FROM SOCIAL ENGINEERING TO DEMOCRACY PROMOTION: AN EXAMINATION OF 125 YEARS U.S. POLITICAL AND ECONOMIC POLICY

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ABSTRACT

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This essay examines the economic and political importance of democracy promotion in both United States foreign and domestic policy. The examination traces the origins of the theory of modernization to the Gilded Age in the United States, when the economy became the centripetal force through which all other interactions took place. This is evident through the political reforms, established research centers, and federal policy throughout the United States during the Progressive Era. After World War II, the theory of modernization advanced in United States foreign policy this social engineering to all parts of the world. After the Vietnam War, modernizers styled their rhetoric in more human friendly words (i.e. democracy and freedom) to continue the policy.

The essay is divided into five chapters. The first of which discusses some of the myths in historical narrative concerning the United States. The following four trace the advent of modernization from the late years of the nineteenth century to the present. It presents the importance of the market in United States policy decisions through the last one hundred years. The analysis demonstrates that democracy has been reinvented to pertain to what one consumes, instead of what one creates. Finally, it reveals that democracy promotion in United States foreign policy is not altruistic, but rather, an essential ingredient to maintaining a global, regulated market.

I dedicate this essay to my dad, who taught me everything I needed to know.

ACKNOWLEDGMENTS

I am heavily indebted to the kind and thoughtful tutelage of Professor Gary R. Hess, whose patience and wisdom guided me through many of my intellectual discoveries along the way. His exceptional knowledge of United States history was not only inspiring, but immensely supportive in crafting this narrative. Any mistakes in the text, however, are the fault of my own inadequacies.

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> The reasons which induce one to study a particular historical subject, immediately determine the general character of the procedure. – Leo Strauss[1]

Preface

The inspiration for this essay began on March 19, 2003, when the United States launched "Operation Iraqi Freedom," as if freedom and peace are always the by-products of wars. Being educated in the United States, I learned from a very early age that "all men are created equal" and "endowed by their Creator with certain unalienable rights," and that these consisted of "life, liberty, and the pursuit of happiness." This was the closest I could come to defining freedom, and yet it seemed that policy makers in the United States felt it their prerogative to force these ideas on a civilization that would eventually be acquitted of the charges leveled at them. Saddam Hussein did not possess weapons of mass destruction, nor has there been any established proof that he was connected with the events of September 11, 2001. In public addresses like the one given at Philadelphia on December 12, 2005, President Bush has consistently argued that the mission in Iraq has been to spread "freedom," and, in that speech, repeated the word approximately twenty-five times. Unquestionably, though, his most preferred word of choice has been 'democracy,' which, at that address, he reiterated at least forty-eight times![2] That same day he declared, "The terrorists know that democracy is their enemy. And they will continue fighting freedom's progress with all the hateful determination they can muster."[3] The antonym of freedom is slavery, and thus by deduction, it appears that Bush is arguing that "terrorists" want to be slaves. Even if one is to agree that the

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[1] Leo Strauss, *Persecution and the Art of Writing*, (Glencoe, Illinois: The Free Press, 1952), 142.
[2] Nedra Pickler, "Bush: 30,000 Dead Since Iraq Invaded," *Associated Press*, December 12, 2005. http://www.suntimes.com/output/news/bushiraq12.html

[3] Ibid.

President's speech writers and editors ought to be fired for his numerous gaffes, it does not address the crusade to spread freedom and democracy to that region, or any region, for that matter. What exactly does democracy mean? More importantly, why do some policy makers in United States of America believe it their duty to spread this governing system throughout the world? When did this policy begin and what are its historic origins?

This essay hopes to address these questions and offer insights into the ambiguities that have been created through essentializing United States foreign policy as spreading democracy. In my quest to understand the origins of democracy promotion, I have examined a multitude of primary source documents that cover the last one hundred and twenty five years, and secondary source literature that spans the last fifty years. The chapters are divided into historical time periods as follows: chapter 2, the Gilded Age (1880-1899); chapter 3, the Progressive Era (1900-1945), chapter 4, Development Theory (1945-1975); chapter 5, Democracy Promotion (1980-Present). I argue first that following Reconstruction (post 1876), the idea of democracy and freedom were heavily debated until the Progressive Era when the right to coexist equally was reinvented and engineered as the right to consume inexhaustibly. After World War II, this concept of manufacturing insatiable desires was established in foreign policy as development theory, and has become what is now known as democracy promotion.

As will become clear in the first chapter, most authors of United States history agree that United States policymakers rely on value laden arguments derived from our historical experience that are not particularly accurate but instead invoke popular myths to support their decisions and personal proclivities. There is only one unifying factor in

all U.S. historiographic interpretations and that is their recognition of the importance of the market in United States history. Eight books from prominent historians, political scientists, and journalists, published by some of the top universities in the United States and one from the Century Foundation all agree that democracy is inextricably tied to the idea of a regulated, global market. Most people are willing to accept the argument that during and especially after World War II, the United States became one of two global superpowers. The majority of historiographers agree that the United States was really the only beneficiary after the First World War. It might put the fame of the stock market crash of 1929 and the subsequent Great Depression into context when we understand that there were worse depressions in U.S. history (like the one from 1873 to 1879, and beginning again in 1893) but the one in 1929 was "Great" because it was global. U.S. lenders loaned money to most of the countries devastated by World War I, especially Germany, to reinvigorate their economies. When those countries began defaulting on their loans, this effected the lenders in the United States and really precipitated the crash of '29. To the historiographers who discuss this time in policy, all of them recognize that Franklin Roosevelt's New Deal saved the United States financial system. But when had this market become the center piece of United States policy?

The second chapter of this essay will examine the roots of United States financial power beginning after Reconstruction, when it was clear there was no turning back from the industrial revolution. Generally thought of as the Gilded Age, in this time period United States industrial power exploded onto the international scene and was rivaled only by Germany. Yet industrialization did not translate into egalitarianism. In this period, one witnesses the first national strike (1877) brought on by the unequal relations between

laborers and capitalists (as they were known then). Coming to terms with the problems brought on by industrialization, some individuals attempted to address these problems through a reliance on the free market system, while others argued it should be scrapped for a more human oriented approach. In chapter two, I will examine one individual who argued in favor of the market system, John Bates Clark, and another who argued against it, Henry Carter Adams. Their arguments present an overview of the tensions that existed during that time in the United States and Western Europe. Both men's ideas were invoked during the reforms of the Progressive Era.

Beginning roughly in 1900, chapter three demonstrates how men and women known as the Progressives attempted reforms to heal the wounds of industrialization. Most of these reformers came to believe in Calvin Coolidge's assertion that 'the business of America is business,' and so used the business world as a model to enact social reform. Research on social trends in hot topics like labor reform, health insurance, education and crime were institutionalized in such a way as to engineer what most believed would usher in human progress. Professional associations, philanthropists, and politicians examined ways of molding society to fit what they saw as the most efficient system: the corporation. Beardsley Ruml utilized his academic training in psychology and experience in business management to fashion profitable research and lucrative budgeting systems for many of Rockefeller's foundations. Ruml's expertise ultimately earned him several positions on federal policy committees during the 1920s and he served as one of five of FDR's New Deal planners who worked to strengthen the federal financial situation. Ruml even assisted in the establishment of the first international monetary system, Bretton Woods.

An international financing system is paramount when considering the spread of global, regulated market, as will become clear in chapter four. In this chapter, I examine development theory (a.k.a. the theory of modernization), which briefly summarized, is the belief that injecting large amounts of capital coupled with institutional modeling and oversight stimulate a target economy to grow in such a way as to eventually produce a democratic society. Throughout my initial investigation, two names appeared repeatedly as the inventors of modernization theory. Leo Strauss, often referred to as the "father" of modernization theory, and Walt Rostow, the man who advanced these ideas as an advisor to Eisenhower, Kennedy, and Johnson. As will be seen, individuals who adhere to the theory accept as true United States democracy is the most advanced system the world shall ever see. They possess an unmitigated faith that the world will benefit from technology, capitalism, and Americanization. Indeed, referring to countries as "developed" or "developing" has its roots with this theory. These arguments have been adhered to by policymakers during the Cold War as tools to spread what is often referred to as democracy, but what is meant by this is really a global, regulated market.

Belief in democracy promotion has become a principle evident in the rhetoric of many United States' policymakers and institutions in the past two decades. In chapter five, I will examine the work of Paul Wolfowitz as an active policy maker in the last thirty years and his zealous championing of development theory. Not only will this show that he was trained in the development school of thought, but also that he has implemented these ideas through his government influence, which spans at least three decades. Then I will evaluate the National Endowment for Democracy, created in 1983, as an institution established for the very purpose of spreading democracy internationally.

Its budget, board members, and subsidiary agents are representative of what is meant by this type of democracy. It will be seen that through this organization, democracy is inextricably tied governing system that is comparable to that of the United States.

A final chapter will be included to assess the overall argument, observations, and suggestions for future study. What I hope to demonstrate in the following pages is that shortly after the policy known as Reconstruction (!) ended, policymakers in the United States began working closely with business leaders in such a way that the two became inevitably tied to the other's existence. To my knowledge, the majority of Americans, the voting populace, were never consulted or asked to accept this merger of interests. The acceptance of this systematic transformation was manufactured during the Progressive Era, when it became established in theory that rights no longer pertained to what one produced, but instead with what one consumed. This consumer oriented system cannot function without new capital and new markets. The section on development theory will show that this was not openly admitted, but nonetheless recognized, and so policy makers and businesses had to establish new markets in order to fight a Cold War (an ideology that threatened this market system) for their survival. The section on democracy promotion will show that this struggle to democratize the globe must continue if business leaders, policy makers, and now Americans are to remain beholden to this way of life.

Before moving forward, it is necessary to establish definitively what is meant by some of these key concepts. According to the mission statement of the National Endowment for Democracy, "Democracy involves the right of the people freely to determine their own destiny."[4] I take this to be, broadly understood, a concise definition of democracy. Second, is social engineering. By this I mean establishing through

[4] National Endowment for Democracy, www.ned.org (accessed April 30, 2007).

coercion (from the top) the implementation of societal structures, beliefs, and institutions (at the bottom). For this reason I agree with Benedict Anderson's argument that nations are "imagined political communities" that are reinforced through "the style in which they are imagined."[5] Finally, I consider democracy promotion in foreign policy a weapon contrived during the Cold War. The purpose of democracy promotion, according to the inventor of the theory of modernization, Walt Rostow (1955), is "to maintain a world environment for the United States within which our form of society can develop in conformity with the humanistic principles which are its foundation….the protection of American territory is essentially a means to protect our still-developing way of life."[6] This purpose, he elaborated, could only be accomplished through

> Employ[ing] every American military, political, and economic capability to achieve effective international control of armaments; and to maintain indefinitely thereafter that system of control by assuming the responsibility of leadership in an effective coalition of all those states likely to share the United States interest that international control be maintained.[7]

[5] Benedict Anderson, *Imagined Communities, Reflections on the Origin and Spread of Nationalism,* (New York: Verso, 1983), 6.
[6] Walt Rostow, *An American Policy in Asia,* (Cambridge: Technology Press of Massachusetts Institute of Technology, 1955), 4.
[7] Rostow, *American Policy in Asia,* 6.

Chapter I: Interpretations of U.S. Historical Ideology

Till their own dreams at length deceive 'em, And oft repeating, they believe 'em. – Matthew Prior, *Alma*, Canto III[8]

Belief systems impact the way people make decisions and the justifications used in concluding certain actions. In policy decision making, ideology can be readily identified through rhetoric, or obscured through generalizations. I agree with Michael Hunt's definition of ideology as "an interrelated set of convictions or assumptions that reduces the complexities of a particular slice of reality to easily comprehensible terms and suggests appropriate ways of dealing with that reality."[9] In coming to terms with what makes the United States the 'land of the free,' it is necessary to evaluate the ideologies that have led to these conclusions.

According to Walter Russell Mead (2001), the United States expanded throughout the nineteenth century due to its belief in its "moral mission."[10] Mead's account of United States missionary zeal openly admits that foreign policymakers engaged in "shrewd exploitations" of European tensions that enabled the United States to "crush its greatest rival," Germany, after World War I to become the "greatest financial power."[11] At one point, he wondered why "distinguished observers" have not come to recognize the historic importance of United States foreign policy.[12]

Some contemporary writers argue veneration for past presidents and the ideological views they possessed have shaped American belief systems. Mead, Anatol

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[8] Quoted in William A. Williams, *The Great Evasion, An Essay on the Contemporary Relevance of Karl Marx and on the Wisdom of Admitting the Heretic into the Dialogue about America's Future*, (Chicago: Quadrangle Books, 1964), 11.
[9] Michael Hunt, *Ideology and U.S. Foreign Policy*, (New Haven: Yale University Press, 1987), xi.
[10] Walter Russell Mead, *Special Providence: American Foreign Policy and How it Changed the World*, (New York: The Century Foundation, 2001), 7.
[11] Mead, *Special Providence*, 8-9.
[12] Ibid, 30.

Lieven, and Francis Fukuyama insist that ideology as representative of the United States can be seen to mimic the beliefs of past presidents, namely, Woodrow Wilson, and Andrew Jackson. Mead argued the majority of Americans resemble their former president Andrew Jackson's belief that individual liberties should be safeguarded through reliance on large militaries.[13] British Political Scientist Anatol Lieven agreed that 'Jacksonianism' has played an important role in shaping United States' ideology not as a purveyor of individual rights and liberties, but instead as a racist and chauvinistic nationalism that has enforced ignorance and even hostility toward non-Euro-Americans (reminding one of Jackson's order to remove the assimilated Cherokees from Georgia in 1838).[14] Francis Fukuyama described the current Bush administration as neoconservatives plus 'Jacksonians,'[15] who have "discredited the perfectly fine agenda of democracy promotion,"[16] and advised a return to "realistic Wilsonianism."[17] Yet none of the historiographers described how Americans have come to associate themselves with these presidents and their values.

This simplification of ideological belief systems is highly problematic. For example, most of the ideology analysts observe that Americans are ignorant when it comes to their own (and even worse when it comes to the rest of the world's) history. Mead acknowledged that Americans were known as some of the "least historically minded" people who at the same time are "fanatically tradition-minded" (he elaborated this assertion to mean they hold the Declaration of Independence and the U.S.

[13] Mead, 20. He observed, "currently the American people support without complaint the highest military budget in the world and the largest peacetime military budgets in world history."
[14] Anatol Lieven, *America Right or Wrong: An Anatomy of American Nationalism*, (Oxford: Oxford University Press, 2004), 100-118.
[15] Francis Fukuyama, *America at the Crossroads, Democracy, Power, and the Neoconservative Legacy*, (New Haven: Yale University Press, 2006), 7-8.
[16] Fukuyama, 47.
[17] Ibid, 9.

Constitution as sacrosanct documents).[18] Robert Packenham stated that Americans suffer from "historical amnesia," but did not explain what caused it.[19] Niall Ferguson said Americans were suffering from a Freudian 'denial' of the past, but did not elaborate on whether it was derived from an Oedipus Complex, penis envy theory, or some other psychoanalytic concoction.[20]

The American Council of Trustees and Alumni, in collaboration with Senator Robert Byrd of West Virginia, recently conducted an examination of college seniors at 55 of the "top colleges and universities" in the country on United States history. Only 20 percent scored higher than a C.[21] If this is the state of historical knowledge in the United States, then how can Americans or policymakers acknowledge their reverence to past 'heroes' of history when they are unaware of who they were, when they lived, or what they did? That Americans do not understand the complexities of their own historical experience suggests that they lack awareness for why policy decisions are made.

If the majority of Americans are ignorant of their own historical experience, but have been reinforced to believe that their founders were heroes, then equating the founders actions with policy decisions is likely to appease without addressing the

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[18] Mead, 56. He goes on to describe "The Constitution is widely and justly accepted as a distillation of political wisdom and a still-living guide for contemporary conduct. The Bill of Rights and the Declaration of Independence are venerated as timeless expressions of principles summoning us to realize their noble ideals. We do not generally ask whether these documents are adequate for our purposes: the Bill of Rights and the Declaration judge us, we do not judge them."

[19] Robert A. Packenham, *Liberal America and the Third World: Political Development Ideas in Foreign Aid and Social Science*, (Princeton: Princeton University Press, 1973), 132.

[20] Niall Ferguson, *Colossus: The Rise and Fall of the American Empire*, (New York: Penguin Books, 2004), 7.

[21] "Teaching American History," http://byrd.senate.gov/hist_index.html (accessed, April 27, 2007). It describes, "A mere 23 percent could identify James Madison as the principal Framer of the Constitution. More than a third of those asked did not know that the Constitution established the division of powers in American government. Just 60 percent could correctly select the 50-year period in which the Civil War occurred -- not the correct years, or even the correct decade, but the correct half-century! A scant 35 percent could correctly identify Harry S. Truman as the President in office at the start of the Korean War."

intricacies of proposed resolutions. The rhetoric serves as a reinforcement of national pride, without conveying any substantive knowledge or rationale. This then leads to policy decisions made but not understood or consented to by the majority of Americans. In 1898, most Americans were unaware that the Filipinos had been pleading with United States' policymakers to assist their aspirations for independence from Spain. Instead, the watered-down ideology argument adhered to by some historiographers is "Americans refused to recognize that the Filipinos who had sided with them against Spain had been fighting for their independence, not for a change of colonial master." [22] It is not that Americans *refused* awareness, but that they were not *given* the information to make that decision.

Some ideology analysts have argued that racism played an important role in early United States experiments in colonialism. Moreover, they assert that constructed racial hierarchy and stereotyping have led to ignorance and hostility toward other cultures. Hunt demonstrated the unconcealed racism of policymakers and journalists throughout the 19th and 20th centuries and affirmed that policymakers created an environment where information is hidden rather than distributed.[23] Thus he concluded that by the twentieth century, most Americans had been indoctrinated with ideas of liberty and racial hierarchy as natural but not in contradiction to one another.[24] This is yet another historiographic

[22] Ferguson, *Colossus,* 48. For a thorough refutation of this 'opinion', see the well documented essay by Teodoro A. Agoncillo, "The Filipino Plea for Independence' in *Imperial Surge: The United States Abroad, The 1890s-Early 1900s.*

[23] Hunt, *Ideology and U.S. Foreign Policy,* 176-182. Hunt often included damning testimonials from U.S. Presidents, such as James Polk during the Mexican War: "The Mexicans are aboriginal Indians and must share the destruction of their race."(page 60) Similar tactics were employed against East Asians. When such individuals were encouraged to immigrate, the hardworking Asian was depicted throwing off the shackles of tradition. When he was hated, he was pictured as cruel and cunning (page 69). These negative images were invoked to inform Americans how to conceptualize minorities within and beyond the United States.

[24] Ibid, 17-18.

oversight that is not easily explained away. How can Americans come to believe that liberty is a universal aspiration for all people, while simultaneously denying it to anyone not of the status quo?

According to some analysts of United States' ideology and policy, the American dislike or fear of the 'other' is a result of two centuries worth of idealizing the United States as the Promised Land. This has been a by-product of the 'Wilsonian' trait of Americans, according to Mead, which he characterized as the evangelical belief in the missionary obligations of the United States.[25] Mead failed to elaborate on whether one could be a 'Wilsonian' prior to Wilson (President from 1912-20), and if so, what they might be called then.[26] The 'promised land' theme was actually borrowed from Britain in the 1750s, in their attempt to put down a Tudor invasion. Moreover, Packenham noted that India and France express similar beliefs in their own systems and heritage.[27] Tony Smith suggested that Americans have come to believe it their "mission" to foster global "moral interdependence."[28] This argument may be accurate historically in that United States ideological rhetoric has often flatteringly concluded its own moral superiority, but it does not justify the intrusion on others. It is one thing to say my religion, political, and economic systems are better than yours, but it is quite another to demand that you adopt mine. Smith called this "imperialistic anti-imperialism." A similar argument has been

[25] Mead, 178.
[26] Can one be a 'Wilsonian' before he existed? I suspect he meant only to argue that a certain puritanical faith has been rooted in American society, and while this may be true, it is not enough to suggest that if one is religious, they must also be 'afraid' of other cultures, unless those other cultures are imposing their own form of religion. Mead's argument that religious doctrine and fear of the 'other' forced Christian Americans to spread their beliefs forcefully does not suggest cause, but effect.
[27] Lieven, *America, Right or Wrong,* 32.
[28] Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century,* (Princeton: Princeton University Press, 1994),55, 87. On 143, he assumed the consequences of such meddling on "non-believers" fostered the children of democracy and characterized it the "anti-imperialist imperialism."

made by Lieven, who agreed with the "imperialism of anti-imperialism" argument but suggested instead that Americans' conception of humanity was rooted in the belief that all people are "at exactly the same point at exactly the same time; just as in the missionary view, all peoples are naturally capable of hearing and apprehending the Gospel."[29] This double-speak is worn out. Demanding everyone else play by your rules through sticks or carrots is still dictating (and imperialistic). Moreover, if Americans believed that others should or would replicate their own experience, then there is no need for intervention, because reason would declare that this imitation would occur of its own volition. So why has Christian America been invoked to justify expansionism (which contradicts Matthew 26:52 "Put away your sword,' Jesus told him, 'Those who use the sword will be killed by the sword.")?[30]

Judith Sealander examined twentieth century policy development on juvenile crime, child abuse, welfare, child labor, education, (further subdivided into regulating disabled children's education and physical fitness) and vaccination. Her research focused on how one hundred years of social science research in collaboration with federal policy to create a century of children's welfare ultimately failed. Beginning in the early twentieth century, schools taught "social values" and democracy, but by 1989, it was obvious that most children walked away from twelve years of education knowing "appalling little."[31] The results of her study are unsettling and instructive when considering the construction of ideology. People have become statistics, grouped and

[29] Lieven, 69.
[30] *The Life Application Study Bible: The New Living Translation,* (Wheaton, Illinois: Tyndale House Publishers, 1996), 1466.
[31] Judith Sealander, *The Failed Century of the Child: Governing America's Youth in the Twentieth Century,* (Cambridge: Cambridge University Press, 2003). For information on democracy training in schools, see pages 193-200. For more on the 1989 "Nation at Risk" study, see pages 210-12.

measured according to (usually biological or cultural) data;[32]Americans are killing each other at greater levels than any other developed country;[33] there occurred between 1970 and 2000, a 666 percent increase in lawyers;[34] cases of child abuse between 1963 and 2000 rose 2000 percent; 60 percent of the child abuse cases are a product of false accusations;[35] Americans consume (as 5 percent of the world's population) fifty percent of the world's advertising;[36] diagnosis of attention deficit disorder in children under the age of six in the 1990s doubled;[37] federal educational funding has declined;[38] and vaccine supplies, in the 1980s alone, increased 1000 percent.[39] One feature common to all policy proposals in the early part of the century, she said, was an "apocalyptic" fear of an impending crisis.[40] In all the hoopla about saving the child, the end result of 100 years of strengthening the American citizen was the observation that attempts at "universality, objectivity and democracy deepened racial and class separations."[41]

That the historiography of United States ideology does not address these inconsistencies is reason to suggest their arguments must be revised and reconsidered in the way it has been done here. We must not accept Mead's defeatist argument that "democratic society depends on myth, without it, non-specialist debate would disappear."[42] Myths have been invoked as justifications, but why were they summoned? What decisions required appeal to religious faith, national pride, and fear and hatred

[32] Sealander, *Failed Century*, 2.
[33] Sealander, 51.
[34] Ibid, 36.
[35] Ibid, 70. (see pages 80-83 on VOCAL)
[36] Ibid, 221.
[37] Ibid, 257. It should be noted that she (and I) question whether the children actually had this disorder, and if it wasn't instead brought on through over-stimulation and lack of parental stability (most parents by this time had to work).
[38] Ibid, 287.
[39] Ibid, 343.
[40] Ibid, 137.
[41] Ibid, 2.
[42] Mead, 58.

toward the 'other' (be they minorities or countries)? What provokes policymakers to appeal to these ideologies and argue the existence of the American way of life is dependent on support of the decision making process; a process that is increasingly out of reach to the majority of Americans (as policymakers), who have become indifferent in exercising their right of involvement (voting)?

