and just plain people.

The energies of the American people are not effectively geared into this task today. We need all their energies and their skills and inventiveness and human enthusiasm and understanding. There is one supreme test of a President of the United States and of other top leaders in this epoch. That test is whether they can call forth the full energies of the American people and bring their great qualities to bear upon the world. That test has not yet been met. Pray God that we may have leaders who will meet that test before dire catastrophe forces us to heroic heights.

Freedom and Order, the whole of political science, the whole business of the organization of human societies, revolves around those two words. In the famous exordium of the philosopher “Give us that Freedom which without Order is a delusion and that Order which without Freedom is a snare”.

The American mission in the world is to be the effective leader in establishing Freedom and order, or, as our Founding Fathers put it, Freedom under Law. It is a huge undertaking and it may

well invoke in us a prayerful humility. But let us never forget that from its very beginnings, our country has had laid upon it a great burden of hope. America is uniquely the land of great expectations. Hopes not only for the El Dorado's of material success. Hopes equally and more for the good society, for freedom under law.

Back in 1868, after the bitter test of civil war, and in our first era of industrial expansion, Walt Whitman, the singer of America, wrote that we were only just beginning. Here is how he said it: "Our New World, I consider far less important for what it has done, or what it is, than for results to come. Sole among nationalities, these States have assumed the task to put in forms of lasting practicality and on areas of amplitude rivaling the physical cosmos, the moral political speculations of the ages, the democratic republican principle".

In the last few month there has once again walked among us a great American, general Douglas MacArthur. After noting with distress our faults and weaknesses which are indeed many and grave, nevertheless Douglas MacArthur tells us this about ourselves:

"This great nation of ours was never more powerful, never more prepared to extend a dynamic and courageous leadership to guide the world through the morass of timidity, complexity and indecision. Our country was never more able to meet the exacting tests of leadership in peace or in war. Its history still lies ahead. Our finest hours are yet to come"

My thesis today stands or falls on Whitman's prophetic hope in America and on MacArthur's

abiding faith in the same.

End of Remarks