One of the arguments made later in this essay (chapters four and five) concerns one of the most powerful weapons used to fight the Cold War: development theory and democracy promotion. How historiographers record the impetus for fighting this war is key to understanding how policymakers have defined democracy. Mead argued the "myth" of the global spread of communism "mobilized American public opinion to support the struggle," but does not say who created the "myth" and how they enforced it.[43] He also noted that economic issues took precedence at the beginning and end of the Cold War.[44] Hunt argued a paternalistic racism pervaded the doctrine of containing communism in order to protect the "survival of freedom around the world."[45] This entailed, Hunt said, "stabilizing and reforming the postwar political and economic order."[46] Elaborating on the necessity of American leadership, Hunt described how leading academics, philanthropists (notably Rockefeller), business leaders, and some politicians pressured the public into believing that a "retreat to isolationism" would be detrimental to the United States and the world.[47] Yet it was not enough to believe that the system could prevail on its own. The National Security Council demanded a tripling of

[43] Mead, 61-2. Mead is always tripping over the inconsistencies in his arguments. Here he argues that public opinion had been coerced, but does not say by whom. Later, (page 79) he claims "public opinion ultimately controls American foreign policy and sets its limits."
[44] Ibid, 66-7.
[45] Hunt, *Ideology*, 153.
[46] Ibid, 150.
[47] Ibid, 151. He referred to this as the "great cycle theory" that argued the lessons of World War I taught "concessions to the ambitions of such aggressors would only inflame them to commit greater outrages."

defense budgets to ensure "the decay of the Soviet system."[48] Lieven agreed, saying the Cold War created "a massive military-industrial and security complex with great influence and a stake in promoting armed rivalry with other states."[49] He accepted the argument that this aggressive policy was enforced through reliance on the messianic (and mythical) version of the United States as the Promised Land (he referred to this as the "American Creed").[50] More somber was his observation that this hyper-nationalism was paired with hyper-paranoia about the possibility of communist infiltrations – leading to what has now become known as the McCarthy Era.[51] Ferguson referred to the advent of the Cold War as an "imperial undertaking" bent on achieving "global power" that marked a time when the "American empire began to pay for itself."[52] Packenham called development aid during the Cold War a "tool that could be used to promote political stability, win alliances for the United States, and impede the emergence of radical or Communist regimes."[53] This, he said, was usually paired with some type of democracy program and economic development (discussed in detail later).[54] Sealander mentioned the Cold War in passing terms only once, but enough to note that "Cold War America focused on Soviet aggression," not on efforts to promote healthful environments for America's youth.[55] Tony Smith summarized engagement in the Cold War as a "Wilsonian design for world order" that would establish "international economic and

[48] NSC 20/4 of 23, Nov., 1948. Quoted in Hunt, *Ideology*, 159.
[49] Lieven, 150.
[50] Ibid, 152.
[51] Ibid, 153. It produced "an obsession with domestic subversion, belief in an outside world dominated by enemies and potential traitors, reliance on military force and contempt for many of America's leading allies."
[52] Ferguson, 80.
[53] Packenham, 5.
[54] Ibid, 109.
[55] Sealander, *Failed Century*, 166. To my knowledge, this is her only reference to the Cold War. She is discussing at length the attempt to create a permanent Civilian Conservation Corps, which ultimately gave way to its "unworthy successor", Job Corps.

security agreements" between "a community of states" who adhered to a "nationalist, democratic self-determination."[56] Smith admitted that the "rhetoric of liberal democratic internationalism" was "manipulative," but was "crafted" to persuade the "inexperienced American public" to support the "prolonged involvement in world affairs."[57] He pointed out that "American leaders understood as they never had before the priority of an international economic order constructed under their auspices."[58] He made it clear that these economic considerations were heavily engaged with "national security," and these interests enforced the "determination to set up a framework of international institutions to regulate a nondiscriminatory world economic order."[59] William A. Williams, writing in the midst of the Cold War (1959), was probably the first American academic to assert the Cold War was "only the most recent phase of a more general conflict between the established system of western capitalism and its internal and external opponents."[60] Furthermore, Williams described how prominent business leaders "Dean Acheson, Averell Hrriman, Donald M. Nelson, Edward Stettinius, Adolf A. Berle, Jr., John Foster Dulles, Eric Johnson, Paul Hoffman, William C. Foster, and James Forrestal," many of whom were later appointed to prominent administrative positions by Eisenhower and Johnson, had decided by 1940 that if a major war broke out, the United States would need to establish and control the global market for business to continue as usual.[61] In 1939, *Fortune* magazine (under no apparent author) claimed the new "U.S. Frontier" would be "technological in character, complex, difficult for the layman or even the businessman to

[56] Smith, 139-40.
[57] Ibid, 140.
[58] Ibid.
[59] Ibid, 141.
[60] William Appleman Williams, *The Tragedy of American Diplomacy*, (New York: Dell Publishing Co., 1959) 10.
[61] Williams, *The Tragedy of American Diplomacy*, 200.

comprehend."[62] The idea was to expand United States' business enterprises throughout the globe. This, they argued, would create "the greatest frontier ever known to man."[63] Yet it was not "every man's" interest they had in mind. A few months later *Fortune* published another article on the "dispossessed." Referring to the unemployed as "idle hordes," the author believed they "would probably not revolt" if government aid was eliminated. It further asserted that "business has demonstrated that it can make excellent profits without employing them," but something ought to be done if the system were to maintain its "self-respect."[64] That same issue ran another segment of "The U.S. Frontier" series, asserting that "in the consumer lies the frontier."[65] The "frontier," the writer argued, lay in "foreign trade and foreign investment," which the writer believed, would "require a more enlightened foreign policy than anything that the U.S. has so far had to offer."[66]

The one element of consistency derived from all the commentaries on ideology is the importance economics and market capitalism have played in United States policy from its inception. Mead agreed with Charles Beard that the Constitution was adopted to centralize foreign policy control within the Federal government and that foreign policy was the real exemplar of state power.[67] Hunt suggested, similarly, from 'Common Sense' through 'Manifest Destiny,' the mission of the United States has been to expand its national greatness, and it invoked the spread of liberty (the Gospel) to justify the

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[62] "The U.S. Frontier," *Fortune Magazine,* Vol. XX, No. 4, 1939, 84.
[63] Ibid, 85.
[64] "The Dispossessed," *Fortune Magazine,* Vol. XXI No. 2, February, 1940, 94.
[65] "The U.S. Frontier," *Fortune Magazine,* Vol. XXI, No. 2, February, 1940, (no page number)
[66] Ibid.
[67] Mead, 27. He wrote, "The inability of the Continental Congress to manage foreign relations under the Articles of Confederation was the first and foremost reason put forward by the supporters of the new Constitution." His argument tends to weave in and out, almost as if he does not want to say that it is the real power, as he reminds his readers of the 'division of powers' as 'checks' on authority, but the latter seems more in keeping with his 'benevolent' idea of 'providence' rather than Federal policy.

expansion.[68] The impetus for such an aggressive foreign policy, Hunt added, is usually economic development.[69] Smith insisted that foreign policy was initially shaped by business interests, strategic placement, and reducing domestic tensions, which only later became a "moral purpose."[70] Packenham argued United States intervention in the twentieth century was a product of the "behavioral revolution" that occurred in "the study of American politics"[71] and the social sciences "rational approach" to "social engineering."[72] He observed how rational choice models have been used and manipulated to examine social patterns borrowed from the economic model.[73] Ferguson suggested the key to United States hegemony (in which he flip-flops on whether it is or is not) is in its use of soft power (defined as non-military intervention, relying on cultural and material goods).[74] For Sealander, it was "the market, not state regulation, [which] shaped twentieth century child labor."[75] Williams accounted for this *Tragedy of American Diplomacy,* and this can be seen through all the works here evaluated, "is that it subverts American ideas and ideals" for economic motivations.[76] That all of these writers conclude similarly is not a product of only theoretical borrowing. Mead did not cite Beard; Ferguson cited Levin only to refute him; Hunt and Sealander agreed with Williams; Smith followed Mead's model but opposed his conclusions; Packenham relied on economic theory and post-modernism. Thus the question then becomes, how did

[68] Hunt, *Ideology,* 31.
[69] Ibid, 43.
[70] Smith, 55.
[71] Packenham, 224.
[72] Ibid, 226.
[73] Ibid, 232.
[74] Ferguson, 10-11.
[75] Sealander, *Failed Century,* 180.
[76] Williams, *Tragedy of American Diplomacy,* 291.

market capitalism become the ideological system of United States policymakers and why is it referred to as democracy?

Chapter II: Henry Carter Adams and John Bates Clark Critique the Problems of Industrialization in the Gilded Age

The surface of American society is covered with a layer of democratic paint, but from time to time one can see the old aristocratic colors breaking through. – Alexis DeTocqueville, 1848[77]

Trade has become openly predatory, and the weak have been the victims. – John Bates Clark, 1886[78]

The policy of restricting public powers within the narrowest possible limits tends to render government weak and inefficient, and a weak government placed in the midst of a society controlled by the commercial spirit will quickly become corrupt government; this in its turn reacts upon commercial society by encouraging private corporations to adopt bold measures for gaining control of government machinery. – Henry Carter Adams, 1886[79]

In 1860, approximately one half of the people within the United States worked under the heading of "self-employed." By 1900, at least two-thirds of the population labored as "wage earners" for employers.[80] One of the least remembered times in United States history, the years between 1876 and 1900 witnessed drastic changes within American society. This was the time of the 'Robber Barons,' in which a few men with large amounts of capital consolidated their businesses in resources necessary for industrialization. Much of this was done at the behest of the federal government. Nancy Cohen found, "from 1863 to 1865 the U.S. Government gave 75 million acres of the public domain to railroads."[81] Since railroads were considered private property, the average citizen did not benefit. Men like John Rockefeller benefited. In 1870, he controlled approximately ten percent of petroleum refineries; by 1900, he owned ninety

[77] Alexis DeTocqueville, *Democracy in America*, Trans. By George Lawrence, Ed. By J.P. Mayer (New York: HarperCollins Publishers, 1966), 49.
[78] John B. Clark, *The Philosophy of Wealth. Economic Principles Newly Formulated*, (Boston: Ginn & Company, 1886), 172
[79] Henry C. Adams, "The Relation of the State to Industrial Action" in *Publications of the American Economic Association*, vol. I (Baltimore: John Murphy & Co., 1886), 502.
[80] Steven M. Gillon & Cathy D. Matson, *The American Experiment: A History of the United States*, vol. II (Boston: Houghton Mifflin Company, 2002), 710.
[81] Nancy Cohen, *The Reconstruction of American Liberalism, 1865-1914*, (Chapel Hill: University of North Carolina Press, 2002), 27.

percent of them.[82] The Supreme Court declared these practices legal by interpreting the Fourteenth Amendment of the Constitution (passed in 1868) applicable to corporations.[83] The first of such decisions involved the *Slaughterhouse Cases* (1873) in Louisiana in which the Supreme Court declared a state could not regulate the number of slaughterhouses in the city (of New Orleans).[84] A similar case found its way to the Supreme Court in 1877, *Munn v. Illinois,* in which it was decided a state could only regulate a business if it was for "public use."[85] This interpretation allowed railroads to operate within several states without being subject to regulation. Two historians referred to this time as *The Age of Enterprise,* when "corporations were recognized as 'persons' to be protected by the federal government under the Fourteenth Amendment" while "the states were prevented from restricting hours of labor except in the direct interest of public health."[86]

It is of little surprise that most observers of the time recognized a great deal of corruption had befallen local and national politics. Mary Furner detected as much in the federal government and lamented, "Before the full corruption of Grantism and its state and city imitators was revealed, it was still possible to believe that a paucity of reliable

[82] Gillon & Matson, *The American Experiment,* 706.
[83] George C. Edwards III, Martin P. Wattenberg, & Robert L. Lineberry, *Government in America*, 6th ed. (New York: Addison-Wesley Educational Publishers., 2002), 585. The 14th Amendment reads: "All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the law."
[84] Judith Freeman Clark, *The Gilded Age,* rev. ed. (New York: Facts on File, 2006), 43.
[85] Gillon & Matson, 783.
[86] Thomas Cochran & William Miller, *The Age of Enterprise: A Social History of Industrial America*, (New York: The Macmillan Company, 1942), 180.

data, not the lack of decent intent, prompted legislators to act like criminals."[87] Even textbooks admitted the Grant Administration was deplorable:

> The growth in federal power, and the close relationship between government and business, provided elected officials with ample opportunity for personal gain. With a few exceptions, Grant appointed greedy men who could not resist the temptation for personal gain. These 'spoilsmen'[sic] tainted the Grant Administration with scandal. In 1869 the president's brother-in-law gave into the temptation by joining the crafty financier Jay Gould in an effort to corner the gold market. In 1872 a congressional committee confirmed newspaper reports of widespread bribery of high government officials by the Union Pacific Railroad.[88]

This last incident has been called the Credit Mobilier Scandal of 1872, in which the Union Pacific Railroad (then owned by Thomas Durant), in the process of building a transcontinental line, received loans from the federal government to build the railroad. Much of the money was pocketed by investors and stock holders, and managers of Credit Mobilier "gave leading Republicans in Congress a chance to buy shares in the company at prices well below their actual market value."[89] Several prominent politicians were implicated in the bribe, including then Vice-President Schuyler Colfax and future President James Garfield. The episode "caused many Americans to grow wary of the federal government's honesty," said one commentator.[90] Robert Wiebe, exploring the *Search for Order* that took place in the United States between 1877 and 1920, confirmed cooperation between business and government in the 1880s led to corruption and labor exploitation.[91] In 1873, an economist, D.C. Cloud, complained:

> A measure without any merit save to advance the interest of a patentee, or contractor, or railroad company, will become a law, while measures of

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[87] Mary O. Furner, *Advocacy and Objectivity: A Crisis in the Professionalization of American Social Science, 1865-1905,* (Lexington, KY: The University Press of Kentucky, 1975), 25-6.
[88] Gillon & Matson, 630.
[89] Edward L. Ayers, Lewis L. Gould, David M. Oshinsky & Jean R. Soderlund, *American Passages: A History of the United States,* (Philadelphia: Harcourt College Publishers, 2000), 549.
[90] Clark, *The Gilded Age,* 36.
[91] Robert H. Wiebe, *The Search for Order, 1877-1920,* (New York: Hill and Wang, 1967), 33.

> interest to the whole people are suffered to slumber, and die at the close of the session from sheer neglect. It is known to Congressmen that these lobbyists are paid to influence legislation by the parties interested, and dishonest and corrupt means are resorted to for the accomplishment of the object they have undertaken…Not one interest in the country nor all other interests combined are as powerful as the railroad interest…With a network of roads throughout the country; with a large capital at command; with an organization perfect in all its parts, controlled by a few leading spirits like Scott, Vanderbilt, Jay Gould, Tracy and a dozen others, the whole strength and wealth of this corporate power can be put into operation at any moment, and Congressmen are bought and sold by it like any article of merchandise.[92]

Writing in 1886, John Clark worried,

> Do the men who have gained something by this questionable mean don the garments of humiliation? Do they feel shame, or complacency? Are they disposed to conceal their action, or to boast of it? Are they, in fact, treated with less honor by other men, or with more? The whole process is bad; it is odious, and the worst feature of it is that it is characteristically American.[93]

By 1893, Henry Adams lamented that the rights of average citizens had been violated for over forty years,

> The material advancement of the United States since 1850 no one can nor does one care to deny; yet the industrial, the political, and the social influences that have been introduced into national life by the unprecedented growth of corporate power, are the occasion of grave apprehension. Cities have been unnecessarily crowded; real estate values have been arbitrarily distributed; a social dependence is being introduced not surpassed in its evil tendencies by any previous form of servitude; politics are being run in the interests of profit to those already gorged with profit; while, from the political point of view, it is the encroachment of private corporations, as much as to the centralizing tendencies of the Federal government, that the present impotency of the State governments is due.[94]

Laborers responded to the lack of governmental regulation, corporate consolidation, and corruption by unionizing and striking. One of the earliest and most

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[92] D.C. Cloud, 1873, Quoted in Clark, *Gilded Age* 54.
[93] Clark, *The Philosophy of Wealth*, 162.
[94] Henry C. Adams, *Public Debts, An Essay in the Science of Finance*, (New York: D. Appleton and Company, 1893), 340.

radical unions that ever existed in the United States was the Knights of Labor. Organized in 1869, the Knights of Labor could be described as Christian Socialists; they embraced all laborers and wanted the government to regulate business. There membership grew as strikes broke out. The first national strike within the United States occurred in 1877, involving Rockefeller's railroad workers, in which over 100 were killed by the time President Hayes ordered federal troops to put down what was labeled an 'insurrection.'[95] It is of little surprise that during this chaos, the first "Labor Day" was celebrated (1882). In 1885, the Knights, boasting a membership of about 100,000, organized a railroad workers strike against Jay Gould.[96] Gould recognized the Knights as the workers' representatives and their popularity soared so much that by the following year, their membership included nearly one million! With some 840,000 Knights members, American laborers struck in more than 1,400 locations in 1886 alone![97]

Just when American laborers were uniting and defending their rights on the same level with corporations, something happened in Chicago that changed everything. What became known as the Haymarket Affair (May, 1886), started out as a protest against policing a strike (for 8 hour workdays) at the McCormick Company in Chicago, Illinois. The walk out began on May 1. On the evening of May 4, the protesters sat listening to speeches given by supporters of labor rights. Police moved in for no apparent reason to disperse the crowd. A bomb was thrown, killing one of the police officers, the rest of who began firing in all directions (wounding some of their fellow officers). Hundreds of people were killed and injured by police bullets, but no count was ever conducted nor charges brought. Instead eight "anarchists" were arrested and charged with the murder of

[95] Gillon and Matson, 716.
[96] Ayers, et.al., *American Passages*, 587.
[97] Cohen, *Reconstruction of American Liberalism*, 167.

one police officer. Four were convicted and executed (by hanging), one killed himself, and two were sentenced to harsh time (though eventually acquitted by the Governor of Illinois).[98] Most observations of the incident agree on two points: the anarchists who were convicted were probably not the culprits of the mysterious bomb and this incident dramatically reduced the power of organized labor within the United States. Cohen referred to Haymarket as a "watershed" in American history, not only "profoundly weakening" the labor movement, but one that "crystallized opinion in the middle classes in a distinctly antilabor [sic] direction, and helped to briefly shift the balance of power-economically, ideologically, and politically – in capital's favor."[99] Even Walt Rostow recalled how the Knights declined after "the revulsion" of Haymarket.[100] It was another eight years before the Pullman strike (1894) brought federal troops to put down a violent altercation between strikers and those associated with George Mortimer Pullman's railcar industry.[101] In the aftermath of Haymarket, Wiebe described how local officials built up their militias and police forces to counter any kind of protest, evidence that "the masses could understand only the bared fist, that without the authority of an indisputable force - always visible, always ready - chaos would reign."[102] Furner described how

> Conservative businessmen, industrialists, and civic leaders banded together to save Chicago from the carnage they fancied the anarchists plotted. Sympathizers with the labor movement renounced their liberalism and demanded swift retribution for trouble-makers. The trial of the Chicago anarchists was a travesty, but at the time it added currency to wild rumors of the awful plans being laid by men who believed in dynamite as the instrument of social change.[103]

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[98] Chicago Historical Society, "The Haymarket Affair," http://www.chicagohistory.org/dramas/act2/act2.htm, (accessed April 30, 2007).
[99] Cohen, 168.
[100] Walt Rostow, *Politics and the Stages of Growth*, (Cambridge: University Press, 1971), 201.
[101] Illinois Periodicals on Line, "The Pullman Strike," http://www.lib.niu.edu/ipo/1994/ihy941208.html, (accessed April 30, 2007).
[102] Wiebe, *Search For Order*, 79.
[103] Furner, *Advocacy and Objectivity*, 135.

Those who supported the plight of organized labor were warned to reconsider their stance. Henry Adams was one such individual who praised the Knights of Labor in the spring of 1886 in a lecture at Cornell. The Board of Trustees, made up largely of prominent businessmen, served Adams notice that his contract with the University would not be renewed.[104] In order to receive a full professorship from the University of Michigan in 1887, Adams had to convince the president of the University that he was not a "communist," that his support of the Knights was "unwise," and his loyalty lay in scholarship.[105] Several alumni had learned of this apparent black listing and rallied to support Adams. Instead of demanding retribution or further agitating for academic freedom, "he did his best to suppress the story…Adams wanted no public defense from laymen or professionals; he shunned defending himself."[106] Adams remained dedicated to academia at the University of Michigan and was appointed the first Chief Statistician of the Interstate Commerce Commission at its inception later that year.[107]

The ICC, according to some, "revolutionized" the way that the federal government regulated business.[108] Those who researched the committee further found it to be little more than a pacifier for farmers, who had been lobbying their legislators since 1874 for regulation of the railroads.[109] The ICC could only report findings and then ask the Supreme Court to adjudicate. Unfettered, the railroad industry "continue[d] with impunity their old rate schedules, their pools, their systems of rebates and drawbacks,

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[104] Cohen, 171.
[105] Ibid, 172.
[106] Furner, 137.
[107] Ajay K. Mehrotra, *The Public control of Private Wealth: Henry Carter Adams and the Intellectual Foundations of the Modern Fiscal State*, (Chicago, Illinois: American Bar Foundation, 2001), 20.
[108] Clark, *The Gilded Age*, 110.
[109] Cochran & Miller, *The Age of Enterprise*, 169. He found between 1874 and 1885, "more than thirty measures were introduced in the House of Representatives providing for the regulation of interstate railroads; and some of these measures actually were passed, only to die in the Senate."

sometimes, indeed, making them even more burdensome upon complaining shippers in retaliation for their accusations."[110] Cochran and Miller found between 1887 and 1905, the ICC reported 16 cases to the Supreme Court in which all but one of them the railroads were acquitted.[111] Only a few years later, then Attorney General Olney announced the ICC could actually be utilized in businesses favor "as a sort of barrier between the railroad corporations and the people."[112] Attempted "trust-busting" like the Sherman Anti-Trust Act (1890), mimicked the ICC in that its design and intent was nothing more than a "title that we might go to the country with," described Republican Senator Orville Platt (Conn.).[113]

Debate over federal regulation, corporate monopolies, and workers' rights waged on in academia. Those who argued the economy was central to understanding the current frustrations were called "ethical economists." One of these scholars was undoubtedly Henry Carter Adams. Adams was born (1851) into a religious family in Davenport, Iowa. He taught at Grinnell College in 1874 and enrolled in the Andover Theological Seminary around this time.[114] His real interest lay in social justice and the economy. He won a scholarship contest that provided full funding to Johns Hopkins University and received the university's first doctoral degree awarded in 1878. Adams spent the next two years studying in Paris, Oxford, Heidelberg and Berlin. He began teaching at the University of Michigan in 1880, and remained there, despite the controversy surrounding his views on the "labor question" until he died in 1921.[115] Mehrotra supposed that Adams'

[110] Cochran & Miller, 170.
[111] Ibid.
[112] Quoted in Cochran & Miller, 173.
[113] Quoted in Cochran & Miller, 172.
[114] NNDB "Henry Carter Adams" http://www.nndb.com/people/489/000082243/ (accessed June 3, 2007).
[115] Mehrotra, 15-19. Mehrotra noted Cornell offered him a position in 1890, but Adams refused it.

appointment to the ICC was due to his argument that some monopolies were more beneficial with the proper "government regulation" and that he could assist the endeavor to restore the "potential for competition."[116] Adams was neither a fan of private monopolies nor a supporter of competition. Throughout his entire life, he maintained an unfaltering commitment to the history of economic policies within the United States. Beginning with his Doctoral Dissertation, he argued,

> It was a demand for emancipation from England's colonial policy that first led to hostilities against the mother country; it was the same purpose that led to continued resistance. But more than this, there was, commercially considered, no possibility for freedom of trade. The highest benefits of freedom of exchange are only procurable when there is an open market for sale as well as for purchase, but, at this time, the conditions of trade were such that competition was confined to sellers, buyers being comparatively free from its regulating potency.[117]

This, he asserted, was evident if one examined the increase in United States' trade that occurred after the war ended and a strong, central government was established (1787). Adams found,

> The growth of American shipping, from 1789 to 1807, is without parallel in the history of the commercial world. During the years intervening between these two dates, American tonnage, engaged in foreign trade, increased from 127,329 tons to 848,306 tons; that is to say, the capacity of shipping owned by American citizens devoted to the foreign trade had increased six and eight tenths times.[118]

By 1886, Adams sympathized with those economists who "received their education" prior to 1860 and had become disillusioned with the limitations of "the Manchester school of economics.[119]" The reference to the "Manchester school" was synonymous at that time with what the Germans often called "English economics," the

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[116] Mehrotra, 21.
[117] Henry Carter Adams, "Taxation in the United States," in *Institutions and Economics*, vol. II, ed. Herbert B. Adams, (Baltimore: Johns Hopkins University Press, 1884), 279.
[118] Adams, "Taxation in the United States," 332.
[119] Adams, "The Relation of the State to Industrial Action," 477.

French referred to as “laissez-faire,” but better known to Americans as “free trade.” According to Adams, academics who abandoned this philosophy did so in recognition that the theory inadequately proclaimed that those who act in their own self-interest are also acting in society’s interest. Instead, he insisted laissez-faire fostered an economic environment where individuals acted in their own interests, forsaking and even exploiting others. He added that this encouraged speculating, which “endeavor[s] to gain possession of more value than one creates, and the familiar adage that ‘speculation is the life of trade’ shows that men have come to regard this purpose as a legitimate motive for personal conduct.”[120] That advocates of free trade had not solved this dilemma convinced Adams that laissez-faire lost its “scientific pretensions” and remained only as a staple of “conservative” society.[121] Recognizing the responsibility of central governments, he pointed out that “The state is not made out of the chips and blocks left over after framing industrial society, nor does industrial society serve its full purpose in furnishing a means of existence for the poor unfortunates who are thrust out of the civil or the military service.”[122]

In these early years, Adams considered himself an “economic mugwump”; he was neither for nor against competition but believed “Competition is neither malevolent nor beneficent, but will work malevolence or beneficence according to the conditions under which it is permitted to act.”[123] He agreed that free trade had created several avenues for employment but cautioned that equal legal status did not equate to equal opportunities. Moreover, those who asserted that free trade and competitive action created the ideal

[120] Adams, “The Relation of the State to Industrial Action,” 486.
[121] Ibid, 491. He elaborated later that by “conservatism,” he meant an unwillingness to change “the state of affairs with which it is familiar.” – see page 493.
[122] Ibid, 495.
[123] Ibid, 498.

environment neglected their own fatalistic arguments; believing that the system was without flaw, the only avenue for societal improvement would be in how people responded to the system.[124] This elevated the system to a level of infallibility and subjectively lowered the status of the people as slaves to its whims.

He argued further that some monopolies, particularly the post office and transportation, would benefit society if they operated under government authority. He distrusted private monopolies in a society "where the producer and the consumer seldom come into personal contact." If interactions continued in this brutal way, Adams predicted "the inevitable result must be that harshness and inhumanity will become the essential condition of success."[125] This "commercial spirit", asserted Adams, led employers to cut wages, and hire women, minorities and children at reduced wages to outsell their competitors and reap higher profits. When this was done, Adams observed, employers who might otherwise deplore such tactics would be forced to do the same to remain competitive, or go out of business. Only government regulation, he wrote, could protect society's laborers from the abuse.

He, too, recognized the corruption within government, and said it was due to businessmen, like physicians in former days, bleeding the government to death![126] Adams wanted "true democracy" reestablished in the place of "commercial democracy," because he believed the "science of industrial society has not engendered to humanity the highest service of which it is capable, until its analysis of social relations discovers some principle for the guidance of legislation in directing or limiting competitive action."[127]

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[124] Adams, "The Relation of the State to Industrial Action," 501.
[125] Ibid, 503-4.
[126] Ibid, 529
[127] Ibid, 542.

Henry C. Adams was probably not the most radical economist of his day, but he was certainly one of the more thoughtful. Thus it is not surprising that when the first federal committee on commerce was composed, he was picked as one of its members. His views were problematic when they came down on the side of labor, or rather, when he argued that business had taken advantage of the lack of governmental oversight and that these practices had produced inhumane effects on society. In the late nineteenth century United States, academia was becoming a professional, scientific institution. But it was also increasingly dominated by Board of Trustees from businesses, not the clergy. It was in the interest of private investors to see more business friendly views advocated in academia.

The other argument advanced by "ethical economists" was one that favored less restriction on trade and can be observed in the life and writings of John Bates Clark. Clark was born in 1847 (Providence, Rhode Island). Reared in a puritan family, his early environment enforced his belief in the self made man.[128] His biographer described that he originally planned to attend Ministry School, but while attending Amherst College Clark developed a passion for political economics after he enrolled in a "Mental and Moral Philosophy" course.[129] Upon receiving his Bachelor's degree in 1872, Clark spent the next three years studying in Germany (Heidelberg), Switzerland (Zurich), and France.[130] He returned to the United States without a Ph.D in 1875 and began teaching politics and history at Carleton College in Minnesota. Due to illness, he taught irregularly at Carleton

[128] John F. Henry. *John Bates Clark: The Making of a Neoclassical Economist*, (London, England: Macmillan Press, 1995), 1.
[129] Henry, 2. Henry reminded his readers at that time, political economics courses were part of a branch known as "Mental and Moral Philosophy."
[130] Ibid, As there were no graduate programs in the United States at the time, those who continued in academia had to do so in Western Europe. Many of the American intellectuals studied in Germany because it was cheap and considered quite contemporary in philosophy and economics.

but managed to publish several articles in *The New Englander* (and one in *The Christian Union*) on economics. From 1882 to 1892, he served as a Professor of Political Science and History at Smith College (Northampton, Massachusetts). In 1893 he moved to Amherst College, where he taught political economics for two years and then moved on to Columbia University until he retired in 1923.[131] It has been argued that Clark received this last appointment based on his published arguments concerning competition and trusts.[132]

In 1886, Clark argued the definition of wealth had expanded from "welfare resulting from material possessions," to "possessions themselves."[133] This idea became the modern view of what has been referred to as "modern liberal economics," as it diverged from the "classical" view, in which wealth was defined and created through possession of rent, capital, and labor. The modern view maintained that anything considered a utility must also be deemed creators of wealth. The idea of wealth as utility originated with John Stuart Mill and is defined as anything that creates satisfaction by *consuming* a good or service. Clark agreed that labor only provided the ability to satisfy one's wants.[134] According to this modern view, through industrialization humanity transformed into spenders,

> Man, the consumer, acquires, through social development, an infinitude of conscious needs; and society, in its capacity of producer, diversifies its mechanism so as to supply them all. Society, as a consumer, develops an infinitude of wants; and man, as a producer, specializes his industrial action so as to assist in supplying one of them.[135]

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[131] Henry, 2-3.
[132] Ibid, 4.
[133] Clark, *The Philosophy of Wealth,* 4.
[134] Ibid, 15.
[135] Ibid, 41.

Throughout his writings, it is clear that he recognized "social development" triggered "needs" (as can be seen from the quote above, he used the term interchangeably with "wants," though the two ought to be distinguishable), which inarguably meant that such desires were manufactured. Clark, however, insisted they were natural, at one point comparing the "individual man" to the "rootlet."[136] Clark, torn between his religious faith and scientific professionalism, generalized that "by specializing the economic functions of men, society specializes its influence on their nature."[137] Again the idea that economic policies and pressure from society as the creative factors, Clark's argument reinforced Adams point (above) that those who believed the system infallible argued humanity had to adjust to the market rather than the market adjusting to humans.

Contrary to Adams, Clark asserted this system was not selfish, but rather, "the sense of right in men" was the "centripetal force in economic society."[138] As Progressives argued later, he recognized that some of these "forces" were imitative and changeable. He noticed that "fashion trends" trickled down to lower 'castes' who would want to purchase them, and as they proliferated, more people attained them, and prices dropped. The wealthy, not wanting to resemble the lower classes, began the cycle all over again by seeking out a different 'trend.' He admitted that "fashion makes and destroys utilities capriciously and on a vast scale."[139]

Clark agreed with Adams that "strife" within his contemporary society was due to the corporate consolidations of the time.[140] In this respect, he sympathized with laborers

[136] Clark, *The Philosophy of Wealth,* 38.
[137] Ibid, 42.
[138] Ibid, 48.
[139] Ibid, 96.
[140] Ibid, 65.

and suggested they unite in order to assert their grievances on the same level as "capitalists." But he was equally tough on laborers and added that boycotts were illegal:

> The present state of industrial society is transitional and chaotic. The consolidation of labor is incomplete, that of capital is so; and the relation between the two is not what it was yesterday, nor what it will be to-morrow. Yet something may be said of social conditions existing in the interim between the old and the new. The crudeness of the transitional system has begotten lawlessness. Labor is employing irregular methods in the contest with capital; capital is using injurious methods in its dealing with society. Individual competition, the great regulator of the former era, has, in important fields, practically disappeared. It ought to disappear; it was, in its latter days, incapable of working justice. The alternative regulator is moral force, and this is already in action. It is accomplishing much, though it is in the infancy of its distinctively social development. The system of individualistic competition was a tolerated and regulated reign of force; solidarity, even in its present crude state, presents the beginnings of a reign of law.[141]

In the years prior to 1887 Clark expressed, like Adams, concern about individualistic competition. He foresaw consolidations (both laborers and capitalists) as inevitable and useful in that they could maintain an equal standing with each other. He agreed with Adams that employers depressed wages by hiring immigrants, women, and children who would willingly work for less than most Anglo-American men. He referred to such practices as the "cycle of poverty," and confirmed Adams' point that the end result would force other employers to resort to the same base means to remain competitive.[142] Yet he did not offer any kind of solution to the present predicament. Instead, he resigned himself to belief in the free market system that operated within an economic society, noting that the science of economics taught "how men will act under given circumstances,"[143]conceded with social Darwinists who claimed that the more

[141] Clark, *The Philosophy of Wealth,* 148.
[142] Ibid, 168.
[143] Ibid, 32.

'advanced' an economic society became, the more 'moral' it would inevitably be,[144] and even foretold the argument advanced by development theory (explained in chapter four) that the world would benefit from this type of society,

> Under a regime of free competition, whoever sells the thing he has produced, sells it to society. His sign advertises the world to come and buy, and it is the world, not the chance customer, that is the real purchaser. Yet it is equally true that whoever buys the thing he needs, buys it of society. Under free competition the world is seeking to serve us, and we buy what the world, not a chance producer, offers.[145]

Both Clark and Adams recognized the inequalities that resulted from massive industrialization, and at least tentatively, believed that some type of law could alleviate many of the grievances. Adams argued the federal government must regulate relations between big businesses and the average citizen. Clark insisted first that "moral" law, and after 1886 "natural" law would eventually work out the inadequacies.

There exists in the historical rhetoric of the United States an obsessive embracement of John Locke's idea of natural rights dating back to the words of the Declaration of Independence. Yet the great irony is undoubtedly, as Louis Hartz wrote in 1955, "a nationalist articulation of Locke which usually does not know that Locke himself is involved."[146] According to Hartz, American society has depended on law to establish these philosophic ideas, hence the American ignorance of Locke, and since the founding of the United States, law has "flourished on the corpse of philosophy."[147] He argued the *Liberal Tradition in America* had omitted the need for massive social reform (usually stimulated through philosophic observation of social inequities). The tragedy has

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[144] Clark, *The Philosophy of Wealth,* 48.
[145] Ibid, 85.
[146] Louis Hartz, *The Liberal Tradition in America: An interpretation of American Political Thought Since the Revolution,* (New York: Harcourt, Brace & World, 1955), 11
[147] Hartz, 10.

been that Americans have accepted "self-evidence" of certain truths without examining their flaws or inconsistencies.[148] Abraham Lincoln once articulated the contradiction as:

> The world has never had a good definition of the word liberty, and the American people, just now, are much in want of one. We all declare for liberty; but in using the same word we do not all mean the same thing…The shepherd drives the wolf from the sheep's throat, for which the sheep thanks the shepherd as a liberator, while the wolf denounces him for the same act as the destroyer of liberty…Plainly the sheep and the wolf are not agreed upon a definition of the word liberty.[149]

Such discrepancies, Hartz reflected, were embodied in assertions that "natural rights" pertained even to businesses, regardless of "a century and a half of the most reckless material exploitation that the modern world has seen."[150] Hartz characterized the "mentality" of Americans as one of an "individual entrepreneur" who faithfully believed that "democracy and capitalism" were the highest order for mankind.[151] Such beliefs were profoundly persuasive, as Hartz considered, "men who did not own property dreamed of doing so and hence it could never be to their 'interest' to destroy" a foundation in private property or capitalism.[152] Taking this argument a step further, those who invested in this maxim were generally of the middle classes or higher, and so it is not surprising to find that those who opposed it were usually of the lower, laboring classes who existed somewhere on the outskirts of the "American Dream."

Likewise, the *Search for Order* was not a groping around in the dark, but rather, a conciliatory means of establishing market principles in a scientific world. In the second half of the nineteenth century, puritanical beliefs maintained their powerful force over

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[148] Hartz, 58. I would argue with Hartz, however, that if there has never been a need for social or political revolution, then how does one characterize 1776 as a "Revolution" (as he does)?
[149] Quoted in Barbara H. Fried, *The Progressive Assault on Laissez Faire,* (Cambridge: Harvard University Press, 1998), 29.
[150] Hartz, 55.
[151] Ibid, 89.
[152] Ibid, 108.

American society. At the same time, science and mechanization were proclaiming to unlock the mysteries of the universe and academics embraced what not only seemed a lasting trend, but also a mark of their professionalism. A combination of faith in religion, science, and progress through industrialization led a large number of professionals (including John Bates Clark after 1886) to embrace ideas of social Darwinism. Social Darwinism, asserting that the survival of the fittest inevitable, was a prescription of society based on a biologist's (Charles Darwin) observations, which were heavily influenced by the findings of an economist (Thomas Malthus).[153] Richard Hofstadter described how social Darwinists described history as an evolution of the fittest, but also how they interpreted, in a pseudo-scientific manner, industrialization as the next step in this movement toward "progress."[154] Popular pulpit members like Henry Ward Beecher converted to social Darwinism after he became convinced that evolution did not disturb the foundation of theism.[155] There were others like Henry Adams who argued that humanity, not machines, ought to decide societal conditions. Men like Lester Ward criticized social Darwinism by demonstrating the inhibiting effects of competition, by arguing that "free competition" could not occur without regulation, and finally, by pointing out that government regulation should only be abhorred in autocracies or monarchies, whereas in democratic republics, government interference is an indication of the popular will's authority.[156]

By 1888, John Clark had come to believe in social Darwinism and the market economy as "natural." Commanding that competition could restore what regulation had

[153] See Richard Hofstadter, *Social Darwinism in American Thought, 1860-1915*, (Philadelphia: University of Pennsylvania Press, 1944), 41.
[154] Hofstadter, 44.
[155] Ibid, 15.
[156] Ibid, 56-8.

damaged, he argued that "Natural law, in the long run, levels inequalities, and if one class of property owners appears to-day to be specifically favored, it may by to-morrow appear to be correspondingly oppressed." [157] He deviated from his earlier position on monopolies (consolidations) as inevitable to the Darwinian argument that they not only "retarded" economies, but "prevent the movement altogether."[158]Likewise, in 1899 he asserted that "free competition tends to give to labor what labor creates, to capitalists what capital creates, and to *entrepreneurs* what the coordinating function creates" (italics in original). But how did one decide the actual value of the creation? Clark answered, "We cannot inquire *how much* labor a capitalist naturally performs."[159] He insisted the rate of exchange between a capitalist and a laborer could only be determined as to whether it was perceived as "justice or injustice."[160]

That there is no scientific equation to establish the value of consuming a good or service has plagued economists since the advent of utility. The reason for this is quite simple. If a society is constructed based on the principles of individualism, then each member stands at a different position within the social order. The inequality of their position is demonstrated through their purchasing power within the market. Clark recognized as much when he described the difference in value that a poor man versus a wealthy man would place on a loaf of bread. The "poor man's loaf," Clark admitted, would satisfy "an intense desire," while the "rich man's loaf," would appear as merely a "bagatelle."[161] He knew that the value of a utility was subject to an individual's

[157] John Bates Clark, *Capital and Its Earnings*, (Baltimore: American Economic Association, 1888), 55.
[158] John Bates Clark, *The Distribution of Wealth: A Theory of Wages, Interest, and Profits*, (New York: The Macmillan Company, 1899),76.
[159] Clark, *Distribution of Wealth*, 3.
[160] Ibid, 7.
[161] Ibid, 87.

"difference of subjective condition," but he did not consider this incompleteness the fault of theory or economic system, and upon acknowledging it, disregarded it.[162]

Nor should the federal government attempt to regulate these inequities. Clark demanded its sole purpose was nothing more than to "protect property."[163] This definition of the federal state as such is extremely beneficial to anyone with large amounts of capital because they are the possessors of the property, and until a mathematical equation can be derived and agreed upon as to wages and prices, the laborer (and consumer) is ultimately at the mercy of the employer to decide their compensation.

Further limiting the amount of control a laborer would have, Clark heartily agreed that specialization was necessary to the modern industry. He described "there is always a gain in diversifying the articles that men consume," but the laborer must be a specialist for a "jack of all trades…would be so poor in most of them that he would lose as a producer more than, through the diversity of the articles, he would gain as a consumer."[164] He recognized that specialization multiplied the number of products produced, and as before, maintained this was necessary to a "growing" society in order to "gratify" the "new wants" manufactured.[165]He seemed unfettered through his recognition that "a skilled worker will, of course, always create more wealth than an unskilled one," and insisted that competition, if not obstructed, would "naturally" create equal conditions between laborers and capitalists.[166]

In determining the worth of the modern employee, (he referred to as "effective productivity") he stated, "In so far as men can be freely substituted for each other, any

[162] Clark, *The Philosophy of Wealth,* 89.
[163] Clark, *Distribution of Wealth,* 9.
[164] Ibid, 43.
[165] Ibid, 55-6.
[166] Ibid, 63.

man in a series of men is actually worth to his employer only as much as the last one in the series produces."[167] By relegating the laborer to the subservient position of "the last one in the series," he elevated the importance of the capitalist to the purveyor of life in society:

> Profit is the lure that insures improvement, and improvement is the source of permanent additions to wages. To secure progress, this lure must be sufficient to make men overcome obstructions and take risks. The difference between the actual pay of labor and the rate toward which, at a particular date, it tends, measures the incentive that is offered to the men who make progress possible.[168]

In this way, he not only argued that capitalists possessed the means of creating wants, but also in designing them, and then supplying them to laborers who, as consumers, would come to appreciate them as expressions of wealth and contentment. Clark maintained the capitalist should be referred to as the "initiator" for "it is he, the initiator, who determines what productive things brain and muscle power shall do," and want.[169] Interestingly, he actually expected this way of life to overtake the globe. Clark announced,

> When Asia shall copy the mills and the machines of America, the act will be a part of the operation of unifying the industrial process of the world. This process tends to bring about an equilibrium in the industry of the world; and it is, in this view, a static process.[170]

In Darwinian overtones, he quipped, "Wealth is to abide with the swifter runners,"[171]and predicted:

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[167] Clark, *Distribution of Wealth*, 105.
[168] Ibid, 411.
[169] John Bates Clark, "The Law of Wages and Interest," in *Annals of the American Academy of Political and Social Science*, v.1, no.1 (Philadelphia: American Academy of Political and Social Science, 1890), 50.
[170] Clark, *Distribution of Wealth*, 432. He elaborated on the following page, stating, "Not till labor and capital are distributed over the world in such a way that there is nowhere any reason for migrating – not till methods of production are, in a way, unified on a world-wide scale, and not till consumers; wants are normal, can the rate of pay for laboring humanity as a whole be natural."
[171] Ibid, 437.

> Europe, America and whatever other continents and islands are in close connection with them constitute this centre, which may be treated as a complete society, with an environing world acting on it. This central society trades with the outer zone, and it sends labor and capital thither. Whether it will or not, it gradually instructs the people of the outlying zone in industrial method. For business purposes it is, in this way, assimilating belt after belt of the outer zone to itself – that is, the civilized economic society is absorbing parts of the uncivilized and loosely bound area. Ultimately all will have been absorbed; and, if we can now establish economic principles that work within the center, our theory will in the end apply to the world as a whole.[172]

This "progress," he maintained, was "assured by natural law."[173]

In 1893, Henry Adams still hoped his arguments could effect some form of public policy. He enlisted his efforts to argue that governments should not borrow heavily in the name of public interest. Noting that debt systems arise from commercially oriented societies, he interpreted private loans to governments as indicators that "the possessing classes have made their conception of rights and liberty the efficient idea of modern times, and that in some way the moneyed interest has captured the machinery of government."[174] Like Walt Rostow acknowledged fifty years later, Adams argued this "commercial constitutionalism" began in England.[175] In this study, he actually configured the amount of military expenditure proportionate to the power of a given state, and found that increased military funding positively effected military engagements.[176] This was only a side note for Adams (but will be revisited in chapters four and five), for his real concern was social justice.

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[172] Clark, *Distribution of Wealth*, 435.
[173] Clark, "The Law of Wages and Interest," 65.
[174] Adams, *Public Debts*, 9.
[175] Ibid, 10-11. For Rostow's interpretation of events, see Walt Rostow, *How It All Began, Origins of the Modern Economy*, (New York: McGraw-Hill, 1975).
[176] Adams, *Public Debts*, 16.

Socialism, he noted, was an ideology but also a practical solution to inequity. He reminded his audience that "support of public schools," as well as "factory acts, compulsory insurance acts, laborers' dwelling acts…support of public parks, of Sunday amusements, of theatres and operas…the administration of the post-offices, of railroads, of express, and of telegraph," were all forms of socialism.[177] Adams supported the role of government as one to work for the people. The main problem with public debt, he said, was not only that government could partake in "enterprise without bringing the fact fairly to the knowledge of the public," but that those who supplied the capital for public supplies would dictate public policies "while the people are not dissatisfied because of their profound ignorance of what has taken place." [178]

Adams worried that continued dependence on public debt would "render permanent such classes as are already established."[179] Asserting that "public borrowing becomes a source of government control of labor," if this policy persisted, he declared, it would have negative consequences on those burdened with debt repayment.[180] He observed:

> No people can long retain that hopefulness so essential to the vigorous prosecution of industries if the past lays heavy claims upon the present. As a rule, they only should partake of current product who are in some way connected with present production. Carelessness and jealousy are not characteristics of efficient labor, but they are sentiments naturally engendered by the payment of taxes for the support of a favored class. It is the permanency of this payment, rather than its amount, which exerts a depressing influence upon labor, and its extinction is a first step toward the establishment of confidence and contentment.[181]

[177] Adams, *Public Debts*, 17.
[178] Ibid, 23-4.
[179] Ibid, 39.
[180] Ibid, 53.
[181] Ibid, 247.

The solution to sizeable federal borrowing, Adams argued, was in giving individual states the power needed to do so. Adams wanted states to take on city and county jurisdictions because by 1880, cities and counties had acquired substantial debts in comparison to states.[182] Through a thorough and thoughtful analysis of the history of public debt, Adams demonstrated that political motivations in the 1830s inspired state legislators to borrow money to improve transportation facilities, but resulted in Eastern states exploiting the Western ones, and states forfeiting about $200 million in loans.[183] After this, the federal government balked at state loans, the public lost faith in state administration, and waited for private individuals to continue development. Businesses turned to city officials for industrial growth and cities embraced it. Adams traced the sharp increase in local debt to these factors and noted that other industrialized societies (he named France, England, and Germany) had witnessed similar trends.[184] He thought that there were three reasons businesses and local officials were brought together:

> The rapid growth of urban population has imposed new duties upon those who administer local affairs…The refusal of several States after 1845 to further assist in the opening of highways of commerce, forced the private corporations, into whose hands the business fell, to present their appeals for assistance to the minor civil divisions…The imperfect development of administrative methods under democratic rule has invited corruption on the part of local officials.[185]

He warned that these trends would likely continue because they were cyclical. Cities, as they continued expanding, required additional funding for upkeep, to "allure settlement," and to participate in "local rivalry."[186] He said that laissez-faire had been

[182] Adams, *Public Debts*, 304. The figures he uses are from 1880 and are as follows: states $234,430,000, cities $698,270,000, and counties $123,870,000.
[183] Ibid, 322-32.
[184] Ibid 344-47.
[185] Ibid, 348.
[186] Ibid, 354. He described the State of Pennsylvania protesting as much!

adopted as a governing system, that this was the reason for the corruption, and advised voter assent to proposals for public debts (as were being practiced in California, North Carolina, and Tennessee at the time).[187] He advised people to demand their federal government enforce strict accountability measures and contemplated the dangers:

> The American people deceive themselves in assuming to think their liberties endangered only by the encroachments of government…Private corporations…arose upon the ruins of the States as centers of industrial administration, and it is because the States have failed to retain a proper control over them that they now menace the permanency of popular government.[188]

A return to true democracy, he argued, could only take place if the people were provided direct access to decisions made within their state, and equal standing with corporations at the federal level.

Adams keenly observed what had taken place, what was then taking place, and prophetically, what would take place throughout the twentieth century. He recognized that 'weak' states (here he meant countries) were borrowing from 'strong,' which produced a corollary response through "The granting of foreign credit is a first step toward the establishment of an aggressive foreign policy, and, under certain conditions, leads inevitably to conquest and occupation."[189] This, he demonstrated, had already been done in the case of England's consolidated control over Egypt, and pointed out, "When a first-class power obtains control over a smaller state its weight is increased in the councils of the nations."[190]

There is striking similarity between this scenario and the Open Door Policy that the United States initially enforced on China in 1898, and eventually used throughout the

[187] Adams, *Public Debts*, 376-81.
[188] Ibid, 393.
[189] Ibid, 25.
[190] Ibid, 34.

world. It began as a group of businessmen from the United States formed the American Asiatic Association in 1896.[191] As Williams described it in considerable detail, then President McKinley agreed that the purpose of the Open Door was "the enlargement of American trade," because other nations had already established spheres of influence within China.[192] The agreement symbolized the debate waging in the United States on the importance of commerce and competition. The Open Door Policy demanded that American traders have equal opportunity to trade anywhere in China, regardless of previous colonial (England, France, Germany, Japan, Russia) conquests. Former Secretary of State, John W. Foster, clarified the imperatives of the policy as "it has come to be a necessity to find new and enlarged markets for our agricultural and manufactured products. We cannot maintain our present industrial prosperity without them."[193] The accuracy of the observation can be judged by the ways in which social engineers of the early twentieth century attempted solutions to the internal inequities that manifested in the Gilded Age. Most people agreed that industrialization was progress; yet they seemed almost hamstrung when it came to solving problems in the midst of social crisis. They waited for the government to decide the appropriate form of action. When the federal government appeared comfortable within this environment of progress, men and women took up social issues and advanced reform agendas. Those who attempted to solve the social problems in the early years of the twentieth century were known as progressives.

[191] Gillon & Matson, 867.
[192] Williams, *Tragedy of American Diplomacy,* 49.
[193] Quoted in Williams, *Tragedy of American Diplomacy,* 51.

Chapter III: Beardsley Ruml as a Social Engineer of Progressive Reform, Corporate Consolidation, and Government Regulation

Progressive (n.) - A person who actively favors or strives for progress toward better conditions, as in society or government.[194]

Government should in every way possible clarify the laws affecting business and should simplify the rules and procedures of the regulatory agencies. – Beardsley Ruml, 1943[195]

American factories are making more than the American people can use; American soil is producing more than they can consume. Fate has written our policy for us; the trade of the world must and shall be ours. – Albert J. Beveridge, 1897[196]

The Depression that began in 1893 and did not abate until at least 1897 effected every aspect of American society. After the stock market crashed ("Industrial Black Friday") on May 5, 1893, one quarter of railroad companies filed bankruptcy, as did hundreds of banks, and by 1894, at least twenty percent of the labor force were unemployed.[197] Capitalists demanded politicians suppress the persistent labor strikes (for better wages, 8 hour workdays, health insurance, job security, and safer working conditions) that occurred, like the Pullman Strike in Chicago (1894). Reformers agreed that the average American needed to have some type of employment, but the government balked at regulation. Most people in industry, farming, and politics knew the depression had occurred, at least in part, because the United States was producing too much and needed foreign markets to dump the excess.[198]

In the midst of the depression occurred the 1896 Presidential campaign, aptly characterized as "the Battle of the Standards." The "standard" the debate centered, and decided the future foreign policy of the United States, was currency. Robert Wiebe described the argument for silver as "the people's currency," which was embraced by

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[194] The Free Dictionary, "Progressive," http://www.thefreedictionary.com/progressive, (accessed June 6, 2007).
[195] Beardsley Ruml, *Government, Business, and Values*, (New York: Harper & Brothers, 1943), 27.
[196] Quoted in Williams, *Tragedy of American Diplomacy*, 28.
[197] Gillon & Matson, 788-89.
[198] Williams, *Tragedy of American Diplomacy*, 31.

mostly farmers from the west and south who had been lobbying Congress to maintain silver as a credible system of currency since before the Civil War.[199] Gold was less abundant, the international currency, and appeared the most stable way for corporations to gain control of the financial (banking) system within the United States.[200] Of those in favor of the currency for a "civilized life" (gold), Wiebe wrote,

> As the nation's investment capacity reached a new level of maturity early in the nineties, gold did constitute a special form of power for a handful of financial magnates, men with a surplus at their disposal who laid the basis for broad, new controls in the industrial economy through securities they purchased with gold.[201]

It is only through hindsight that one may view the intricacies and ironies of history. Running against McKinley in 1896, on the "free-silver" platform, was William Jennings Bryan. Bryan had been picked by democratic governor (Illinois) John Altgeld, who resisted the presidential order to send troops to the Pullman Strike, and pardoned the two "anarchists" from Haymarket.[202] The election witnessed all the slander of modern politics. McKinley's campaign called the Bryan ticket a step toward "socialism" and "anarchy," while those in favor of gold educated the masses on civic consumerism.[203] When McKinley trounced Bryan, the belief that the democracy of older days could be restored "lay in ashes."[204] This "battle of the standards" confirmed the new social order within the United States was based on the Darwinian belief that industrialization and capitalism were necessary conditions for humans to progress as consumers.

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[199] Wiebe, 98.
[200] Cohen, 204.
[201] Wiebe, 99.
[202] Cohen, 206.
[203] Ibid, 207-9.
[204] Wiebe, 105.

The next step was to create an aggressive foreign policy to reinvigorate trade and the national economy. Charles Conant (1861-1915), an expert banker and financier, concluded that foreign "outlets" were necessary if another "business depression" was to be avoided.[205] Part of this new policy involved warfare, the first of which was the Spanish-American–Philippine-Cuba War (1898). Through war, the United States annexed Hawaii, conquered Puerto Rico, the Philippines, and Cuba in 1898. The Panama Canal was established as United States territory in 1904. There was also a less militaristic, but equally aggressive policy in the establishment of the Open Door Notes (see chapter two). As William A. Williams described, the Open Door Policy "was conceived and designed to win the victories without the wars."[206]

This policy did not launch foreign trade, for that had been established even before the country was born. What it did determine was a policy that demanded every country in the world allow United States traders "free" access to their markets. Moreover, because it was a federal policy, its authority and, when the case presented itself, retribution would be decided by the federal government. Congress began establishing bargaining tariffs and customs unions to encourage profitable trade.[207] The United States government continued its efforts to promote and monitor foreign trade by establishing the Bureau of Foreign Commerce (1897), the Department of Commerce and Labor (1903), the Bureau of Trade Relations (1906) and the Bureau of Domestic and Foreign Commerce (1909).[208] By 1914 the Federal Trade Commission was created with the explicit purpose "to enhance

[205] Emily Rosenberg, *Spreading the American Dream, American Economic and Cultural Expansion, 1890-1945*, (New York: Hill wand Wang, 1982), 50.
[206] Williams, *Tragedy of American Diplomacy*, 57.
[207] Rosenberg, 51.
[208] Ibid, 56 and 59.

cooperation between business and government."[209] Refusing to acknowledge the geographical outsourcing, as Henry Adams had predicted (see chapter two), it covetously focused on weak nations that could be subdued as free markets.

These initiatives were enormously beneficial to trade. In 1895, the United States exported goods at an estimated value of $800 million; by 1914 it was valued at $2.3 billion.[210] Interestingly, direct investments in foreign countries experienced similar trends at the same time. In 1897 United States direct investment totaled $637 million; in 1914 it equaled $2.6 billion.[211] Emily Rosenberg's research pointed out that American trade led the world in exports at the turn of the twentieth century with "an enlightened democratic spirit."[212] She also noted the link between missionaries and philanthropists who, returning from travels abroad, "accentuated the helplessness and deprivation of foreign people" and "cemented ties to the business community in order to ensure large donations" to continue spreading their gospel.[213] This not only debunks the myth of isolationism in the early twentieth century (at least concerning business interest and policymakers), but it also establishes that ideological justifications were invoked *during and after* they profited monetarily from its exportation. If good will were in fact the driving force, then it would preempt profit; and that is only if 'enlightenment' did not suffice as payment. But it was the other way around. Profit predicted enlightenment. Even Walt Rostow admitted "American missionaries and educators followed the traders"![214]

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[209] Rosenberg, 68.
[210] Ibid, 16.
[211] Ibid, 25.
[212] Ibid, 22.
[213] Ibid, 34.
[214] Rostow, *American Policy in Asia*, 4.

Beliefs in freedom and equity were constructed in light of a system that excluded the majority from equal access to wealth. In the early twentieth century, Judith Sealander found "only eight percent of America's families controlled more than three quarters of the nation's real and moveable property."[215] In the United States, wealth redistribution never appeared to be a serious consideration. Instead, debate centered on various methods of dealing with social problems that resulted from the unequal circumstances. Policymakers consulted Western European initiatives for assistance. Exchanges across the Atlantic took place as both regions grappled with social issues brought on by increased industrialization. In observing the international sharing, Daniel T. Rogers found policymakers and social reformers in the United States confirmed, that "the most promising counter force to the injuries of industrial capitalism was the enlightened conscience of capitalism itself."[216] Throughout this time of reform borrowing that included everything from education to civic planning, the social engineers in the United States used only what they deemed complimentary to capitalism. While most of Western Europe contemplated Marxism and the Women's movement, the American solution to the inequities, "behind its classical false front, was about business."[217] The importance of capitalism in domestic policy making suggests that these, not ideas about humanity, were motivating factors that invoked expressions of freedom to justify the dominant role of the market.

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[215] Judith Sealander, *Private Wealth and Public Life, Foundation Philanthropy and the Reshaping of American Social Policy from the Progressive Era to the New Deal*, (Baltimore: Johns Hopkins University Press, 1997), 1.
[216] Daniel T. Rogers, *Atlantic Crossing, Social Politics in a Progressive Age*, (Cambridge: Belknap Press, 1998), 17.
[217] Rogers, 15.

Yet inequalities existed within the United States at this time and reformers focused on ways to integrate those "poor unfortunates" into mainstream society. An initiative to bring about happier lives through 'welfare' was one example of this attempt. Ironically, a substantial Civil War pension existed between 1880 and 1910 (and clearly showed favoritism in payments toward northern Anglo-American men) that "exceeded or nearly equaled other major categories of federal spending."[218] When the American Association for Labor Legislation tried to utilize the pension as evidence that a national healthcare plan had already been established and ought to cover every laborer, it met resistance by the increasing strength of the American Federation of Labor and was ultimately tabled.

Similarly, American women lobbied for some type of pension program for single mothers and married women who were forced to labor. Linda Gordon's research on initiatives taken throughout the 1910s to assist poor mothers is reflective of the spirit of the times. 'State caretakers' acted as parental 'models' to single mothers, the state developed 'pension' programs, employed 'means and morals' tests to qualify and continue aid, and women who led the professionalization of 'social work' (mostly Anglo-Americans from the middle/upper classes), equated 'reproduction' as a 'service' (like soldiers they said) to the state.[219] Similar to Judith Sealander's research on child policies (see chapter one), assistance programs for women with children (Aid to Families with Dependent Children) "deepened inequality" and created "hostility toward the poor."[220]

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[218] Theda Skocpol, *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States*, (Cambridge: Harvard University Press, 1992), 65.
[219] Linda Gordon, *Pitied But Not Entitled, Single Mothers and the History of Welfare, 1890-1935*, (New York: The Free Press, 1994). For 'state caretakers,' see page 37; for morality tests, see page 46; for state pensions, see page 58; comparison of mothers with soldiers, see page 165;
[220] Gordon, 6.

In the first part of the twentieth century, social engineers relied on their own 'superior' beliefs (in their training, morality, and professionalization) and did not give voice to those who were already being silenced through poverty. The poor became the real losers in this game they did not even control.[221] In the end, the status of parent, mother, or father to society's children became a 'private' matter, and the state's evaluative measures and final solution demanded parents' get a job and become wage earners.[222] Even when insufficient methods like ADFC were enacted, most people did not challenge the imperfections, but instead, as Theda Skopcol reflected, "When the law was safely on the statue books the interest of the public in the humanitarian principle was overshadowed by a desire for economy."[223] The discontent of the poor in the United States was eclipsed by a rising group of professionals.

Sealander found "the very rich" grew in size from "fewer than 100" in 1880, to "more than 40,000" by 1916.[224] Many of these rising professionals carried with them the seeds of the earlier generation of reformers. Contrary to their 'radical' predecessors, though, these socially-minded reformers embraced the power of capital and replaced faith in a higher being with faith in technology. "Slowly, inexorably, mankind was lifting itself upward: civilized nations were growing ever more enlightened, and barbarians were rising ever higher toward the standards set from above."[225] Their reforms, as Daniel Rodgers observed, adhered to a faith that "social economy was…the ambulance wagon of industrial capitalism."[226] In this respect, John Bates Clark's argument to maintain a 'free

[221] Gordon, 294. Not to mention that one had to already qualify as below the 'poverty' line to receive assistance.
[222] Ibid, 306.
[223] Skopcol, 478.
[224] Judith Sealander, *Private Wealth and Public Life*, 10.
[225] Hartz, 237.
[226] Rodgers, 12.

market' carried the day. Yet social scientists embraced the milder aspects of Henry Carter Adams argument that government should regulate some aspects of society, if for no other reason, to keep those "poor unfortunates" from revolting. These two polar elements intermingled in the progressive era, and are apparent in the life and work of Beardsley Ruml.

Little is known of Beardsley Ruml's private life, or for that matter, remembered of his prominence within the age of social engineering progressives, the New Deal, and his involvement with the post-WWII international finance system. Ruml's grandfather immigrated to the United States from Prague shortly after the Austro-Hungarian War (1848-9). [227] Beardsley's father, Wentzle, a brain surgeon, married Salome Beardsley, a supervisor of nurses at St. Luke's Hospital in Cedar Rapids, Iowa.[228] Less is known about his tertiary education except what he informed journalists later; "he was frugal, developed an acute business sense, and showed a talent for mathematical calculation."[229] He graduated from high school in only three years, studied psychology and philosophy at Dartmouth, edited a literary paper (*Bema),* and acted in and composed plays.[230] In 1915 he received his bachelor's degree and went on to graduate school at the University of Chicago where he studied mental testing under James R. Angell and received his Ph.D. in 1917.[231] His interests led him to pioneer mental tests that were used to ascertain the fitness of American soldiers in World War I, which laid the foundation for high school

[227] Patrick D. Reagan, *Designing a New America: The Origins of New Deal Planning, 1890-1943,* (Amherst, Massachusetts: University of Massachusetts Press, 1999), 143.
[228] Reagan, 143.
[229] Ibid, 143.
[230] Ibid, 144.
[231] Ibid.

equivalency tests and higher education aptitude testing (ACTs, SATs, GREs, and LSATs).

Ruml admired the efficiency of business and so emphasized reform agendas that integrated business techniques. When Ruml proposed intelligence tests for universities, it was in keeping with his belief that it would create a more proficient and modern academic institution. The importance of intelligence testing in universities, Ruml stated (1917), was to produce an environment of "greater intellectual homogeneity so that no class need contain individuals who differ greatly in intelligence."[232] The tests were designed to not only separate with greater accuracy the "very bright" from the "very dull," but in doing so it categorically assigned each entering student to a group of similarly minded individuals, leading the way toward the standardization of humanity.[233] Allowing expression of his Darwinian pretensions he concluded that "college freshmen as a whole are selected from the more capable of the population at large, and hence any irregularities in the selective agency will make themselves felt principally in the lower half of the freshman group."[234] So powerful was this new tool, that, by 1925, "almost ninety percent of urban school districts used some form of intelligence testing."[235]

Ruml's expertise in designing mental tests for academe brought him attention and prestige. Two years later, asked to consider whether such tests could actually be administered for industry, Ruml agreed and advocated as much. He considered the efficiency of industry indispensable to all aspects of this progressive society. Basing his

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[232] Beardsley Ruml, "The Reliability of Mental Tests in the Division of an Academic Group," in *Psychological Monographs,* edited by James Angell, Howard Warren, John Watson, Shepherd Franz, and Madison Bentley Vol. XXIV, No.4 (Princeton: Psychological Review Company, 1917), 1.
[233] Ruml, "The Reliability of Mental Tests", 41.
[234] Ibid, 43.
[235] Sealander, *Failed Century of the Child,* 201.

argument on his previous work for the United States military, he proclaimed, "That modern warfare requires the mobilization of the industries of a nation…the army created within itself a body with functions like that of the employment manager of industry."[236] He heartily supported integrating mental tests in industry as preventive measures. These tests, he said, would thwart employment of "slow or retarded mentality," or, for that matter, those "of superior intelligence…in which high mental ability may be either unnecessary or misdirected."[237] The former would obviously be unable to maintain efficient production, while the latter might threaten it if their overactive minds were allowed to ponder much beyond the task at hand. For Ruml, Darwinism and the age of progress were essential elements in a society "that promotes the utilization of men on work for which they are fitted." This scheme, he added, would "result in increased productiveness of the shop and increased contentment of the working force."[238] Yet Ruml would not have been a social engineer had he not also believed that the environment could be manipulated to effect individuals. Accordingly, he asserted,

> We know pretty definitely that our 'general mental adaptability to new problems' varies markedly from time to time and place to place. It varies with what we have eaten and how we have slept, with time of day and character of our immediate associates.[239]

Ruml had concluded the above as early as 1916, when he joined the Carnegie Institute of Technology in Pittsburgh, "at the request of several prominent businessmen." Ruml helped establish the Bureau of Salesmanship Research at Dartmouth, "which led to the practical application of psychological principles from the academy to the business

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[236] Beardsley Ruml, "The Extension of Selective Tests to Industry," in *Annals of the American Academy of Political and Social Science*, Vo. 81, January, 1919, 38.
[237] Ruml, "The Extension of Selective Tests," 40.
[238] Ibid, 46.
[239] Beardsley Ruml, "The Need for an Examination of Certain Hypotheses in Mental Tests," in *The Journal of Philosophy, Psychology, and Scientific Methods*, Vol. 17, No.3, January 29, 1920, 60.

world."[240] He assisted Walter Scott at the Scott Company (in Philadelphia), an "industrial psychology consulting firm," in 1919 as its secretary.[241] His efforts were utilized by businessmen hoping to coerce an unsuspecting populace into consuming the manufactured wants.

One of the ways that businesses successfully manufactured wants was through advertising. Despite the two depressions in the late nineteenth century, expenditures in advertising rose from $9.5 million (1865) to $95 million (1900). "Goods suitable for the millionaire at prices in reach of the millions," read one Macy's advertisement.[242] In the early twentieth century, designing ways of seducing the masses into consuming continued to be profitable. Advertising expenditures rose throughout the 1920s from $750 (1921) million to $1.5 billion (1927).[243] Research in the social sciences was proving profitable for private businesses.

Philanthropies, at the turn of the twentieth century, were indispensable in efforts to integrate social science research into government networks. Private philanthropies developed programs for agricultural efficiency, educational reform, home economics, and physical education.[244] Philanthropies were also beginning to envision the benefits of their own efficiency through consolidation. In the 1920s, Ruml directed the financial consolidation of several Rockefeller foundations concerned with social science and

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[240] Reagan, 144

[241] Ibid, 146. Reagan described, "The Scott Company was the first consulting agency in a rapidly burgeoning field that aimed at advising ways to control work forces and promote harmony between employers and workers….While a member of the Scott Company, Ruml sought to encourage large corporations and the more experimental medium-sized firms, including the Dennison Manufacturing Company, to modify the wartime trade tests to suit their firms' interests."

[242] Gillon & Matson, 701.

[243] Paul Carter, *The Twenties in America*, (New York: Thomas Y. Crowell Company, 1968), 32.

[244] Sealander, *Private Wealth and Public Life*. Her research concerned the work of the Rockefellers' several foundations, which transformed philanthropies into government agencies: The General Education Board – see page 32; Bureau of Social Hygiene – see page 192.

policy directives. In a 1922 memorandum to the Board of Directors at the Laura Spelman Rockefeller Memorial he noted,

> *An examination of the operations of organizations in the field of social welfare shows as a primary need the development of the social sciences and the production of a body of substantiated and widely accepted generalizations as to human capacities and motives and as to the behavior of human beings as individuals and in groups…It is becoming more and more clearly recognized that unless means are found of meeting the complex social problems that are so rapidly developing, our increasing control of physical forces may prove increasingly destructive of human values.*[245](Italics in original)

One of Ruml's assignments at the LSRM concerned parent education. Ruml's training in psychology and business experience had convinced him that behaviorism (the ability to predict/control behavior through repetition) was not only capable, but necessary. Ruml orchestrated sizeable grants to groups devoted to "parent teaching," and produced ten years of programs dedicated to training young parents on how to control their children.[246] One of the more general projects Ruml spearheaded at the LSRM was the establishment of the Social Science Research Council (1923). Between 1923 and 1933, the LSRM funded the SSRC almost entirely (96%). Moreover, LSRM and SSRC sponsored annual summer conferences at Dartmouth, beginning in 1925 that brought together individuals concerned with policy, social science, research, and philanthropies that "first Herbert Hoover and later Franklin Roosevelt drew on extensively for public-policy advice."[247] The research would ultimately come to be utilized by policy makers in times of crisis.

In the years surrounding World War I, a great deal of excitement existed in the lives of progressives who, like Mary Van Kleek (Director of the Russell Sage

[245] Reagan, 150-51.
[246] Sealander, *Private Wealth and Public Life*, 88-90.
[247] Reagan, 155.

Foundation's Department of Industrial Studies) believed that "the world *can* be controlled, if we release intellect."[248] That the progressives ultimately failed in their attempts to establish a more equitable society is evident in the writings of Daniel Rogers, Judith Sealander, and Linda Gordon. Hartz characterized the Progressive "mind" as "the mind of a child in adolescence, torn between old taboos and new reality, forever on the verge of exploding into fantasy."[249] Most progressives accepted industrialization as improvement, but when they attempted to solve problems based on that premise their solutions were nothing more than patchwork performed on a roof in need of replacement. Progressives increasingly drifted toward the government and, as such, drifted further out of touch with those who existed on the outskirts. Throughout World War I, "in the United States, the social progressives were brought en masse into government and quasi-government service."[250] As Sealander stated more harshly, "an elite imposed a public policy expecting that, once trained other Americans would accept and then embrace it."[251] Reforms agendas were contrived by wealthy individuals who had amassed great amounts of capital in the thirty years prior. This money was used to establish private philanthropies that then sponsored research and analysis through the increasingly professionalized universities and academic institutions. Their efforts assisted the creation of an ever larger, ever distant bureaucracy within the United States. Cohen described progressive reform efforts on public utilities within cities as a "failure" because "progressives chose to preserve private ownership and assign the regulation of public

[248] Quoted in Sealander, *Private Wealth and Public Life,* 39.
[249] Hartz, 237.
[250] Rodgers, 283.
[251] Sealander, *Private Wealth and Public Life,* 197.

utilities to nonpartisan expert regulatory commissions."[252] Amidst Woodrow Wilson's proclamation to "make the world safe for democracy," a great deal of doubt existed within the United States on whether it might regain as much.

In 1919 alone, as many as twenty percent of the U.S. labor force went on strike; the reasons for many of the strikes reflected the demands of the late nineteenth century (see chapter two). That businesses, progressives, and the federal government had failed to establish equal discourse with laborers is evident when some began turning to communism later that year.[253] The United States government responded, like before, with repression rather than compromise. Arrests of "alleged communists" took place throughout 1920, sparking another "Red Scare" through popular media.[254] Two Italian-Americans, Bartolomeo Vanzetti and Nicola Sacco, both self-styled "anarchists," were arrested and charged with the murder of two employees of the Slater & Morrill Shoe Company during a robbery.[255] Both men took the stand and their political views were the main examination of prosecution.[256] A hat was found at the crime seen and identified as similar to one Sacco owned. He tried it on and although it did not fit, it would be nearly 80 years before the expression in the famous O.J. Simpson trial was coined 'if it does not fit, you must acquit.' Despite the lack of evidence, coercion of witness testimony, and conflicting statements, three motions made for a new trial were not granted.[257] The two men were found guilty and executed on August 23, 1927.[258]

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[252] Cohen, 228-9.
[253] American Social History Project, *Who Built America, Working People and the Nation's Economy, Politics, Culture and Society*, vol. II, (New York: Pantheon Books, 1992), 258-61.
[254] *Who Built America*, 265.
[255] University of Missouri-Kansas School of Law, *Famous Trials*, http://www.law.umkc.edu/faculty/projects/ftrials/SaccoV/chronology.html
[256] Ibid.
[257] Ibid.
[258] Ibid.

As average Americans began discovering their environment was increasingly being manipulated beyond their control, they turned their attention to the bourgeoning national pastimes. Some, like Robert K. Murray have argued that the media shift in 1920 and after from politics and economics to athletics and other pastimes happened "to abate the madness of the Great Red Scare."[259] This would have been possible through the advent and proliferation of broadcasting radios that was occurring roughly around this time. But fans could also participate, as Sealander found, "In any year after 1925, an average of one million adults and close to two million children played on city sponsored sports teams."[260] This was a result of the work of several philanthropies (Russell Sage and Rockefeller's) initiative to train (through physical fitness) prospective troops for the military, healthy civilians, as well as fostering contentment (through diversion).[261] Similarly, educating youth on civic virtues prevailed over diversity and information. Robert Lerner, Althea K. Nagai and Stanley Rothman charged "facilitators of learning" (progressives of the 1920s) with hijacking the American education system to "indoctrinate" youth with ideas of "cooperative social control and organized social planning."[262]

In 1931, Ruml headed the newly created Division of Social Sciences at the University of Chicago, as a professor of education. While there he taught a seminar and assisted the University President (and friend), Robert Maynard Hutchins, in reorganizing the university's graduate research program and undergraduate education.[263] There he

[259] Carter, 22.
[260] Sealander, *Private Wealth and Public Life*, 202.
[261] Ibid, 200.
[262] Robert Lerner, Althea K. Nagai, and Stanley Rothman, *Molding the Good Citizen: The Politics of High School History Texts*, (Westport, Connecticut: Praeger Publishers, 1995), 15-16.
[263] Reagan, 158-9.

stayed until 1934, when he returned to the East coast to assume the position of Treasurer at R.H. Macy's with an annual salary of $40,000, that by 1936, had risen to $70,000.[264] This was no small sum in the midst of the "Great Depression" (by today's standards, he would have been a millionaire), and Ruml threw himself and his ideas into orchestrating the larger role the federal government would take during and after the New Deal.

Ruml became involved in public assistance projects through government programs in the 1920s. He first worked on the Fairway Farms Corporation demonstration project, which examined scientific methods for farming the parched Montana soil. After a few years, the LSRM refused to subsidize the project further, but Ruml convinced Rockefeller to personally fund it on the condition that it incorporate "in a business-like manner."[265] The project showed little success for the farmers, but it did produce a great deal of statistical data that was later utilized as a model for the Agricultural Adjustment Act, the Farm Security Administration and the Federal Subsistence Homesteads Division during the New Deal.[266]

Most historians agree the New Deal saved the U.S. market system. Williams described it as a "consensus and a movement to prevent a revolution."[267] It is not difficult to imagine such a possibility when as much as one quarter of the working population found themselves without jobs between 1929 and 1933. Unquestionably, the New Deal institutionalized labor, social science research, capital and government in ways that resembled the modern business. Daniel Rogers observed the New Deal was a "great gathering in from the progressive political wings of a generation of proposals and

[264] Ibid, 159.
[265] Reagan, 160-1.
[266] Ibid, 161.
[267] Williams, *Tragedy of American Diplomacy,* 165.

ideas."[268] Men like Ruml, who had utilized technology and science to engineer predictable behavior and designed financial and institutional consolidation were essential engineers of the New Deal.

Ruml came into the picture as one of (five, one of which was FDR's uncle) FDR's "planners" in 1935. The five "planners" had similar previous experiences with Ruml, and the group could be described (in Ruml's own words) as "homogeneous." By 1935 the group operated under the title of "National Resources Committee" (originally called the National Planning Board, then National Resources Board in 1934, and eventually changed again to the National Resources Planning Board in 1939). Their first mission was a thorough examination of trends that were later documented in their report of 1933-4. This report described

> The history of American planning, current types of planning in the United States, critical summaries of national planning in other countries, a definition and justification of national planning, a future vision of an abundant society made possible by planning, and specified recommendations for creating a permanent planning board.[269]

This last point, as Patrick Reagan noted in his masterful study of the New Deal planners, caused Congressmen a great deal of concern. If the planning board were to become a permanent fixture of the federal government, then what would be the role of the legislature? Aside from the eerie feeling that government would be 'planning' and anticipating every move, crisis, future, and goal, the other branches would suffer because they would lose authority and power. Roosevelt continued to rely on the group despite repeated attacks that he was leading the country toward fascism.

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[268] Rodgers, 415.
[269] Reagan, 188.

Ruml and the planners possessed an unmitigated faith in science, technology, corporations and capitalism, but talk of "free trade" was abandoned. As Reagan described,

> The board sought to carry the ideas of modern rationality, efficiency, and scientifically based policy making into the federal government as drawn from business, trade associations, city and regional planning, professional social science, and private-public cooperation with the assistance of modern philanthropy into the policy process.[270]

As can be gathered from the report and intentions of the board, they had no utopian beliefs that the market economy could recover without assistance. But the board's time was quickly running out.

The 1938 election demonstrated the resilience of Republicans who gained seats in both houses of Congress and worked with conservative Democrats to end what they called "Executive usurpation."[271] Undoubtedly, it was also due to another recession in 1937-8 that seemed to suggest FDR's many attempts at reform were not working. Japan's assault on China (1937) and then Germany's invasion into Poland (1939), if nothing else, turned America's attention to thoughts of war. In observing Gallup poll questions in 1938, there were more questions about politics, specifically approval ratings of the President than any other question in that year (at least forty seven). The economy appeared to be the runner-up (at least twenty-seven questions), and military questions (only those that pertained to the United States) were apparent but not overwhelming (under fifteen). Two years later, Gallup's questions still showed an interest in probing the American public on President Roosevelt (about forty six) but the questions concerned voting for him or his opponent (Wendell Wilkie). There is a dramatic shift in questions

[270] Ibid, 192.
[271] Reagan, 198.

on the economy (only about eleven this time) to possible military engagements, neutrality, national defense and the draft (at least forty six).[272]

Ruml and his fellow planners fell under increasing pressure from the Congress. When Congress refused to authorize funding for the board in 1939, FDR kept it in place through an executive order (8248). Their time increasingly running out, the planners focused on "studies that emphasized the value of moderate spending policy to raise national income, create full employment, encourage high production and consumption to preserve industrial capitalism, and stabilize the economy."[273] By this time, it was apparent that the policy of the federal government depended on the market system for its very existence.

The planning board was discharged in 1943, but not before it released a "post war planning report." The report, said Reagan, "called for a postwar economy of abundance that combined the concept of a full employment economy with an ambitious set of social welfare proposals that would make the welfare state a complement to full employment."[274] Ruml gave a series of lectures later that year at the University of Omaha describing the postwar plan. He said the lessons of the past, massive industrial employment, then massive unemployment, had led to a desire to harness the powers of industrialization for the betterment of all. Declaring that everyone might share "in the future this product of goods and services," he intended that consumerism would "be created, conserved, and applied to the increased welfare of us all."[275] He admitted that business had become "a form of private government," and added that government "must

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[272] George, H. Gallup, *The Gallup Poll*, Vol. I, (New York: Random House, 1972). For those questions concerning 1938, see pages 83-132. For 1940, see pages 199-256.
[273] Reagan, 213-4.
[274] Ibid, 199.
[275] Ruml, *Government, Business, and Values*, 4.

protect the field of business."[276] As if businesses needed protection from people! Yet this twist of fate can be seen as early as 1940, when Gallup polled Americans on whether businesses ought to be regulated (67% said no). The same question was asked concerning labor unions, in which 75% said yes.[277]

In keeping with the Darwinian beliefs in progress and fitness, Ruml hoped businesses would not conglomerate, because such action would destroy competition. But if they did, he agreed the government ought to regulate them.[278] He advised laborers to join unions and keep working to maintain a healthy economic system.[279] In this respect, Ruml declared it "inescapable" for the federal government to establish fiscal and monetary polices that would "complement and supplement the activities of private business in the maintenance of high production and high employment."[280] In "Looking ahead," he pronounced, "the relations of government and business will center around the fact that we have two systems of government – one public, the other private."[281] There was never a question to the American people as to whether they would like to divide their government into a private and public sphere. It might not have mattered. As Ruml noted, the "rule of private business" was "made with the purpose of ordering the behavior of customers, vendors, and employees."[282] Undoubtedly, as he found throughout his numerous positions on philanthropic organizations and industrial psychology consulting firms, engineering was designed to influence the perceptions of target populations.

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[276] Ibid 10, 11.
[277] *The Gallup Poll*, May 5-10, 1940, 234.
[278] Ruml, *Government, Business, and Values,* 16-18.
[279] Ibid, 20.
[280] Ibid, 24.
[281] Ibid, 28.
[282] Ibid, 30.

Most Americans do not know (though they should) that we are indebted to Ruml for the Pay-as-you-go income tax plan he devised in 1943 that we continue to use today. His last major assignments included service as director of the New York Federal Reserve Bank (1937-1947) and his participation at the Bretton Woods Conference (1944) that developed the global market system. His work at the Conference is shrouded in mystery but a few facts are readily available. Ruml served as a delegate to the conference as part of the Committee for Economic Development. In a *Times* article, Ruml is referred to as a representative of the CED and a "Tax Export," but it did not mention any of his other previous assignments. The article said the CED's report on Bretton Woods gave "doubtful Congressmen good authority for voting for instead of against Bretton Woods."[283] Robert Collins traced the origins of the CED back to the New Deal, in which a group of businessmen (they were all men) formed a Business Advisory and Planning Council (1933). All of whom, Collins noted, "had a strong interest in 'the engineering approach.'"[284] He agreed that Ruml wanted to integrate research in the social sciences to policy solutions. The CED, Collins found, was created in 1942.[285] The CED, still in existence today, proudly proclaims its mission statement,

> Throughout its 65-year history, the Committee for Economic Development has addressed national priorities that promote sustained economic growth and development to benefit all Americans. These activities have quite literally helped shape the future on issues ranging from the Marshall Plan in the late 1940s, to education reform in the past two decades, and campaign finance reform since 2000. CED'S Trustees not only determine what those priorities should be; but also take the time

[283] "The U.S. Calls The Turn," *Times Magazine*, March 26, 1945. http://www.time.com/time/magazine/article/0,9171,803469-1,00.html (accessed June 10, 2007).
[284] Robert Collins, "Positive Business Responses to the New Deal: The Roots of the Committee for Economic Development, 1933-1942," in *Business History Review*, Vol. LII, No.3, Autumn, 1978, 375.
[285] Collins, 388.

> to participate in the subcommittees which produce the policy statements containing CED's findings and recommendations.[286]

In a fourteen hundred page tome on United States history there is no mention of either Ruml or the CED; but there are at least five pages with references to Monica Lewinsky.[287] In any case, Georg Schild argued Bretton Woods was established after World War II because many influential Americans and some Britons argued the war was a result of unemployment and deflation, so an international economic system was essential to post-war stability.[288] More directly, he asserted, "the chief reason for advocating an international monetary equilibrium was to increase foreign trade."[289] The project would reciprocally benefit everyone (at least in the United States): "a new world trade plan that would serve the needs of American industry" while a "fund would supply foreign states with dollars to purchase American goods."[290] Not surprisingly, Schild found, when plans were under way as early as 1942, "most of those activities were shielded from the American public."[291]

In 1945 Ruml gave a brief speech to the Academy of Political Science. He declared, "I take it for granted that the protection of individual enterprise is not an end in itself, and that our interest in its protection stems from a profound conviction that private

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[286] Committee For Economic Development, "About Us," http://www.ced.org/about/chairman.shtml (accessed June 10, 2007).
[287] Ayers, et.al., see index, I-32.
[288] Georg Schild, *Bretton Woods and Dumbarton Oaks, American Economic and Political Postwar Planning in the Summer of 1944*, (New York: St. Martin's Press, 1995), 16. Schild does not mention Ruml or the CED either, but his work is focused more on the development of Cold War tensions than the economic system itself.
[289] Schild, 86.
[290] Ibid, 90-1.
[291] Ibid, 101.

enterprise is a bulwark of human freedom."[292] The majority of Americans are unaware that at the beginning of the twentieth century most people in 'industrialized nations' were certain they were witnessing the end of capitalism, and by that right, the political system that safeguarded it. In the United States the system was salvaged after fending off its competition (in the form of Marxism, labor strikes and periodic 'Red Scares') and then blurring the line between the market and politics. At the same time, the definition of 'liberty' shifted from a 'right' to what one created, to the 'right' of what one destroyed (for by consuming we are also destroying).

In *Spreading the American Dream,* Emily Rosenberg observed how some non-Americans complained that United States exports created "dependence" on United States capital, while American traders countered that their capital created "development" opportunities.[293] There is no doubt that both arguments were true, but because trade had been deemed necessary for domestic policy, there could be no debate on whether it might reap negative consequences in foreign lands. Instead, foreign trade was reinvented as spreading democracy. Men like Fredrick Jackson Turner argued the entire history of the United States had been built on conquest, which had spread democracy, so the country must take its mission (and goods) to the world. "Free trade" had been reinvented as the initiator of "freedom," even though its unequal repercussions had been seriously contested within the United States only a few years earlier. These criticisms disappeared when foreign commerce was seen as a national interest.[294] All that remained was to

[292] Beardsley Ruml, "The Protection of Individual Enterprise," in *Proceedings of the Academy of Political Science,* vol. 21, no.3, May, 1945, 437.
[293] Rosenberg, 26.
[294] Ibid, 39.

convince the rest of the world to adopt similar policies and Americans to go along with it. This became known as the theory of modernization/development.

Chapter IV: Leo Strauss, Walt Rostow, and the Universal Application of Modernization

Since the combined resources of Eurasia could pose a serious threat of military defeat to the United States…would threaten the survival of democracy both elsewhere and in the United States, it is equally our interest that the societies of Eurasia develop along lines broadly consistent with both our own conception of the proper relation of the individual to the state and with their own cultural heritages. – Walt Rostow, 1955[295]

There cannot be natural right if human thought is not capable of acquiring genuine, universally valid, final knowledge within a limited sphere or genuine knowledge of specific subjects. – Leo Strauss, 1953[296]

As for a child who is leaving adolescence, there is no going home again for America. - Louis Hartz, 1955[297]

In recent years, historical narrative has often laid blame to "U.S. isolationism" after World War I as a major cause of World War II and U.S. leadership after it. George H.W. Bush, in 1992, fantasized, "When a war-weary American withdrew from the international stage following World War I, the world spawned militarism, fascism, and aggression unchecked, plunging mankind into another devastating conflict."[298] Walter Mead referred to this as the "myth of virtuous isolation."[299] The United States was involved in World War I, even before it officially entered. Throughout the war, private American bankers loaned large sums of money to both belligerents (Allies $2.3 billion, Germany $23 million). The money, while it "stimulated American industry," also created an environment where the United States became "dependent on Allied victory" for repayment of the loans.[300]

While it is true that the United States did not take part in Woodrow Wilson's proposed League of Nations, commerce and foreign policy continued throughout the interwar years even if Americans were unaware. William A. Williams described the

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[295] Rostow, *An American Policy in Asia,* 5.
[296] Leo Strauss, *Natural Right and History*, (Chicago: University of Chicago Press, 1953), 24.
[297] Hartz, 32.
[298] Quoted in Smith, 311.
[299] Mead, 60.
[300] Rosenberg, 67.

League's defeat in the United States as the expression of tactical differences between view points on how to sustain increased commerce. Of those who opposed the League, said Williams, "these men recognized that the American economy was an interrelated and interdependent system, rather than a random conglomeration of individual operations mysteriously unified by the abstract functioning of the market place."[301] The collective security of the League posed serious threats to the desire for continued commercial expansion. Political ties to economic enterprises had been solidified earlier (see chapter three) and continued throughout the early twentieth century, as evidenced by President Taft's "Dollar Diplomacy" policy, as one of "substituting dollars for bullets."[302] Social science research tactics were applied during this time, as in the establishment of the War Trade Board (1917), which collected data on "enemy controlled businesses abroad" and exercised "complete control over imports and exports."[303] In 1918 Congress passed the Webb-Pomerene Act that allowed "monopolistic business combinations in the export trade." Ironically, this legislation passed while Wilson crusaded against the British Western Telegraph cable monopoly in South America to allow All-America Cable (headed by John Merrill) access to the South American market.[304] The following year Congress passed the Edge Act which permitted "national banks to buy shares in corporations engaged in foreign investment, opening the way for large investment trusts."[305] Meanwhile the radio, which had been developed as a creative means to send messages during the War of 1898 (like many of the modern communications industry in the United States), had conglomerated (G.E., A.T. &T and a few smaller American firms)

[301] Williams, *Tragedy of American Diplomacy*, 119.
[302] Rosenberg, 58-59.
[303] Ibid, 69.
[304] Ibid, 90.
[305] Ibid, 70-1.

and formed Radio Corporation of America (RCA) that cut out competitors in Latin America.[306] Likewise, American consumer goods flooded into Western Europe after the First World War. Daniel Rodgers found that American movies moved in to dominate that sector of the Western European market: 60 percent in Germany, 70 percent in France, and 95 percent in Britain.[307]

While future President Herbert Hoover served as head of the American Relief Administration he coerced regimes in Eastern Europe to adopt pro-United States policies in exchange for food and services.[308] As the Commerce Secretary (1921-29), Hoover coordinated policies with philanthropic organizations like the Rockefeller Foundation, the Carnegie Endowment, the YMCA and the Red Cross who operated overseas research and assistance programs that solicited contracts for U.S. businesses.[309] Hoover subsequently expanded the bureaucratization of the Bureau of Foreign and Domestic Commerce (from 500 to 2,500 employees).[310] Emily Rosenberg made a strong case that private investment in loans to the belligerents after World War I may have helped precipitate the Great Depression. She observed that private loans were a way of coercing those sovereigns to buy American goods that strengthened the global (especially American) capital system. Moreover, borrowing from private banks rather than the United States Treasury fostered the appearance of apolitical motivations, while simultaneously "the American public believed that the Republican Administrations were following a policy of disengagement from international affairs, yet the private sector was involving the United States in the intricate world system at government's behest and making enormous profits by this

[306] Rosenberg, 94-5.
[307] Rodgers, 371.
[308] Rosenberg, 77.
[309] Ibid, 118-20.
[310] Ibid, 140.

economic entanglement."[311] When American lenders retreated in 1928, investment declined and trade plummeted along with the stock market in 1929.

When FDR was elected, Rosenberg called his policies one of creating a "regulatory state" not so much toward business as it was toward the economy. Some policy makers and business leaders believed that the economic system could not recover on its own and would need constant oversight if it were to be revived and maintained. This was demonstrated through the Trade Agreements Act of 1934, which gave the Executive tremendous authority over loans, tariffs, and trade policies that had formerly been the function of Congress.[312] The Banking Act (1933), the Export-Import Bank (1933) and the Gold Reserve Act (1934) were further measures of Executive economic control. In this all to brief summary it is clear that the United States was not only engaged in the international arena prior to the Second World War, but also that it had acquired through the experience of the Great Depression a means of controlling the market through regulation and constant injections of capital, drawing on the principles of Keynesian economics. It is of little surprise then, that when the time came to set up an international organization of countries to protect the peace, the United Nations headquarters was stationed in New York. Likewise the experience gained in monitoring trade (and regulating it during and after the New Deal) in the first half of the twentieth century were instrumental techniques used to establish Bretton Woods, the International Monetary System, and eventually, the World Bank (which has only ever been headed by a United States director). Bretton Woods, as the forerunner of the latter two, established "a multilateral postwar global monetary stabilization and trading system." Moreover, it

[311] Rosenberg, 159-60.
[312] Ibid, 178.

was designed as a "currency stabilization mechanism."[313] This was essential for the American economy to continue "growing" (and others to develop similarly) as it required continued foreign outlets. Yet after World War II, there existed a great deal of skepticism about capitalism, and the alternative of communism had achieved a great many adherents due to its adoption by the Soviet Union and China. Since the United States' economy required interaction from every available market, the next step was to convince the world, especially the poorer countries, that it lay in their interest to establish an economic system comparable to that of the United States.

When Harry Truman became President in 1945, he invoked a "hard line" policy toward perceived enemies that was in keeping with his experiences as a World War I veteran and a student of history. These experiences, Michael Hunt described, "led him to think of international affairs in terms of a contest between civilization and barbarism waged by a succession of major powers."[314] In a masterful half narrative, half documentary book, Hunt demonstrated how both the United States and the Soviet Union recognized that their own power had increased as a result of the Second World War, and both viewed the other as suspicious antagonists bent on the other's destruction. Georg Schild observed how at both the Bretton Woods and Dumbarton Oaks Conference, the Soviet diplomats participated but consistently haggled for a position at least as powerful as Great Britain (which was positioned second to the United States). The Marshall Plan of 1947, formally called the European Recovery Program, "authorized large loans to European programs for economic repair and reform" that intended to establish "economic

[313] Schild, 109.
[314] Hunt, *Crisis in U.S. Foreign Policy,* 118.

democracy and economic growth."[315] The Truman Doctrine (also in 1947), declared it the intention of the United States in Greece and Turkey at that time, but emphasized that it could be applicable to "free peoples" everywhere, to stop the spread of Communism's "totalitarian regimes" through economic and military assistance, and was clearly designed as a statement of future objectives.

There is no doubt that Walt W. Rostow became an enthusiast for the Cold War battleground while he worked for the OSS and the Marshall Plan. The Marshall Plan sounded quite familiar to what Rostow would eventually call his theory of modernization. In Marshall's words, funds were needed to begin the "revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist."[316] The necessity of the Marshall Plan was connected to the way policymakers interpreted the Soviet Union as a threat. The year before, the State Department had received George Kennan's "Long Telegram" that described the threat as follows:

> We have here a political force committed fanatically to the belief that with US there can be no permanent *modus vivendi,* that it is desirable and necessary that the internal harmony of our society be disrupted, our traditional way of life be destroyed, the international authority of our state be broken, if Soviet power is to be secure.[317]

This letter planted the seeds for forty years of Cold War policy known as containment. Whether it was playing up the other's weaknesses (asymmetrical) or matching its

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[315] Smith, 117.
[316] George Marshall, "Harvard Commencement Address" (1947) in *A More Perfect Union: Documents in U.S. History*, Vol. 2 6th Ed. (Boston: Houghton Mifflin Company, 2005), 157.
[317] "U.S. Charge in the Soviet Union George F. Kennan to the State Department 'long telegram' of 22 February 1946, analyzing Soviet policy," in Michael Hunt, *Crises in U.S. Foreign Policy, An International History Reader*, (New Haven: Yale University Press, 1996), 147.

strength's (symmetrical), every administration after FDR (except perhaps that of Carter) focused on containing the spread of communism.[318]

While at MIT, Rostow researched *The Dynamics of Soviet Society,* as part of his assistance to the CIA at the Center for International Studies. In this analysis, Rostow made several interesting observations. He noted that frequent internal power struggles in Soviet government, rather than an intended plan, had played much more prominence in their current attempt to maximize external control.[319] He even suggested that had there been no First World War "Russia would have moved into a phase of fairly familiar Western democracy."[320] Throughout the report, he emphasized repeatedly that the leaders of the Soviet state from Lenin to Stalin, had "abandoned" their Marxist ideology.[321] That they did not discard the rhetoric, Rostow supposed, had more to do with the ideological perceptions that had been enforced through propaganda and force, which served "as a steady rationale for the state of both internal tension and hostility to the external world which has marked Soviet life since November 1917."[322] It is interesting to note that policymakers in the United States, armed with this awareness, did not "abandon" the rhetoric either. The "hostility," he noted was in keeping with the pre-1914 historical Russian narrative (rather than ideological Marxism) and this was evident in the continued fear of invasion seen in Soviet rhetoric.

There was further reason to believe, Rostow argued, that Russia would not attack far beyond its borders and he doubted "that the Soviet regime is operating by a schedule

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[318] See John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy during the Cold War*, Rev. Ed. (Oxford: Oxford University Press, 2005).
[319] Walt Rostow, *The Dynamics of Soviet Society,* (New York: W.W. Norton & Company, 1952), 17.
[320] Rostow, *The Dynamics*, 25.
[321] Ibid. see pages 28, 37, 55, 79, 84, 86,
[322] Ibid, 96.

or timetable of world domination."[323] The problems within Soviet society, Rostow concluded, were many. He noted peasants were the most dissatisfied group, along with minorities, the intellectuals, the middle and lower bureaucrats, industrial workers, imprisoned and forced laborers and that these groups were only unified through patriotism.[324] This discontent, Rostow admitted, might be of exploitative value to the United States, but cautioned that he was unclear of how these social sectors might respond.

Anatol Lieven, in commenting on the myth of the Cold War as an impending doom that policymakers hatched to advocate an aggressive United States position to foster economic systems throughout the world, said Leo Strauss was one of the "founding intellects" of these "secretive and conspiratorial tendencies." Likewise, he argued that Strauss "fostered a thoroughly Plantoic belief that that it is both necessary and legitimate for the philosophical elite to feed the populace religious and patriotic myths in which the elite itself does not believe."[325] This, he argued, was the chief reason why policy makers have couched their intentions through religious moralizing and democratic terms, especially during the Cold War. Guilhot, in tracing the origins of *The Democracy Makers,* referred only briefly to the Strauss school of thought as the "conservative" strand in the "liberal paradigm."[326] James Mann agreed, referring to Strauss as "one of the icons of the modern conservative movement."[327] Mann went on to state that in the midst of the Cold War, "Strauss's thought provided some of the intellectual underpinnings for strong,

[323] Rostow, *The Dynamics*, 132, 150.
[324] Ibid, 205-224.
[325] Lieven, 152.
[326] Guilhot, 110.
[327] James Mann, *Rise of the Vulcans: The History of Bush's War Cabinet,* (London: Penguin Books, 2004) 26.

unqualified anticommunism."[328] Others claim that "he was an atheist and the purveyor of an esoteric philosophy which was critical of liberalism but supported Machiavellian deception and a ruling elite."[329] Another of Strauss's critics explained that "Leo Strauss was a great believer in the efficacy and usefulness of lies in politics."[330] One observer at the University of Chicago (where Strauss taught) opined, "Strauss there reopened the question of natural right, the possibility of a standard of justice independent of and superior to human agreement or convention."[331] Strauss has given contemporary political scientists and philosophers a challenge for much of what he wrote was not only controversial, but at times elusive and difficult to interpret.

Strauss was born in 1899, in Germany and received his Ph.D. in political philosophy at the University of Hamburg. Arriving in the United States in 1937, he made a name for himself early on as one of the few individuals of his time to consider the ancient writings of those nearly forgotten, Plato, Aristotle, and Socrates. He taught at the New School for Social Research (1939-1949), the University of Chicago (1949-1967), Claremont Men's College (1968-69), and St. John's College from 1969 until he died in 1973.

Strauss's most recent biographer, Thomas Pangle, observed, "Strauss exemplifies Nietzsche's observation that genuinely independent thinkers are never the 'children of their times:' they are (at most) the subversive and rebellious, the despised or decried, the

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[328] Mann, 27.
[329] Source Watch, "Leo Strauss," http://www.sourcewatch.org/index.php?title=Leo_Strauss, (accessed May 1, 2007)
[330] Information Clearing House, "Noble Lies and Perpetual Wars," http://www.informationclearinghouse.info/article5010.htm (accessed May 1, 2007).
[331] The John M. Olin Center for Inquiry into the Theory and Practice of Democracy, "Leo Strauss," http://olincenter.uchicago.edu/straussconference.htm (accessed May 1, 2007).

troublesome and trouble-making 'stepchildren' of their times."[332] Moreover, Pangle added, it was the "Bush administration [that] caused media sensationalism and distortion about Strauss," but the bottom line was that Strauss "was of course a great thinker (even if no one can take the time to figure him out); the problem is, his American followers have all grossly misappropriated and distorted his teaching."[333] Most people agree that he influenced many individuals associated with the current Bush administration (especially Paul Wolfowitz) and so his writings must be considered in light of that.

In a collection of published essays (1952), Strauss hoped to persuade disciples to establish a subfield in the "sociology of knowledge." He reminisced that the ancient philosophers took for granted knowledge as "the essential harmony between thought and society or between intellectual progress and social progress."[334] Observing the atmosphere in which he lived, he lamented how the masses not only did not understand the importance of intellectual discourse but were growing increasingly indifferent to scholarly pursuits.[335]

Yet Strauss was also troubled by what he perceived as the "persecution…of writing," for which he said truth could only be expressed by writing "between the lines."[336] It is of little wonder that his writings have appeared to frustrate interpreters and foster misunderstandings. This may have been his intention, as he wrote, "The real opinion of an author is not necessarily identical with that which he expresses in the largest number of passages. In short, exactness is not to be confused with refusal or

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[332] Thomas Pangle, *Leo Strauss: An Introduction to his Thought and Intellectual Legacy*, (Baltimore, Maryland: Johns Hopkins University Press, 2006), 1.
[333] Pangle, 4.
[334] Leo Strauss, *Persecution and the Art of Writing*, (Glencoe, Illinois: The Free Press, 1952), 1.
[335] Strauss, *Persecution.* On 22 he said, "A large section of the people, probably the great majority of the younger generation, accepts the government-sponsored views as true, if not at once at least after a time."
[336] Ibid, 25.

inability, to see the wood for the trees."[337] Yet there did appear a consistent message throughout his work and that was his evaluation and rejection of relativism.

Relativism began when Albert Einstein advanced the idea that geometric calculations could not account for all aspects of universal functions (1913).[338] Academics quickly picked up on this "progressive" analysis and soon applied it to historical narrative, arguing that each narrator told his/her story in a manner that reflected their own biases, and therefore, could not be said to be "truth." Moreover, it asserted that "we can say nothing useful about truth that can possibly apply outside our own particular culture or consensus group."[339] Applied to cultures, relativism suggested that each culture embodied different values so any kind of universalism could not be established. One can see how this would trouble anyone who believed that spreading democracy, capitalism, and market systems were universally applicable.

Strauss attacked relativism and its foundations. He was troubled by the contradictions of expressing "natural" laws and rights that at the same time were dismissive of universal morality. Laws, he stated, were "rules of prudence rather than rules of morality proper," he argued.[340] Moreover, relativism was only the latest trend in this line of thought, for, according to Strauss, it began as soon as technological progressives resigned their faith in religious virtues and morality for science. He wrote,

> The philosophy which is still legitimate on this basis, would not be more than the handmaid of science called methodology, but for the following consideration. Science, rejecting the idea of a final account of the whole, essentially conceives of itself as progressive, as being the outcome of a progress of human thought beyond the thought of all earlier periods, and

[337] Strauss, *Persecution*, 30.
[338] Peter Novick, *That Noble Dream: The 'Objectivity Question' and the American Historical Profession*, (Cambridge: Cambridge University Press, 1998), 135
[339] Alun Munslow, *The New History*, (Harlow, England: Pearson Education Limited, 2003), 96.
[340] Strauss, *Persecution*, 139.

> as being capable of still further progress in the future. But there is an appalling discrepancy between the exactness of science itself, and the quality of its knowledge of its progressive character as long as science is not accompanied by the effort, at least aspiring to exactness, truly to prove the fact of progress, to understand the conditions of progress, and therewith to secure the possibility of future progress.[341]

Strauss, as the quote above suggests, recognized the irony in scientific (technology in economic terms) progress. While science had abandoned ideas of universal truths for the sake of what could be "proven" it had failed to account for its own existence and continued advance. Science (and the progress it had ushered in) had not established itself any more a necessity of society than the products it had helped to create and spread. When it deserted the fundamentals of 'natural rights,' the foundation of science, as Strauss pointed out, lay in the authority of whoever employed its constructive purposes. Likewise, a year later he boldly asserted, "To reject natural right is tantamount to saying that all right is positive right, and this means that what is right is determined exclusively by the legislators and the courts of the various countries."[342] He referred to this "nihilism" as "retail sanity and wholesale madness." Seemingly echoing Henry Adams concerns, he insisted that individuals must understand certain truths about existence, rather than relegating these difficult questions to the realms of lawmakers. This unhappy circumstance, he continued, had been invented when "liberals" chose the "the uninhibited cultivation of individuality" and abandoned complex explanations of natural rights.[343] Damning the inventors and adherents of utility (each entitled to their own version of happiness), he added, "Utility and truth are two entirely different things."[344]

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[341] Strauss, *Persecution,* 156-7.
[342] Strauss, *Natural Right,* 2.
[343] Ibid, 4,5.
[344] Ibid, 6.

Strauss argued that social Darwinism's marriage to science had caused this breech in the understanding of natural rights. He pointed out that one could not believe in the science of progress and teleological interpretation of mankind; that is, that a creator has endowed humanity with some ultimate purpose thereby making it necessary to progress while simultaneously believing that science (a human invention) could construct the development. That natural rights had been abandoned, Strauss argued, was due to its compulsory tendency for every contemplative individual within society to examine their situation and the governing regime. This reflection, he noted, would likely cause observers to admit that "what is actual here and now is more likely than not to fall short of the universal and unchangeable norm."[345] Faced with such a predicament, he continued, historians in particular discarded standards and traditions for the sake of subjective individualism that, in "the attempt to make man absolutely at home in this world ended in man's becoming absolutely homeless."[346]

Strauss was certain that the march to progress had left behind important concepts that would emerge again despite their denial, namely, natural rights. Societies must recognize he asserted, that the ideals that they espoused were not "produced by men" but based on the "discovery of nature itself."[347] He pointed out that such things as "justice" were derivatives of societies and modifiable, but "rights" were not. The latter was ever more in need as it would maintain a constant check on the former from abuses. Strauss was well aware that political institutions abused their power. He added that "the ruling section is, of course, concerned exclusively with its own interest. But it pretends for an obvious reason that the laws which it lays down with a view of its own interest are good

[345] Strauss, *Natural Right,* 13.
[346] Ibid, 18.
[347] Ibid, 92.

for the city as a whole." He even referred to political rule as the "masters" of "slaves"![348] It is in this sense that Strauss advocated universal speculation and agreement on natural rights.

In his later writings, it is difficult to ascertain whether he advocated an elitist control over society or whether he had developed grave uncertainties about democracy. In 1968 he wrote,

> Democracy is then not indeed mass rule, but mass culture. …But even a mass culture and precisely a mass culture requires a constant supply of what are called new ideas, which are the products of what are called creative minds: even singing commercials lose their appeal if they are not varied from time to time….Liberal education is the counterpoison to mass culture, to the corroding effects of mass culture, to its inherent tendency to produce nothing but 'specialists without spirit or vision and voluptuaries without heart.[349]

He lamented that "authoritative traditions" had been abandoned for egoism and that religion had been replaced with "liberal education." This, he stormed, was a result of spreading the faith in modern science and technology.

> In order to become the willing recipients of the new gifts, the people had to be enlightened…The enlightenment was destined to become universal enlightenment…While invention or discovery continued to remain the preserve of the few, the results could be transmitted to all….What study did not do, and perhaps could not do, trade did: immensely facilitated and encouraged by the new inventions and discoveries, trade which unites all peoples, took precedence over religion, which divides the peoples.[350]

This liberal education, he charged, forced its students to discard contemplative discussion on virtues and replaced it with what was required of the modern social being: specialization. He emphasized that the origins of this process lay in the first part of the

[348] Strauss, *Natural Rights,* 103.
[349] Leo Strauss, *Liberalism Ancient and Modern,* (New York: Basic Books Inc., 1968), 5.
[350] Strauss, *Liberalism,* 20

twentieth century, and matured after World War II.[351] He came down particularly hard on "the new political science" for invoking both common-sense as "understanding by means of unconscious construction," and "scientific understanding ("understanding by means of conscious construction,") but had failed to recognize that by invoking the former they had testified "the truth that there is genuine prescientific knowledge of political things," and that reliance on the latter "does not provide objective criteria of relevance."[352] He suggested,

> All political societies, whatever their regimes, surely are groups of some kind; hence, the key to the understanding of political things must be a theory of groups in general…we are then in need of a universal theory which tells us why or how groups cohere and why or how they change.[353]

Walt Rostow agreed and had enlisted his efforts into solving this dilemma for some time. Rostow, of Russian-Jewish descent, was born in New York (1916). He received his B.A. from Yale (1936), studied as a Rhodes Scholar for the next three years at Bailliol College (Oxford), and finished his Ph.D. at Yale in 1940. He taught economics for a year at Columbia, and the following year managed to join the military's elite in the Office of Strategic Services. As a Major in London, he reviewed U.S. bombing targets, received the Legion of Merit Award (1945) and was made an Honorary Member of the Order of the British Empire.[354] He worked for Washington D.C. as an assistant chief for the German-Austrian division (1946-7), and acted as assistant to the executive secretary of the Economic Commission for Europe (the Marshall Plan in 1948), and taught United States history at Oxford and Cambridge Universities for two years. In 1950 he returned to

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[351] Strauss, *Liberalism*, 203.
[352] Ibid, 213-4.
[353] Ibid, 215.
[354] "Walt Whitman Rostow" *Answers,com*, http://www.answers.com/topic/walt-whitman-rostow. (accessed June 12, 2007).

the United States as a Professor of Economic History at MIT and served as a staff member of the CIA-sponsored Center for International Studies (CIS).[355] Eisenhower relied on his consultation occasionally, and Kennedy hired him in 1958 as an advisor while serving as senator from Massachusetts.[356] When Kennedy took office in 1961, he tapped Rostow as his deputy national security assistant, but reconsidered and sent him later that year to the state department as Chairman of the Policy Planning Council.[357] While on the Council, he also served on the Alliance for Progress's Inter-American Committee as an Ambassador (1964-66). In 1966, Johnson appointed Rostow to the position of special assistant to the President for national security affairs (now it is called the National Security Advisor).[358] He was relieved from this post when Nixon took office, and returned to academics at the Lyndon B. Johnson School of Public Affairs at the University of Austin, Texas as a Professor Emeritus of Political Economy.[359]

While at MIT, Rostow was asked by the CIS in 1955 to research possible policy directives for Asia. It is in this analysis when Rostow began forcefully asserting American leadership was required if it were to "maintain a world environment for the United States within which our form of society can develop in conformity with the humanistic principles which are its foundation."[360] The United States must control the world, he said, and "when guns are confronted, they must be met with guns or there will

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[355] Adolfo Alvarez, "Walt Rostow, Vietnam War Advisor Dies," http://texana.texascooking.com/news/waltrostowobituary.htm (accessed June 12, 2007).
[356] Ibid.
[357] Godfrey Hodgson, "Walt Rostow, Cold War Liberal Advisor to President Kennedy who backed the Disastrous U.S Intervention in Vietnam," http://www.guardian.co.uk/usa/story/0,12271,897164,00.html (accessed June 12, 2007).
[358] http://www.answers.com/topic/walt-whitman-rostow
[359] http://texana.texascooking.com/news/waltrostowobituary.htm
[360] Rostow, *An American Policy in Asia,* 4.

be no Free Asia to build."[361] He reminded his audience that "private capitalism" was essential to "American democracy" but cautioned that "engineering" was slow and difficult as in the case of "the American Negro."[362] His "stages of growth" were already apparent in this (but will be discussed next) essay, as he advised policymakers to "assist" other countries aspirations for "development."[363] His continuous view of policy always required some attention to developing growth in receptive areas. In 1955, though, he argued it was an invaluable weapon against Communism:

> The economic race poses two specific challenges to Free World policy. First, it demands that we increase the capacity to absorb industrial capital in Free Asia and that we increase the availability of capital to Free Asia on a sufficient scale to outstrip Communist China. Second, it demands that we accelerate the village revolution by democratic means so that the agricultural foundations for economic growth will be firm.[364]

Not only did the "Free World" require a great deal of investment capital that would later be repaid in the form of an expanded producer economy, but as Rostow pointed out, it provided a way of defeating the desire for anyone to turn to communism (first by increasing their agricultural output, described in detail below). Moreover, it created the much needed investment market for already industrialized countries who would supply in institutional development and then purchase the products (which would be cheaper than if they were produced in the industrialized countries) and integrate them into their increasingly service oriented societies.

Rostow explained this entire process (from agricultural subsistence to service sector society) in *The Stages of Economic Growth: A Non-Communist Manifesto* (1960). Rostow insisted that all countries could be identified in terms of what economic stage

[361] Rostow, *American Policy in Asia*,, 7.
[362] Ibid, 10.
[363] Ibid, 44
[364] Ibid, 48.

they existed. In Rostow's paradigm, there were five such stages. The first of these was the "traditional society," which was characterized by a basically subsistent (and generally feudal) society. In this stage, the majority of the population of a given society participated in agricultural production. Most importantly, if it were to advance to the next stage, the population at large *must* have enough food in order to progress to the next stage (this is how it would defeat the initial impulse to consider communism).[365]

The next stage in the model he referred to as "the preconditions of take-off," characterized when,

> The insights of modern science began to be translated into new production functions in both agriculture and industry…favored by geography, natural resources, trading possibilities, social and political structure…invasions – literal or figurative – shocked the traditional society and began or hastened its undoing… economic progress is a necessary condition…building of an effective centralized national state.[366]

In this stage, Rostow asserted, the industrial and scientific revolutions would occur. When this happened, some of those engaged in agricultural production would abandon it to seek employment in industry, as unskilled laborers. When this was done, men with large amounts of available capital would "spend it on roads and railroads, schools and factories," providing they recognized that the "physical environment," if "rationally understood, can be manipulated in ways which yield productive change and, in one dimension at least, progress."[367] Thus Rostow agreed that those who invested in the progression would have to realize, at least in some sense, that overproduction was inevitable, indeed desirable, for continued growth to occur. Likewise, he calculated, the

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[365] Walt Rostow, *The Stages of Economic Growth, A Non-Communist Manifesto*, 3rd Ed. (Cambridge: Cambridge University Press, 1990), 4-5. According to Rostow's revised preface, this 3rd edition does not differ from the original 1960 version, other than his explanations in his revised preface as to how these terms might provide useful insight into current policy making.
[366] Rostow, *The Stages of Economic Growth*, 6-7.
[367] Ibid, 19.

"new elite" must "regard modernization as a possible task" that "they judge to be ethically good or otherwise advantageous."[368] This group, he added, would have to inculcate the masses with strong national sentiments to continue in this vein, and the state would need to guard the acquired sums of capital required for the next advance. (In a work produced ten years later Rostow explained the United States had accomplished this stage in the years between 1788 and 1843.)[369]

The third stage he called "take-off," which if properly timed, had created a society that consumed massively. Capital had been amassed by individuals who intended to continue the process indefinitely, and this was usually evident, Rostow observed, by a "rapidly growing export sector."[370] If done properly, as in the United States between 1869 and 1878, this would advance the society into the fourth stage of growth.[371]

This next stage he referred to as "the drive to maturity," in which "a society has effectively applied the range of (then) modern technology to the bulk of its resources."[372] He meant that original resources and heavy industrialization were abandoned for newer techniques, an increasingly urbanized and specialized labor force, and an increasingly bureaucratized government.[373] Later, Rostow claimed the United States had achieved this state between the 1880s and 1914.[374] Once this was accomplished, the target society would inevitably move into the final stage of growth.

This last stage he called "the age of mass consumption," and is fairly self-explanatory. He pointed out that the United States had entered this stage in the 1920s.

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[368] Rostow, *Stages of Economic Growth,* 26.
[369] Walt Rostow, *Politics and the Stages of Growth,* (Cambridge: Cambridge University Press, 1971), 193.
[370] Rostow, *Stages of Economic Growth,* 50.
[371] Rostow, *Politics and the Stages of Growth,* 104.
[372] Rostow, *Stages of Economic Growth,* 59.
[373] Ibid, 59-72.
[374] Rostow, *Politics and the Stages of Growth, 208.*

Consumerism was evident, Rostow said, if one examined the tremendous examples of the 1920s: "Automobiles lead the list with an increase of 180,000%; cigarettes, petroleum, milk, beet-sugar are all over 1000%; cement, canned fruits and vegetables are only a little under 100%."[375] Not only did he believe that this method could be imitated by other societies, but he intended for the United States to be the (in the words of John Bates Clark) "initiator" of that movement. He wrote, "If we look at its possibilities as well as its dangers, it becomes clear that we are trying to create and organize a world of middling powers who, foreseeably, will share all the tricks of modern technology."[376]

When Walt Rostow joined the Kennedy administration he brought these ideas with him and they influenced policy. At this time, the Kennedy Administration admitted what had been in the works for at least the past twenty years (see chapter three). They called it "new economics," though it was not. They argued the economy was central to both foreign and domestic policy, in which increased military spending was essential, despite Eisenhower's warnings about the Military-Industrial-Complex, and actively engaged the private sector to stimulate growth in other countries.[377] Kennedy's entire team demonstrated that they were products of the social science research centers and believers in the progress of technology (David Halberstam, referred to them as the "Best and the Brightest"). There was Robert McNamara, who served as Secretary of Defense (at age 42), and was the former President of Ford Motor Company. McGeorge Bundy (also in his early forties), the former Dean of Harvard, played the National Security Advisor. "Kennedy's Favorite General", Maxwell Taylor, who was about sixty when he came to work for Kennedy, had acted as the Superintendent of West Point and had

[375] Rostow, *The Stages of Economic Growth*, 77.
[376] Ibid, 138.
[377] Gaddis, 203.

criticized Eisenhower's policies in a book titled "The Uncertain Trumpet," functioned as Kennedy's Military Advisor. First appointed as the Director of the State Department's Bureau of Intelligence and Research and then (1963) as Assistant Secretary of State for Far Eastern Affairs, was Roger Hilsman (40 years old in 1961), a political scientist and former operative during World War II in the Office of Strategic Services. The experienced Dean Rusk (from Truman's administration) served as Secretary of State who had acquired similar expertise as the President of the Rockefeller Foundation. When these 'wise men' congregated in the Kennedy administration, their faith in technological progress, social science research, and administrative regulation were put to the test.

Three projects exemplify Rostow's assertion that communism could be fought (and beaten) if the United States initiated development in unindustrialized countries during the Kennedy administration. After World War II and into the 1950s, several colonies (of industrialized countries) were granted independent status (they were called Newly Independent Countries). Most of these countries existed in Asia. Though it is unclear who coined the term modernization, most understood that the United States stood at the end point of this process that involved technology, capital, and democratic institutions. The craze of the McCarthy Era in the 1950s had probably convinced most Americans that communism needed to be extinguished. Modernization was more than a weapon, but rather, as Michael Latham pointed out, it became "an element of American culture, an ideology shared by many different officials, theorists, and media sources about the nation, its historical 'development,' and its ability and duty to transform the 'less developed' around it."[378] John Lewis Gaddis referred to it as "Universalism by the

[378] Michael Latham, *Modernization as Ideology*, 13.

back door."[379] The modernizers believed that the United States could utilize its research programs (in area studies, international relations, and language training) to build infrastructure, furnish technology, train the target populations and demonstrate the efficiency and profitability of modern development.[380] Three programs (though there were others) developed in the early 1960s provide examples of modernization: the Alliance for Progress, the Peace Corps, and the Strategic Hamlet Program in Vietnam.

The Alliance for Progress (begun in 1961) was aimed at alleviating poverty and political oppression in Latin American countries. Extremely technical and data oriented, it included growth rate measurements and targets, reform agendas in areas of education, health care and housing. It calculated an approximate level of increased industrialization, income redistribution and some measure of land reform. It also identified the need to create democratic institutions and sent advisors to assist in their development. The target countries were to "submit detailed national development plans and projects for review."[381] The U.S. Government had agreed to fund part of the project if the target country also took out loans from the international lending agencies. The modernizers even attempted to calculate how much funding would be needed, based on each countries "absorptive capacity."[382] It was soon realized though (and Rostow complained about it later) that 'traditional cultures' presented a challenge that modernizers had not calculated. The Alliance did not bring early results to the countries as hoped, and commentators blamed the "traditional" cultures of the target countries, insufficient funding, or improper technical management. Modernization was never questioned, but rather, the techniques, it

[379] Gaddis, 208.
[380] Latham, 7-12.
[381] Latham, 69-70.
[382] Ibid, 85. This proved difficult to calculate though, for it was uncertain how much of the actual investment money would be recycled into further development schemes.

was said, required fine tuning. The program limped through the 1960s and was eventually disbanded in 1973.

Another of these attempts was the Peace Corps, which also started in 1961. Not as logistically complex as the Alliance, the Corps was developed by social scientists (including Rostow) who believed that its altruistic functions would serve as an example of the benefits of modernization and accelerate the desire for the host country to 'take-off.' Moreover, it would bring "skilled" participants to countries who lacked these individuals to serve as role models.[383] Prior to serving, applicants' qualifications were rigorously examined through numerous standardized tests, background tests, and interviews. If they passed the examination, they were then required to participate in months of language and area studies training. They were also required to read literature on growth, especially Rostow's *Stages of Economic Growth.*[384] When the volunteers reached their assigned destination, they participated in geological surveys, built roads, taught English and Science, worked in health clinics, provided efficient agricultural methods, acted as "scientific experts", and worked on some type of "community development assignments."[385] This last effort was hoped to provide a stimulus toward greater, national awareness. The social engineering that took place (and still does) is described by Latham,

> First, volunteers were to survey the population, material assts, lines of authority, family structures, and economic relations in the community to which they were assigned…Peace Corps instructors advised trainees to consider the factors of kinship, education, economics, politics, religion, recreation, and health in a community census categorizing each individual and physical structure in the settlement….After evaluating and modeling the life of a settlement, the volunteer then intervened to remedy the

[383] Latham, 115-6.
[384] Ibid, 119-20.
[385] Ibid, 122-3.

> 'deficiencies' he or she identified…The volunteer first demonstrated the effectiveness of a 'democratic framework' by calling together the inhabitants of a community and encouraging them to discuss their needs and problems collectively…Once the group identified its genuine needs, the volunteer then promoted institutions to mobilize the 'passive' population…By helping the newly established village government contact health workers, land surveyors, and agricultural assistants provided by either the Peace Corps, AID, or the host government, volunteers were to promote an entirely new way of looking at the world…Cultural catalysts, the volunteers were to confer the benefits of Western progress on people who lacked the values and attitudes to achieve those transformation themselves.[386]

Such a task could not be accomplished without reliance on data centers and the authority of social science, all of which had been established prior to the Second World War. Even if the Peace Corps did not usher in the 'take-off' that Rostow and other modernizers had intended, it became (and remains) an embodiment of United States foreign policy that Americans came to believe (as modernizers intended host countries to) in the altruism of America's purpose.

Another of these attempts at modernization (and perhaps the greatest failure) was the Strategic Hamlet Program initiative in Southern Vietnam. The program began in 1962. American "advisors" coordinated with the South Vietnamese Army to move subject populations into the concentrated "hamlets," which were heavily guarded with "barbed wire, ditches, and bamboo stakes."[387] The hamlets had a dual purpose: to diminish the National Liberation Front's insurgency in the South and to engineer an environment that persuaded the Southern Vietnamese to embrace modernization. The hamlets were constantly monitored; the area beyond its perimeters was considered "free-fire zone."[388] The program intended that the peasants assigned to these hamlets would

[386] Latham, 128-9.
[387] Ibid, 154
[388] Ibid, 155.

relate with the Vietnamese soldiers who guarded them and, after some military training, would establish a sense of nationalism that could be used to defend their homeland. As with the other efforts, the results were less than encouraging. Most of those who were "resettled" (about 7 percent after six weeks in the area surrounding Saigon) were forced to do so, had to build their own homes (their former homes were destroyed by the South Vietnamese troops at the request of the American advisors so they could not return), and many avoided the hamlets and maintained their support for the Vietcong.[389] As with the other two examples, the faults were said to lie with the administration of the hamlets, or insufficient funds. In 1963, approximately $87 million went to the program, and the following year $215 million in military support was added.[390] Like the other projects it was data sensitive: layouts were made, everyone was assigned tasks, inmates were assigned identification cards and their movements beyond the hamlets were strictly monitored (and required authorization). When these efforts did not stimulate any signs of "take-off," believers in development theory blamed the Vietnamese (or their cultural/traditional heritage). After the United States backed assassination of Ngo Dinh Diem, Vietnam became increasingly violent and many of the hamlets were destroyed and burned by the Vietcong or its supporters.[391] By 1964, the "strategic hamlets" were abandoned, at least partially. Successors were attempted in the "New Life" (1964) and Civilian Operations and Revolutionary Development Support (1966), but the results were similar.

Viewed in this way, the theory of modernization/development and Rostow's stages of growth may have been the impetus for the Vietnam War. If policymakers were

[389] Latham, 181.
[390] Ibid, 182-3.
[391] Ibid, 202.

encouraged to believe in Strauss's assertion that "natural rights" were in fact universal, then they probably would have concluded that the United States represented the modern day version of these rights applied. When the United States had already declared its policy as that of 'containing' Communism, Rostow's engineering methods were not only appealing but essential. It is at this time when the term 'geopolitics' gained popularity, and it did so in reference to regions as 'falling dominoes.' If one country was 'lost' to Communism, surrounding countries would, like dominoes, fall too (so the argument went). Even in this negative expression, United States policymakers were admitting they believed that countries' political and economic structures could be engineered by outside pressure. Were the Kennedy and Johnson administrations acting out of fear of Communism? This is highly unlikely. Most descriptions of the men in both administrations are in line with Robert D. Schulzinger's observation that they were "brilliant, forceful, and self-confident men."[392]

Likewise, it should be emphasized that modernization as a theory existed prior to the Kennedy administration's usage. It was apparent at least as early as the aftermath of World War II, when the United States led the establishment of international institutions that monitored political developments (the United Nations) and economic stability (Bretton Woods). Modernization was evident throughout the 1950s at the International Cooperation Administration (1955) that furnished "development" loans to countries who wanted to purchase crops from the United States, as well as the Comparative Politics Committee (a branch of the SSRC) created in 1953 to analyze trends that pointed to

[392] Robert D. Schulzinger "Walt Rostow, Cheerful Hawk" in *The Human Tradition in The Vietnam Era*, Ed. By David L. Anderson (Wilmington, Delaware: Scholarly Resources Inc., 2000), 43.

cultural similarities of non-Western countries.[393] Nor is it imperative that the idea came from Rostow, for others were certainly (like Lucian Pye, Alex Inkeles and David Smith) interested in similar trends. What is important is that by 1950, the United States government was donating over $1 billion to research centers that were exploring these ideas.[394]

This chapter began by examining the boom in United States foreign trade in the first part of the twentieth century. Supposing that social engineering is intended to ensure a global, regulated, capital system, then the two are intimately connected. There is some evidence that by 1930, the United States had reached the peak of its industrial output. Between 1930 and 1940, the value of products in manufacturing dropped in all states (except Alabama, Florida, New Mexico, North Carolina, South Carolina, Texas and Virginia); wages earners involved in manufacturing declined (except in Maine, Maryland, North Carolina, South Carolina, Tennessee, and Virginia); the cost of raw materials dropped (except in Alabama, Florida, Idaho, Kentucky, New Mexico, North Carolina, South Carolina, Texas, and Virginia); there were fewer manufacturing establishments (except in California, Texas and Wyoming); and wages paid dropped (except in Maryland, North Carolina and South Carolina).[395] In 1960, the United States was only barely exporting more than it was importing (about $3.5 billion). By 1972, the trade balance was negative (just over $5.4 billion) and continued in this way except for a slight

[393] Latham, 27-38.
[394] Ibid, 47.
[395] University of Virginia Library, "Geospatial and Statistical Data Center," http://fisher.lib.virginia.edu/collections/stats/histcensus/php/newlong.php?subject=5

reprieve in 1973. In 2006, the imbalance (meaning that the United States was importing more than it was exporting) was calculated at $758 billion.[396]

Modernizers, Rostow included, were shunned after the Vietnam War, but the theory itself had become tied to the ideological motivations that continued to characterize United States foreign policy. This is evident in the life and influence of Paul Wolfowitz and the creation of the National Endowment for Democracy.

[396] U.S. Census Bureau, Foreign Trade Division, http://www.census.gov/foreign-trade/statistics/historical/gands.pdf

Chapter V: Promoting Progress Through the Efforts of Paul Wolfowitz and the National Endowment for Democracy

As we watch and encourage reforms in the region, we are mindful that modernization is not the same as Westernization…Successful societies protect freedom with the consistent and impartial rule of law, instead of selecting applying -- selectively applying the law to punish political opponents…Successful societies privatize their economies, and secure the rights of property. They prohibit and punish official corruption, and invest in the health and education of their people…And instead of directing hatred and resentment against others, successful societies appeal to the hopes of their own people. – George W. Bush, November 6, 2003.[397]

While there may be some slowing in the relative growth rates, there is no reason any longer to think there are cultural or natural limitations that might keep these countries from eventually reaching the per-capita-productivity levels of the advanced countries, and thus attaining an economic weight that corresponds to their enormous populations. – Paul Wolfowitz, 1997[398]

The Endowment is guided by the belief that freedom is a universal human aspiration that can be realized through the development of democratic institutions, procedures, and values… By supporting this process, the Endowment helps strengthen the bond between indigenous democratic movements abroad and the people of the United States -- a bond based on a common commitment to representative government and freedom as a way of life. – The National Endowment for Democracy [399]

In 1989 Francis Fukuyama declared humanity had reached "the end of history." By this he meant "the end point of mankind's ideological evolution and the universalization of Western Liberal democracy as the final form of government."[400] It is clear that modernization had become the ideological underpinning for declaring that democracy represented the end point of political aspirations. Depending on who interpreted the achievement of this milestone, and Fukuyama flip-flopped on this point, private capital and international investment were responsible for either creating these institutions or maintaining their effectiveness.[401]

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[397] The White House, "President Bush Discusses Freedom in Iraq and Middle East," November 06, 2003. http://www.whitehouse.gov/news/releases/2003/11/20031106-2.html (accessed May 2, 2007).
[398] Paul D. Wolfowitz, "Managing Our Way to a Peaceful Century," in *Managing the International System over the Next Ten Years: Three Essays*, (New York: The Trilateral Commission, 1997), 51.
[399] The National Endowment for Democracy, http://www.ned.org/about/about.html
[400] Francis Fukuyama, "The End of History," in *America and the World*: *Debating the New Shape of International Politics* (New York: W.W. Norton & Co., 2002), 2.
[401] In the "End of History" article, he argued that "consumer culture" in Japan spread "economic and political liberalism," (see page 14), but ten pages later declared "economic behavior is determined by a prior state of consciousness.

Nicolas Guilhot researched the institutions that attempted to foster these aspirations throughout the twentieth century. Affirming that the United States had used democracy as a weapon, he called it the "mediums through which conflicts are fought" (obviously referring to the Iraq war).[402] This modernization weapon had become imbedded in the United States' espoused "universal values" and essential to its "national interest."[403] This, he added, had been the product of the Cold War reliance on the social sciences and academic institutions, particularly the Rockefeller Foundation, the Ford Foundation and the Carnegie Corporation.[404] Guilhot stressed that democracy had been equivocated to human rights shortly after the unsuccessful New International Economic Order (1977) attempted to redefine the global economic organization in terms of human rights.[405] That the achievement of human rights was an aftermath of "modern" economic and political inventiveness is evident in the activities of Paul Wolfowitz.

Wolfowitz was born (1943) into a Jewish family from Poland that settled in New York in the 1920s. His father, an anti-communist and a professor of mathematics, encouraged Paul to study similarly at Cornell. While there, Wolfowitz participated in the Telluride Association, an organization that taught "democracy by actually practicing it."[406] Allan Bloom arrived at Cornell in 1963 and directed the administration of the Telluride house. Bloom, a student of Leo Strauss while at the University of Chicago, was a political theorist who adhered to the belief that natural rights were universal. Bloom cultivated close relationships with students, especially Wolfowitz, who, after receiving his Master's Degree, studied Political Science at the University of Chicago and met

[402] Guilhot, *The Democracy Makers*, 19.
[403] Ibid, 30.
[404] Ibid, 44-5.
[405] Ibid, 77.
[406] Mann, *The Rise of the Vulcans*, 23.

Strauss. As par the varying interpretations of Strauss's writings, it is difficult to understand to what degree they affected Wolfowitz and others, beyond the rejection of relativism. James Mann argued that Strauss's "emphasis on stopping tyranny and condemning evil; the notion that dictatorships operate in fundamentally different ways from democracies; the belief that liberal democracies and their intelligence agencies can be fooled by dictator's elaborate deceptions" influenced Wolfowitz's interpretation of the Cold War and Saddam Hussein's despotism.[407] As was demonstrated (in chapter four) it is unclear if Strauss actually intended his ideas to be received in this way, but the larger point, is that they were. At any rate, Wolfowitz was more impressed with the work of Albert Wohlstetter who integrated mathematics and science into policy at the University of Chicago. One of his main concerns was minimizing the spread of nuclear weaponry, and Wolfowitz came to agree with this idea. Wolfowitz wrote his dissertation on the desalination stations for nuclear programs in Israel. He argued that such programs risked arming the world with nuclear reactors that would be used to create nuclear weapons. If Israel acquired the technology, it would create a feeling of insecurity in the region and its neighbors would seek out similar means to counter their inferiority, argued Wolfowitz.[408] One can see how his expertise in this field would be particularly useful during and after the Cold War.

Before receiving his Ph.D. (1972), Wolfowitz interned at the Committee to Maintain a Prudent Defense Policy in Washington D.C. (1969). While there, Wolfowitz composed data in support of the Anti-Ballistic Missile system, which triumphed in the Senate (51-50) later that year. The importance of the ABM system was in its bargaining

[407] Mann, 29.
[408] Ibid, 30.

power over the Soviet Union; the United States could limit the production of this technology if the Soviet Union conceded certain items of interest. This earned Wolfowitz a place in the Nixon Administration (1973) as an advisor to the strategic arms negotiations.[409]

While George H.W. Bush acted as the Director of the Central Intelligence Agency (1976) he appointed a team of experts (they were called Team B) to assess the overall position of the Soviet Union. Wolfowitz was one of these members. When the team submitted its report, its conclusions, which Wolfowitz had assisted in transcribing, suggested the Soviet Union was utilizing détente as a cover while it continued massive militarization. This contradicted the current intelligence argument and the skepticism that it demonstrated proved a lasting impression on Wolfowitz's distrust for official reports. It also proved a determining moment for Wolfowitz, in which he came to believe that the moral purpose of the United States trumped any kind of equal relations between the superpowers.[410]

In 1977, Wolfowitz worked for the Carter Administration as the deputy assistant secretary of defense for regional programs. While there he was asked to participate in the Limited Contingency Study, which analyzed future possible threats to the United States. The place that impressed him as the future hotbed of political frustrations was the Middle East, particularly, the Persian Gulf and its precious oil. The country that posed the greatest threat, according to Wolfowitz's study, was Iraq.[411] He received word in 1979 that Carter's team would be purged after Reagan won, so Wolfowitz resigned and took a

[409] Mann, 34-35.
[410] Ibid, 74-6.
[411] Ibid, 79-81.

visiting professor position at Johns Hopkins University School of Advanced International Studies in 1980.

In 1981 Reagan appointed Wolfowitz as the director of policy planning at the State Department. While at the planning department, Wolfowitz brought in academics that mirrored his belief systems, one of whom was Francis Fukuyama.[412] Wolfowitz began studying China as less of a buffer against Soviet aggression, but one that had its own set of problems that would need assistance from the United States. Two years later, he was appointed to the assistant secretary of state for East Asia and the Pacific. While there, he composed a memorandum that highlighted the relationship between the United States and China, which mostly concerned trade. His overview confirmed his belief system: "In the longer term, the most important factor in the growth of U.S. – China trade remains the rate of China's own economic progress. As China prospers, we can expect our bilateral trade to grow, as it has with the many dynamic economies of Asia."[413] Similarly, the following year he noted the security interest of South Korea was measured by its "evolution toward true democracy" that was "not only compatible with security but it is essential to its realization."[414] Even more interesting, and in recognition of the general public distaste of modernization theory, he commented,

> While economic success is one of the factors contributing to South Korean confidence in approaching North-South talks, ironically it may be – and I underline that word 'may' several times – it may be that it is economic crisis that is forcing the North to seek new approaches.[415]

[412] Mann, 109, 113.
[413] Paul Wolfowitz, *The U.S. China Trade Relationship*, (Washington D.C.: Bureau of Public Affairs, 1984), 3.
[414] Paul Wolfowitz, *Recent Security Developments in Korea*, (Washington D.C.: Bureau of Public Affairs, 1985), 2.
[415] Ibid, 3.

Similar developments, he noted in a separate memorandum, were evident in the Philippines (then in the midst of a communist insurgency). He summarized the theory by declaring that "we support the revitalization of democratic institutions, restoration of a free market economy, and reinvigoration of military professionalism as the best approach to putting the Philippines back on the right track."[416] The interests of "rebuilding" the "political, economic, and military" sectors of the Philippine society, Wolfowitz argued, were essential to not only "stopping the growth of the insurgency," but also in "creating a positive climate for the protection of our interests."[417] Even the terms used to define modernization, particularly growth, were clearly evident. Wolfowitz chimed, "In sum, our Philippine policy has multiple dimensions, all designed to rebuild and reenergize institutions which will be required to restore stability and growth."[418]

After the "crisis" in the Philippines, Wolfowitz was appointed the Ambassador to Indonesia (1986). He remained there until George H.W. Bush appointed him as the Undersecretary of Defense in 1989. While there, he refocused attention away from the Soviet Union and on to where he considered the greatest threat, the oil in the Persian Gulf. Wolfowitz coordinated with others who reemerged in the George W. Bush administration, including George Shultz, Colin Powell, Donald Rumsfeld, Richard Cheney, and Condoleezza Rice. Though they did not all agree on the strategy of the first Gulf War, all of them believed they were protecting the "free world."[419] One of the criticisms of that war has been that then Bush administration did not oust Saddam

[416] Paul Wolfowitz, *Developments in the Philippines,* (Washington D.C.: Bureau of Public Affairs, 1985), 1.
[417] Ibid, 2.
[418] Ibid, 4.
[419] Mann, 170, 187.

Hussein. Wolfowitz explained (in 1997) that if they had done so, "a new regime [in Iraq] would have become the United States' responsibility."[420]

In 1992, Wolfowitz, Scooter Libbey, and Richard Cheney drafted the Defense Planning Guidance strategy that maintained the United States, as the only superpower, would have to aggressively battle potential rivals.[421] In designing the new strategy, Wolfowitz's earlier preoccupation with nuclear proliferation was apparent. He warned, "By the year 2000 at least fifteen developing nations will be able to build ballistic missiles, and eight of these countries may have nuclear weapons capability. Thirty countries may have chemical weapons, and ten will be able to deploy biological weapons as well."[422] When elder Bush was defeated, Wolfowitz returned to academics (1994-2001) as Dean and Professor of International Relations at the Paul H. Nitze School of Advanced International Studies of the Johns Hopkins University.

While in academics, Wolfowitz argued the central purpose of United States leadership was to continue the development programs of the 1960s. He referred to those efforts as a "revolution" in integrating the problems of "economic development" to one's own national security. Such a program, though "depends, first of all, on our ability to preserve a world economy that is open to trade and investment…But our hopes depend also on our ability to preserve a stable international order; economic success depends on international peace."[423] In other words, he had learned the difficult lesson that had ultimately defeated his predecessors; development would not produce take-off during

[420] Quoted in Mann, 190.
[421] Mann, 209.
[422] Paul Wolfowitz, "The New Defense Strategy," in *Rethinking America's Security, Beyond the Cold War to New World Order*, (New York: W.W. Norton & Co., 1992), 179.
[423] Paul Wolfowitz, "The Asia-Pacific Region: Confidence-Building in the Post-Cold War Era," in *APEC Challenges and Opportunities*, (Singapore: Institute of Southeast Asian Studies, 1994), 2.

war. Six years later, he noted, "globalization" referred "primarily to the increasingly interconnectedness of the world economy" and "occurs within the context of the global dominance of American economic and political ideas," that are "accompanied by the spread of American mass culture."[424] He further noted that the Reagan administration, particularly through the efforts of William Clark, had successfully created a dialogue that now naturally assumed that "human rights and the promotion of democracy" were one and the same.[425] Again, he recognized (this time more specifically) the errors of his predecessors who had assumed the Marshall Plan's effectiveness a blueprint for future growth models. He continued to advocate an aggressive foreign policy to deal with possible threats, but urged continued reliance on fostering economic growth (especially in China and Taiwan, he noted). He believed it the mission of the United States to continue the development process, and that this mission was, in fact, a moral one, but added that morality should not soften one's ability to think and act critically. He surmised, "While the core of American foreign policy is in some sense the universalization of American principles, this is not a Kantian notion in which ultimately only the purity of one's intentions counts." Even if one's intentions were "pure" if a particular policy failed, it would be treated, said Wolfowitz, to the "CNN effect" bent on engineering a "celebrity status" of policy makers.[426]

In 2001 President George W. Bush wasted no time in appointing Wolfowitz as the Deputy Secretary of Defense. He became a spokesman for war in Iraq shortly after September 11, 2001. In 2003 he called Iraq the "center" of terrorism whose intention was

[424] Paul Wolfowitz, "Statesmanship in the New Century," in *Present Dangers: Crisis and Opportunity in American Foreign and Defense Policy*, (San Francisco: Encounter Books, 2000), 317.
[425] Ibid, 319.
[426] Ibid, 335.

to destroy the "reconstruction" efforts then aimed at the country as well as "the free world."[427] He was later named the President of the World Bank in 2005, and the following year presented the importance of the World Bank's pledged support for the United Nations Millennium Development (!) Goals at the ATHGO International Symposium (July 5, 2006). One of those goals was the elimination by the year 2010, of extreme poverty, which is calculated at a subsistence level of $1 per day that encompasses about 400 million of the world's population. Wolfowitz described how in the past twenty five years that figure had been cut in half (it was about 800 million) due to the "take off" of both China's and India's economies (during the 1980s).[428] Moreover, the key elements to eliminating poverty, Wolfowitz asserted, were in inventing opportunities through assets, investments, and other conditions "that create jobs."[429] The idea that international organizations would spearhead this modernization drive had been in the making throughout the Cold War era.

Akira Iriye studied the history of international organizations, specifically non-governmental organizations (NGOs) and inter-governmental organizations, (INGOs). As he noted, they existed before the 1940s, but the aftermath of World War II and the subsequent Cold War had convinced many that "the basis of postwar internationalism" could be assisted through these organizations. [430] Iriye admitted that "by 'winning the Cold War, the United States and its allies undoubtedly facilitated the rapid globalization

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[427] Paul Wolfowitz, "Support Our Troops," *Wall Street Journal,* September 2, 2003, http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2003&m=September&x=20030902080528smadar0.186886

[428] To listen to the speech, for there does not appear to be an available transcript, see ATHGO International World Bank Symposium at video.google.com/videoplay?docid=-5404735743606889854

[429] This is from my own notes while at the Symposium, and though I have contacted ATHGO for an official transcript, they have not yet provided me with one.

[430] Akira Iriye, *Global Communities,* 41.

at the end of the twentieth century."[431] In fact, Iriye described the establishment of the Special United Nations Fund for Economic Development (1951) and the Committee for Industrial Development (1960) that received the majority of their funding through the World Bank. The World Bank, he noted, had established its own development program in 1956, The International Finance Corporation, which "subsize[d] private enterprise projects in Third World countries." He recalled how "economic development was by then a widely used concept." The following year, "professional personnel" who "specialized" in "development problems" in Washington founded the Society for International Development and agreed that its efforts expanded throughout the 1960s (along with similar efforts by the Rockefeller and Ford Foundations).[432] The number of these organizations increased throughout the 1960s and 70s: from 1,268 to 2,795 (NGOs).[433] The efforts at development were everywhere evident. There was the United Nations Conference on Trade and Development (1964), the Capital Development Fund (1966), the Organization for Economic Cooperation and Development (1963) and the International Development Association (1962). The World Bank, by 1970 loaned at least $2 billion to these (and other) development organizations.[434] Likewise, he noted that during this time, "postcolonial development" was seen as connected to the realization of "human rights."[435] This was done in the 1970s, he noted, due to the backlash against Vietnam and the wave of post-modernism that ushered in arguments of "cultural

[431] Iriye, 63. Iriye contradicts himself in the following line by saying the Cold War did not facilitate globalization, but this does not seem to hold up with the evidence that even he provides. Other examples of this contradiction can be seen on pages 73-4, where he described the Humanitarian Relief and Culture Exchange program that he claims had "nothing to do with the Cold War" but products of "newer wars and civil strife" to which he included the Korean War and China's Great Leap Forward!
[432] Ibid, 78-79.
[433] Iriye, 98.
[434] Iriye, 104-5.
[435] Iriye, 111.

diversity" as well as environmental concerns.[436] Development never disappeared, though it modified its rhetoric in keeping with modernity. NGOs continued to proliferate throughout the 1980s: from 2,795 to 12,686 (INGOS increased from 280 to 1,530).[437]

Nicolas Guilhot agreed that democracy promotion 'took-off' during the Cold War.[438] Even during World War II, he insisted, "the more far-sighted sectors of the corporate and philanthropic world had identified the fragility of the U.S. economy and pushed for the increase in overseas trade and investment."[439] Development, Guilhot argued, was designed as a way to maintain control over newly independent states that might centralize their economies and restrict commerce. That the United States spearheaded the international development goals ensured continued markets and investment opportunities throughout the 1960s. Carter attempted to halt some of this activity by cutting off aid to authoritarian (United States allies) regimes, and offering it to more socially-minded ones. According to Guilhot, modernizers objected and refashioned their own rhetoric as "human rights" oriented, meanwhile essentializing human rights as dependents of political and economic systems.[440] This, he said, turned 'Cold Warriors into Human Rights activists."[441] These qualities are apparent in the National Endowment for Democracy, which has become a 'model' to assist other countries in duplicating the 'American Experience.'[442]

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[436] Iriye, 143-4.
[437] Ibid, 129.
[438] Guilhot, 38.
[439] Ibid, 104.
[440] Ibid, 75. He argues that these were the neo-conservatives, and Fukuyama would agree. I would tend to agree that as far as policy makers go, they are both probably right, but considering how much this 'logic' has pervaded the American psyche, it is definitely more than a 'neoconservative' idea.
[441] Ibid, 33.
[442] Guilhot, 87. It should be noted that Fukuyama is one of that organizations board members. He noted their reliance on the 'behavioral revolutions' of the social sciences and later, modernization theory -101

The National Endowment for Democracy was created in 1983, a product of the United States' ideological crusade against communism. Thus, the NED transformed what may have been historical differences in government and legal issues, to a moral code applicable to all. Carl Gershman, the president of the NED is a good example of such a description. He supported the Vietnam War and denounced those who didn't as apologists for the Cold War. An avid anti-communist, he adhered to the belief that "a radical movement could not be democratic."[443] This was in keeping with the theory of modernization that opposed any revolution for it would inevitably lead the country toward chaos. Instead, it advocated an evolutionary approach that allowed the fruition of each of the important stages.

The NED has actively promoted this mission abroad. Its aid strategies include operating "in politically sensitive situations, dispersing financial support to human rights groups, independent newspapers and journals, groups of exiled dissidents, fledgling civic activists, and independent civic education efforts." Radio broadcasts promoting "democracy dissemination and pro-U.S. political propaganda" in Cuba and Asia have also been employed.[444]

Although it asserts its 'private' nature,[445] the organization is largely funded by the United States government.[446] In 1998, the NED had a budget of approximately $28 million, which was dispersed relatively evenly throughout the globe (Sub-Saharan Africa $3.72 million, Asia $5.79 million, Eastern Europe $4.54 million, Former Soviet Union $4.68 million, Latin America, $3.43 million, Middle East, $3.38 million, Miscellaneous,

[443] Ibid, 88-89.
[444] Thomas Carothers, *Aiding Democracy Abroad, The Learning Curve,* (Washington D.C.: The Carnegie Endowment for International Peace, 1999), 95
[445]The National Endowment for Democracy, "About us" http://www.ned.org/about/about.html
[446] The Foundation Center, http://www.foundationcenter.org

$3.02 million).[447] This number of course, rose significantly in the years after 9/11/2001. The 990 tax form shows that out of $80,023,268 received in 2003/2004 fiscal year (a 50% increase from 2002/2003), the NED received $79,864,536 from the United States government.[448] When one does the math, the numbers suggest the organization received all of its money from the government, except for a meager $158,732; not even enough to cover Gershman's yearly salary of $172,991. Figure 1 demonstrates that the majority of funding for that year, according to the Foundation Center, was dedicated to modernizing the Middle East:[449]

Figure 1

Africa	$	3,110,000
Asia	$	1,660,000
Balkans	$	2,350,000
Burma	$	2,130,000
China	$	2,480,000
East/Central Europe	$	236,462
Iraq	$	18,870,000
Latin America and the Caribbean	$	2,850,000
Middle East and North Africa	$	1,610,000
"Muslim World"	$	3,570,000
North Korea	$	342,390
Tibet	$	175,000

Not exactly countries, but the NED also funded some of the National Intelligence Service in three separate allotments of $3.1 million, $3 million, and $878,549, as well as

[447] Carothers, *Aiding Democracy Abroad,* 54.
[448] Ibid.
[449] The Foundation Center, "National Endowment for Democracy," http://www.foundationcenter.org.

the "Multiregional and Core" group that acknowledged an allotment of about $21.77 million that year.[450] The multiregional and core are further subdivided into four other organizations that receive grant money from the NED and other sources.

The majority of funds from the NED are allocated to four groups: the Free Trade Union Institute (FTUI), the Center for International Private Enterprise (CIPE), the International Republican Institute (IRI) and the National Democratic Institute for International Affairs (NDI).[451] Thus, it can be deduced that spreading democracy within this framework focuses largely on economics and trade, as well as politics. Besides the NED, they also receive additional funding from the government. For 2004, the IRI received $37.32 million, the NDI $58.72 million, and the CIPE $9.45 million.[452] There are no tax records for the FTUI, but an affiliate, the AFL-CIO has several pages of tax forms that suggest billions of dollars spent nationally and internationally. Many of the board members of the NED highlight the intricacies of this corporation.

Several of the board members are either currently serving the United States Government in Congress, or have served, which is interesting, because it also claims to be 'nonpartisan'.[453] Those include, General Wesley Clark, a familiar name in politics, "senior advisor for the Center for Strategic & International Studies (CSIS), a Director of the Atlantic Council and a member of the board of the International Crisis Group."[454] Senator William Frist, Paul Sarbanes, Evan Bayh, Gregory Meeks, Senator Christopher Cox are also board members responsible to their lobbyists. Kenneth Duberstein, board member of Duberstein Group Inc. ("Corporate consulting and government relations"

[450] The Foundation Center, http://www.foundationcenter.org.
[451] Thomas Carothers, "The NED at 10," *Foreign Policy*, No. 95 Summer, 1994, 126.
[452] The Foundation Center, http://www.foundationcenter.org
[453]The National Endowment for Democracy "About us" http://www.ned.org/about/about.html
[454] Ibid.

firm),[455] Jon Kyl, and Lee H. Hamilton (former chairman of Joint Economic Committee) are also Congressmen. The former members of Congress, including author/Ambassador Morton Abramowitz who served at the Council on Foreign relations, a former president of the Carnegie Foundation, and current president of the International Crisis Group. There is also lifetime Ambassador Terence A. Tod ("Special Advisor to the Governor of the US Virgin Islands, an Associate of Global Business Access, Ltd").[456]

The business sector of board members proves even more fascinating. Esther Dyson of Adventure Holdings (an internet corporation), Ralph Gerson representing Guardian Industries Corp. ("one of the world's largest manufacturers of float glass and fabricated glass products" as well as a supplier of automobile parts),[457]Emmanuel Kampouris for American Standard Companies Inc (supplier of air conditioning, bath and kitchen products, and vehicle control systems),[458] and Leon Lynch represents the interests of the United Steelworkers of America (yes a union, but unions work for their businesses).

Finally no business would be complete without their corporate attorneys. The board members of this group include Wesley Clark (Wesley Clark and Associates), Suzanne Garment (Weil, Gotshel & Manges), and Robert Miller (Davidson, Dawson & Clark LLP). There are also two members who represent the banking/investment industries. They are Richard C. Holbrooke (Perseus, LLC), and Vin Weber (Clark and Weinstock). [459]

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[455] Goliath, http://goliath.ecnext.com/coms2/product-compint-0000688498-page.html
[456] ICAP 1997 Senior Officials, http://www.du.edu/~trowe/icap/sen97.html
[457] *Guardian Global*, http://www.guardian.com/en/about.html.
[458] *American Standard Companies,* http://www.americanstandard.com/CompanyOverview.asp?Section=aboutUs
[459] *The Foundation Center*, http://www.foundationcenter.org

Some of the controversy surrounding organizations like the NED is centered on the effects of recipient countries. Haiti is a case in point. Jean Bertrand Aristide, elected President in 1990, campaigned on a platform to advance the plight of the poor who he claimed had been oppressed by the (mostly) business elite. "We had interests and ties with some of the very strong financial interests in the country, and Aristide was threatening them" said Chris Dodd (D-Connecticut).[460] Only eight months after he had come to power, Aristide was ousted by a military coup, sponsored by the business elite.

Then United States President George H.W. Bush condemned the coup but did nothing. As the country continued to spiral in to chaos Clinton sent troops to restore Aristide to power (1994). His successor, Rene Preval, continued Aristide's policies, and was most likely being advised by him. The three years of anarchy only managed to make the country all the more unstable, poor, and a breeding ground for violence. Aristide, unfortunately, embraced the violent opposition groups as a means of security from future coup attempts. This of course, made negotiating a compromise difficult. Brian Curran was appointed Ambassador to Haiti in 2001. "The promotion of democracy was at the very heart of what I was doing in Haiti," he said, and that meant focusing on compromise between the opposition and Aristide.

The NED's core groups, the IRI and the NDI were both active in the country since 1990. Stanley Lucas, who "grew up in the United States and Haiti and worked as a part-time Haitian civil servant, came from a land-owning family," headed the IRI.[461] His background alone is likely to set off a number of complaints from the poor and especially Aristide, who already believed the wealthy elites connected with the United States had

[460] Walt Bogdanich & Jenny Nordberg, "Democracy Undone," New York Times, January 29, 2006.
[461] Bogdanich & Nordberg.

been devastating the majority of the disenfranchised populace. Lucas's posture was perceived as only fueling the fire, discouraging conciliation and calling for Aristide's expulsion. The IRI and Lucas claimed they had been threatened and so began training an opposition group in neighboring Dominican Republic in 2002. Although the NDI had been operating in Haiti as well, it did not feel so intimidated that it needed to assist in democracy promotion in not only a different country, but one that has been perceived "a haven for those accused of trying to overthrow the Haitian governments."[462] Only Aristide's opponents were invited to attend the IRI's training sessions. Although the stated U.S. policy was to give democracy a chance, a change in policy was clearly taking shape. Ambassador Curran was replaced in 2003 because as Otto von Reich, State Department official to Latin America, said "we did not think the ambassador was carrying out the new policy in the way we wanted it carried out."[463] Both sides were terrorizing the country, and eventually an invitation succeeded in bringing Aristide, the opposition, and the new U.S. Ambassador to meet and discuss possible solutions. The U.S. side cancelled the meeting. The country plummeted into complete anarchy. Prisons were ransacked and criminals were set free. The United Nations had to employ peace keeping troops to attempt stabilization. "On February 29, the United States flew President Aristide to exile in South Africa."[464]

Similarly, in Venezuela, the IRI created opposition to Hugo Chavez, another ardent nationalist espousing anti-U.S. administration rhetoric. As in Haiti, both the NDI

[462] Bogdanich & Nordberg.
[463] Ibid.
[464] Ibid.

and IRI were present, but the latter took a hostile partisan stance.[465] "In April 2002, a group of military officers launched a coup against Chavez, and leaders of several parties trained by IRI joined the junta." [466] The Bush administration even went so far as to praise the junta for its "bravery" and "patriotism." Although the United States and the NED have denied accusations of premeditated coup, and initially referred to the attempted coup as a "transitional government," the people of Venezuela remain skeptical.

> This method of intervention is very sophisticated and complex, as it penetrates civil society and social organizations in a very subtle way and is often either undetectable or flimsily justified by the concept of 'promoting democracy', which is what the NED claims to do around the world, despite evidence to the contrary,

one disgruntled Venezuelan commented.[467] This is in keeping with the history of the NED's transformation. Joshua Muravchik explored the history of *Exporting Democracy* and commented, "Many of these projects [the NED's] are similar to those sponsored in the past covertly by the CIA."[468]

A general example of policy is evident when observing the case of Guatemala in the 1980's. To be sure, the NED was not alone, and other organizations accompanied it, including USAID and ICITAP. Their efforts can be described as "top-down," focusing on election and polling reform, strengthening the legislature, creating an office of human rights, training police, and supporting voter education as well as trade confederations.[469] The "all-important fact that Guatemalan political and economic life was dominated by entrenched business elites and military forces, both with a long record of antidemocratic

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[465] Joshua Kurlantzick, "The Coup Connection," *Mother Jones*, November/December 2004, http://www.motherjones.com/news/outfront/2004/11/11_401.html.
[466] Ibid.
[467] Eva Golinger ,"The Proof is in the Documents: The CIA was Involved in the Coup Against Venezuelan President Chavez," *VENEZUELAFOIA.INF*, http://www.venezuelafoia.info/evaenglish.html.
[468] Joshua Muravchik, *Exporting Democracy: Fulfilling America's Destiny*, (Washington D.C.: AEI Press, 1991), 142.
[469] Carothers, *Aiding Democracy Abroad*, 115.

behavior" was ignored.[470] Although Guatemala today has reportedly less human rights violations, the indigenous society is still largely disenfranchised. It is important to note that "democracy aid to Guatemala is beginning to show promise only after more than fifteen years of effort."[471]

Fukuyama recently asserted that U.S. "power is often necessary to bring about moral purposes," but advised that "social engineering" was difficult and needed to be approached "with care and humility."[472] He even claimed that 'economic modernization' must come before 'liberal democracy,'[473] and suggested the United States construct its own Department of Development to push such policies further.[474]One can conclude with some certainty that social engineers and democracy promoters are convinced that modernization theory and social engineering are tied to economic and political development, which the U.S. has an interest in seeing succeed.

Joseph Nye has argued the influence of the United States is most felt in its use of soft power, which he defined as "getting others to want what you want."[475] Nye showed that currently the United States dominates the global market share of world products (27%), is home to the greatest number of global companies (219 of the 500 largest), has two times as much investment and receivership as the next largest competitor for that title (Britain), is the "number one film and television exporter," and continued Rosenberg's analysis that the U.S. has had the world's largest economy since the end of the nineteenth

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[470] Carothers, *Aiding Democracy Abroad,* 115.
[471] Ibid, 318.
[472]Francis Fukuyama, *America at the Crossroads, Democracy, Power, and the Neoconservative Legacy,* (New Haven: Yale University Press, 2006, 9.
[473] Fukuyama, 54.
[474] Ibid, 152.
[475] Joseph Nye, *The Paradox of American Power: Why the World's Only Superpower Can't Go it Alone,* (Oxford: Oxford University Pres, 2002), 9.

century.[476] Nye rejected the idea that this style of 'globalization' was cultural 'homogenization.' Although he cannot readily account for the growing ratio of inequality that has occurred in the last fifty years, Nye observed a similar trend was seen in the years between 1870 and 1913.[477] The same years the United States began its domestic drive to establish without dispute the infallibility of the market economy. Even Nye happily agreed, in order to "effect the outcomes you want, and if necessary," one must be willing "to change the *behavior* of others to make it happen." (italics added)[478] Walt Rostow would have approved. In explaining how to fight Communism in the 'third world,' particularly Asia (1955), Rostow advised that, "if we wish to bring and hold the literate Asian within the Free World alliance, he must come to believe that American interests and objectives conform in important respects to his own."[479]

William Easterly admitted that between 1820 and 1992 the "rich got richer" (country-wise), and failed to account for this shut-out other than recommending the Keynesian 'trickle down theory.'[480] Most importantly, he admitted that a country's growth was not relational to whether its governing system was democratic or autocratic, but instead capable of "placating multiple interest groups"![481] The latter, he argued, should be responsible for offering 'contests' to award aid and provide incentives for the deserving.[482] This is replicating the experience of early twentieth century philanthropists and progressives in the United States. As in the early twentieth century United States, no

[476]Nye, 36.
[477] Ibid, 101.
[478] Ibid, 4.
[479] Rostow, *American Policy in Asia*, 15.
[480] William Easterly, *The Elusive Quest For Growth, Economists' Adventures and Misadventures in the Tropics*, (Cambridge: MIT Press, 2001), 63. He even describes how the rich are 'trapped' too! – see page 165.
[481] Easterly, 260.
[482] Ibid, 290.

one has polled and asked the people in “developing” countries if they want market economies to eventually equate them as not people, but consumers. Easterly is more sympathetic to the plight of the poor, at least, but he is still a believer in modernization as “progress.” His work provided a cautionary note to modernizers that *The Elusive Quest For Growth* is usually a slow process, and one can tell that he pitied those in “underdeveloped” countries who had become the tools of progress. It ought to be pointed out that many “development” programs to which the United States has initiated and funded are paid for by U.S. taxpayers, and even if they are unaware of the programs existence and operations, they do affect Americans.

Conclusion

In these momentous times, American Diplomacy has three great tasks. First, we will unite the community of democracies in building an international system that is based on our shared values and the rule of law. Second, we will strengthen the community of democracies to fight the threats to our common security and alleviate the hopelessness that feeds terror. And third, we will spread freedom and democracy throughout the globe. That is the mission that President Bush has set for America in the World – and the great mission of American diplomacy today. – Condoleezza Rice, January, 2005.[483]

I believe that human behavior is predictable and, in fact, that we as researchers can make progress best by making predictions and learning from our mistakes when we make them…already enough evidence has been accumulated in a number of different fields to prove that behavior can be predicted with a high degree of accuracy. The goal is to increase this accuracy. – George H. Gallup, Founder and Chairman of the American Institute of Public Opinion (The Gallup Poll), August 1, 1972[484]

This essay began by pointing out that many interpretations of United States' history are, while illustrative, ultimately incomplete. Instead of examining the complexities of policies, historians have relied on lumping decisions into categories based on their perceptions of American heroes and American Puritanism. The analysis showed that those characterizations were flawed. The ideological argument that Americans adhere to the beliefs of the "Founders" can hardly be accurate when most Americans know very little about them. Likewise, the argument that Americans moralize more than others because of their puritanical origins is just as problematic. Americans may in fact be religious but that by itself does not demand one seek out other territories to convert their systems of government and economy in line with that of the United States. The one unifying element in all the contemporary accounts of United States history was the importance of the market system. This conclusion, as demonstrated throughout this essay, is historically accurate.

Beginning in the 1870s, powerful corporations colluded with policy makers to maintain an environment suitable to expansive and profit oriented interests. The purpose

[483] U.S. Department of State, "Budget in Brief," 2006. http://www.state.gov/documents/organization/41676.pdf
[484] "The Gallup Poll," viii.

of their efforts, besides profiteering, was to further develop technology and industrialization. When laborers united similarly their efforts were often referred to as "illegal," "insurrections," and "anarchy," prompting sympathizers to reconsider their support. The federal government's response to the hostilities between capitalists and laborers demonstrated favoritism toward the capitalists. Economists like Henry Carter Adams pointed out that laissez-faire was unscientific, that it had never proved self-interested actions would also be in the interest of society. Faced with this predicament, men like John Bates Clark "modernized" classical economic liberalism to incorporate the idea that wealth was really a matter of utility. In this way, everything under (and including) the sun that produced a feeling of satisfaction was considered wealth. Not only did this revision avoid the problem of inequalities, but it also ushered in the belief that wealth was not created, but consumed. The idea that by spending an individual or institution can truly be free was carried over into the "progressive" era.

At the beginning of the 1900s it was clear the United States government had sided with capitalists when they established gold as the backer of currency and initiated the Open Door Policy. This furnished the needed outlet to curtail the problem of overproduction and unemployment. In this time the federal government began monitoring foreign trade and assisting its endeavors whenever required. Meanwhile, the social sciences were becoming increasingly "professional" (scientific) and research oriented. Their research focused on many of the social inequities brought on by technological (scientific) innovation and yet did not evaluate the great irony in this; they expected technology to cure the very problems it had produced. After the "Great War" and the resurgence in labor strikes brought on by overproduction and unemployment, the federal

government again responded callously toward laborers who demanded recognition of their unequal circumstances. Once again, sympathizers were warned the system was not to be challenged.

Business boomed throughout the twenties as did the creation of national pastimes. Beyond diversions, these efforts no doubt synthesized a great deal of national pride and probably gave many who were beginning to feel they were losing control in their environment, a sense of direction in their fate. Meanwhile, social engineers like Beardsley Ruml were busy studying and documenting the behaviors of individuals and groups. The information collected was given to philanthropies organized by businessmen who had reaped the profits of industrialization during the Gilded Age. Already competent in corporate organization, the philanthropies integrated the social science research into reform agendas to promote greater human efficiency and standardization. When the stock market crashed in 1929, the previously collected data was instrumental in all aspects of the New Deal. The only difference was that now the federal government would play a public role in regulating the market.

During World War II, "planners" initiated studies to determine the role of the United States after the fighting. Most agreed that if the market system within the United States were to be maintained, it would require similar market systems throughout the world. At this point, even if they did not refer to it as such, the United States had entered the last stage of Rostow's growth model: the age of mass consumerism. In 1945, Ruml stated "I think we must all agree that a great expansion of services is indispensable for high employment after the war."[485] The American economy was shifting from an

[485] Beardsley Ruml, "The Protection of Individual Enterprise." in *Proceedings of the Academy of Political Science.* Vol. 21. No.3. May, 1945, 438.

industrial one, to a service provider as early as 1945. In order for the complete transition to occur, it required the production that had formerly engaged the majority of American laborers to be produced elsewhere (and cheaper) so all Americans could purchase and consume the goods.

Through such programs as the Marshall Plan and Bretton Woods, this initiative was well under way. Strauss attacked the foundations of relativism and science for not recognizing the universal foundation their ideas (and reforms) required. Those who believed that 'modernization' was universal agreed. Rostow traced the history of 'growth' in the 'modern' era and argued this evolutionary process was inevitable. It became the weapon of choice during the Cold War and eventually, no doubt through repetition, it fostered the belief that 'progress' was 'natural' and best exemplified by the United States. Though many of the efforts aimed at producing this kind of transformation failed in the 1960s, as seen through the Alliance for Progress and the Strategic Hamlet Programs, it nevertheless became imbedded in international discourse on human rights. Thus, 'progress' had become the equivalent to achieving the full 'rights' of humanity.

Through the life of Paul Wolfowitz this current was evident. During his extensive experience in foreign policy he advocated these beliefs but always in a way that the United States would maintain its authority throughout the world. The latter became evident when he began focusing on future threats to the United States' global order, especially Iraq. While he served at the World Bank, Wolfowitz's job was to oversee "development" loans as well as assisting the United Nations Millennium Development Goals. His position and beliefs demonstrate his adherence to the importance of progress and Rostow's stages of growth.

That "progress" and "human rights" had been established ideological beliefs is evident in the National Endowment for Democracy. As a "private" organization, it is thought to operate independently of the United States Government, but it does not. It is funded almost entirely by the Federal Government and its budget is scrutinized by Congress every year. Moreover, its board members represent Congressional individuals who are well aware of the necessity of maintaining the global order. Other board members come from various "development" organizations that no doubt coordinate the logistics of growth, much like the Alliance for Progress did in the 1960s. The NED's subgroups represent the theory of growth in its entirety: political institutions (the International Republican Institute and the National Democratic Institute for International Affairs) and economic institutions (the Center for International Private Enterprise and the Free Trade Union Institute).

At the 'end of history,' freedom has come to mean the choice to consume the kind of car, house, cereal, etc. to buy. Today one's freedom is determined *in the market*! The median income for United States citizens according to the 2005 census bureau is $46,326 a year.[486] According to the consumer census of that same year, Americans ("consumer units"- households) spend $46,409 on consumer goods.[487] The two statistics together mean that at least one of the incomes (if there are two) in a household goes entirely to consumption. The majority of these purchases (90 percent) were spent on housing (32.7%), food (12.8%), apparel (4.1%), entertainment (5.1%), healthcare (5.7%), personal insurance (11.2%) and transportation (18%). The census also showed that Americans spent the least amount of money in probably the most vital sector of their

[486] U.S. Census Bureau, "ncome, Poverty, and Health Insurance Coverage in the United States:" 2005, http://www.census.gov/prod/2006pubs/p60-231.pdf
[487] U.S. Department of Labor, "Consumer Expenditures in 2005" http://www.bls.gov/cex/csxann05.pdf

livelihood in this increasingly complex society: reading (.3%). All of this is done, whether Americans are aware of it or not, to maintain "growth" in society (even the census refers to it as such)! If the arguments of those like John Bates Clark, Beardsley Ruml, Walt Rostow and Paul Wolfowitz are correct, then Americans today, as consumers, must be a great deal happier and healthier than they were in years past.

In fact, this is not the case. A United States government funded study on depression found that people born after 1945 are ten times more susceptible to depression than those who were born before. It also stated that as many as 40 million people suffer from depression at some point in their life (this is different than 'mourning'), half of whom experience it in a recurring cycle.[488] William A. Williams wrote in 1964, "America's great evasion lies in its manipulation of Nature to avoid a confrontation with the human condition and with the challenge of building a true community."[489] Interestingly, the depression study found that "traditional" societies rarely suffer from this recurring sadness and even commented, "In the traditional Amish society in the U.S. major depression is almost unknown."[490] The study did not link this problem to consumerism, but it did identify that 'self-interest' has fostered the disconnect within American society, and individualism is a necessary condition to what is now referred to as 'democracy.'

That is not to say that 'democracy' is the cause of this suffering, but rather, what has come to be defined as democracy may very well be. The NED defines democracy as "the right of the people freely to determine their own destiny." Definitely, this is quite true, but it does not portray accurately the environment perpetrated by a regulated, global

[488] Major Depression Facts, http://www.clinical-depression.co.uk/Depression_Information/facts.htm
[489] Williams, *The Great Evasion*, 12.
[490] http://www.clinical-depression.co.uk/Depression_Information/facts.htm

market economy. The market is regulated to maintain itself, while the economy "grows" in what it produces and distributes. While it may be true that people have some control over what they choose to purchase and manufacture, they do not control whether they would like to opt out of this system. In this crucial way, they are not free. That the United States has declared its mission to spread this "freedom" to the world should be challenged in light of this disturbing conclusion. That the "destiny" of humankind has been determined to "progress" in a specifically technological and commercial manner is proof that "freedom" and "democracy" are rhetoric for "market economy" and behavior control.

This introductory examination has identified the definitive shift in 'democracy' and 'freedom' that took place in the United States in the waning years of the nineteenth century. That 'commercial democracy' replaced 'true democracy' (in the words of Henry Adams) is evident, but how exactly was this transmitted to the populace? An examination of elementary, secondary and high school textbooks of the early twentieth century could reveal important information on this. A further study of advertising at that time would also be insightful. Today, in the United States, approximately $2 billion is spent on advertising to children. This is responsible for approximately $30 billion in purchases for children. Moreover, approximately $650 billion is spent educating children on consumer culture, "perhaps even at the expense of human qualities," a report said.[491] A further analysis of advertising to adults in the last fifty years would also be necessary. An elaboration of Judith Sealander's report that "Americans consume (as 5 percent of the world's population) fifty percent of the world's advertising," would determine how

[491] Behind Consumption and Consumerism, "Children as Consumers," http://www.globalissues.org/TradeRelated/Consumption/Children.asp

promotion affects behavior and thought processes. [492] If Williams was correct when he asserted *The Tragedy of American Diplomacy* "is that it subverts American ideas and ideals" for economic motivations, then these must be rigorously explored and challenged to reestablish those ideals.[493] The requirements for such a confrontation are enormous, but they are necessary ingredients if Americans and the world are to reinvigorate their senses of responsibility, pride, and community. It was once observed that an apathetic society "fiddles while Rome burns." It was pardoned by observing that "it does not know that it fiddles, and it does not know that Rome burns." [494] For the sake of our ideals and the love of generations to come, the United States and the world must awaken to this emergency and put out the fire.

[492] Sealander, *Failed Century,* 221.
[493] Williams, *Tragedy of American Diplomacy,* 291.
[494] Strauss, *Liberalism Ancient and Modern,* 223.

Annotated Bibliography

Ideological arguments, discussed first, illustrate the lack of differentiation between the way policy makers and the majority of Americans conceptualize their world. Moreover, as I argue in the essay, the conclusions drawn by many of the writers are based on the premise that Americans *know* their history, which sadly, they do not. Yet these writers offer a contribution in understanding U.S. ideology and that is the final reason that ideology appears as the first section of this essay. All of them recognize (with a great deal more precision) the importance that capitalism has played in making the U.S. the super power that it is today.

The second section of the essay examined social engineering in the context of the late 19th and early 20th centuries (from the Gilded Age to Progressivism). This time frame established how ideas of the market became synonymous with freedom. The third and final section considered democracy promotion in the Post-World War II world. This demonstrated that similar methods of equating the market with freedom in the earlier period were used in spreading what they called democracy throughout the world in the later period.

Ideology

Mead, Walter, Russell. *Special Providence: American Foreign Policy and How it Changed the World*. New York: The Century Foundation, 2001.
A Journalist's interpretation of U.S. ideology and its historical evolution. Lengthy and detailed, he emphasizes policy benevolence (while ignoring unpleasant outcomes) and his argument adheres to a top-down approach. Predominantly relies on secondary sources, though some primary sources are referenced, it is a thorough analysis of what is presumably meant when one is 'Wilsonian,' Jacksonian,' 'Jeffersonian,' or 'Hamiltonian.' It should also be noted that the publisher advocates a belief in 'democratic' government and 'free market' economic policies as indispensable to U.S. 'growth and prosperity,' and these biases are reflected in the author's narrative.

Lieven, Anatol. *America Right or Wrong: An Anatomy of American Nationalism*. Oxford: Oxford University Press, 2004.
A British Political Scientist and Journalist's interpretation of U.S. ultra-nationalism, what he refers to as 'Jacksonianism,' as fear of 'other' cultures and ideas. One of the shorter books, it provides forty pages of mostly other books as sources, and has a tendency to borrow previously quoted primary statements from other secondary sources. He rejects the 'benevolent' hegemon argument in favor of a society, driven by fear, geared for conflict.

Packenham, Robert, A. *Liberal America and the Third World: Political Development Ideas in Foreign Aid and Social Science.* Princeton: Princeton University Press, 1973.
American Political Scientist examining rational choice and game theory and economic relations between the United States and 'developing' countries. Relies on secondary sources, but also utilizes various presidential papers and committee reports. The Political Science approach utilizes theories to test their accuracy when applied to foreign policy decision making.

Smith, Tony. *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century.* Princeton: Princeton University Press, 1994.
He traces democracy promotion mostly through the twentieth century. Argues U.S. had a moral interest to pursue strong foreign policy agenda invoking democracy. 25 pages of sources are provided, all of which are secondary except for five. It is exemplary of U.S. policy in that it verbally abhors imperialism, while demanding its own agenda as superior.

Ferguson, Niall. *Colossus: The Rise and Fall of the American Empire.* New York: Penguin Books, 2004.
British Historian examines U.S. as an Imperial power through use of its military as well as its reliance on 'soft power.' He bases his argument on two assumptions:1, the American people are in 'denial' about the U.S. role as an Empire, and 2, Empires are necessary now more than ever. A very straightforward analysis, he concludes with some very unorthodox prescriptions (one of which is to draft prisoners and homeless into the military). He includes a few graphic illustrations, 30 pages of notes, and another 20 pages of mostly secondary source bibliography.

Hunt, Michael. *Ideology and U.S. Foreign Policy.* New Haven: Yale University Press, 1987.
Focusing primarily on nineteenth and early twentieth century, he examines the portrayal of the 'other' in U.S. history. The study incorporates illustrations, historical documents, and secondary sources. Hunt's concern with foreign policy and 'containment,' prompt this tracing of race-centered ideology through U.S. history, and many of the 'important' actors who have influenced it. The overt racism exhibited by former U.S. President Theodore Roosevelt as the paternal civilizer of the Philippines is an example of this ideology at work.

Sealander, Judith. *The Failed Century of the Child: Governing America's Youth in the Twentieth Century.* Cambridge: Cambridge University Press, 2003.
Her narrative is a response to the prediction made at the turn of the twentieth century that 'child welfare' in the U.S. would be integral to 'progress.' She focuses on single mothers, juvenile delinquency, child welfare, physical education, education for 'disabled' children, and mandatory immunization. It is a thorough analysis of U.S. welfare policies in the twentieth century and their outcomes. She includes a few graphs and illustrations, and relies on footnotes throughout her 364 pages of text that draws on a wealth of both secondary and primary sources, but does not supply a bibliography.

Williams, William Appleman. *The Tragedy of American Diplomacy.* New York: Dell Publishing Company, 1959 (revised, 1972).
A must read for any U.S. Foreign policy historian, he describes U.S. policy decisions as the 'tragic' outcome of an idealistic hubris. Beginning with the 'Open Door Notes', he traces U.S. foreign policy decisions that were increasingly found to be economically beneficial in favor of the U.S. He builds on, but does not acknowledge, Beard's model of economic interpretation, and argues that domestic policy has increasingly become perverted as synonymous with foreign policy. He relies a great deal on first hand accounts, but footnotes sporadically and does not provide a bibliography or even index, which makes it difficult to trace or build on his work.

Social Engineering

Hartz, Louis. *The Liberal Tradition in America: An Interpretation of American Political Thought Since the Revolution.* New York: Harcourt, Brace & World, 1955.
A very influential book for its time, it asserts the U.S. has never had a radically liberal history, and this is the primary reason why socialism has never achieved a large following here. He argues the U.S. historically has discarded philosophy and replaced it with law, and, unlike Western Europe, lacks a 'frustrated' middle class, which would demand greater social awareness from government policy. The monograph tends to sound like a dialogue, with very few footnotes, and supplies only seven pages of notes at the end that are a mixture of primary and secondary sources.

Wiebe, Robert H. *The Search For Order, 1877 – 1920.* New York: American Century Series, 1967.
He describes the prevailing Post-Civil War ideologies and how these were called into question during a time of great social change brought on by the technological and intellectual innovations of the late nineteenth and early twentieth centuries. Specifically he examines the collusion that resulted between businessmen and government in order to re-establish faith in the U.S. governing system. The work lacks foot or endnotes, instead relying on a bibliographical essay that admittedly refers to the text as an interpretation of secondary sources on topic.

Cohen, Nancy. *The Reconstruction of American Liberalism, 1865-1914.* Chapel Hill: University of North Carolina, 2002.

An interesting and ground breaking work on pre-progressive modern liberalism. She traces the social scientists, journalists, and 'ethical' economists who either wanted to salvage laissez-faire or dispose of it. Of course, for her argument to be correct, she would have already known at the beginning who the 'losers' would be. It is finely narrated, each chapter ending with thought provoking questions, and makes very good use of primary and secondary sources.

Gordon, Linda. *Pitied But Not Entitled: Single Mothers and the History of Welfare, 1890 – 1935.* New York: The Free Press, 1994.
This is a more specific look at social engineering that concerns welfare and women. She traces its policy formation and the active role women played in it. Ultimately, she views the established policy as failing to provide the social stability that programs like Social Security supply. A few illustrations, an appendix of women reform leaders, and a hundred pages of notes that demonstrate her reliance on both types of source material. It is interesting to note the publisher calls itself a 'media reform' and 'nonpartisan agency' advocating education and 'independent media ownership.'

Rodgers, Daniel T. *Atlantic Crossings: Social Politics in a Progressive Era.* Cambridge: Harvard University Press, 1998.
Extensive assessment of intellectual currents that floated between Western European society and U.S. society. The narrative begins in 1900 and is primarily concerned with similar social issues and their policy consequences that plagued both Western Europe and the U.S. His discussion ends shortly after World War II, which, although applicable to the title, gives one the impression that Atlantic ideological trading after that ceased to exist. Containing nearly one hundred pages of notes from primary and secondary sources, as well as periodic illustration, it is perhaps the most thoroughly researched text of my analysis.

Rosenberg, Emily. *Spreading the American Dream: American Economic and Cultural Expansion, 1890 – 1945.* New York: Hill and Wang, 1982.
An intensive examination of policy that assisted economic aspects of U.S. growth prior to its 'Super Power' status. Like Cohen and Rogers, it demonstrates links between U.S. domestic consumer culture with its foreign policy agenda. Her research is presented in the form of a bibliographic essay, and admits to not including primary sources.

Sealander, Judith. *Private Wealth and Public Life: Foundation Philanthropy and the Reshaping of American Social Policy from the Progressive Era to the New Deal.* Baltimore: Johns Hopkins Press, 1997.
A thorough analysis of the Rockefeller Foundation and its role in public policy formation. It demonstrates how some wealthy individuals found it beneficial to set up institutes and research certain trends (child rearing, education, psychology) to guide government funding in the social setting. Despite her later work that demonstrates her 'cynical' side, this work pronounces no judgment on the Foundations, but pays special attention to examine popular trends (increased divorce rates, population declines) after the fact. She also supplies nearly one hundred pages of notes and an extensive bibliography that demonstrate a reliance on both types of sources.

Democracy Promotion

Latham, Michael E. *Modernization as Ideology: American Social Science and 'Nation Building' in the Kennedy Era.* Chapel Hill: University of North Carolina Press, 2000.
British historian examines first the theory of modernization itself, and its subsequent use in foreign policy during the Kennedy and Johnson administrations. Specifically, he describes the promotion, implementation, and outcomes of the Alliance for Progress, the Strategic Hamlet Program, and the Peace Corps. It is an extensively documented work that relies evenly on the primary and secondary sources.

Hunt, Michael H. *Crisis In U.S. Foreign Policy: An International History Reader*. New Haven: Yale University Press, 1996.
This examination of foreign policy begins in 1914 and ends in 1980, and includes several illustrations. He begins each chapter with a mosaic of the 'crisis,' and then ends each chapter with a dialogue of primary sources between belligerents. Hunt tends to be sympathetic toward the 'losers' in history, but does not appear to show any biases in choosing which documents he has included. Nevertheless, it is a copiously documented analysis that sheds light on some of the information policy makers were grappling with during each emergency.

Fukuyama, Francis. *America At The Crossroads: Democracy, Power, and the Neoconservative Legacy*. New Haven: Yale University Press, 2006.
Japanese-American Political Scientist traces the advent of the Neoconservative from the 1930s to the present. Its appearance in 2006 suggests an attempt by the author to distance himself from the increasingly controversial policies of the current U.S. President, whom he criticizes periodically throughout the book. It advances a call for a new neoconservative, yet it makes few novel assertions, instead appearing to get back in touch with its liberal origins. He supplies notes at the end, which demonstrate his reliance mostly on other author's interpretations.

Nye, Joseph S. Jr. *The Paradox Of American Power: Why the World's Only Superpower Can't Go it Alone.* Oxford: Oxford University Press, 2002.
Despite the title, Nye offers conflicting sentiment about the U.S. as a superpower, first declaring it not hegemonic, then analyzing the rest of the world's powers and suggesting the only possible threat to the U.S. status comes from the European Union. The title is misleading in not only the latter point, but also in its conclusion that the U.S. can declare the 21st century its own if it relies on 'soft power,' instead of its military. A thoroughly documented section at the end in the form of notes exists, and demonstrates a reliance on mostly secondary sources.

Iriye, Akira. *Global Community: The Role of International Organizations in the Making of the Contemporary World.* Berkeley: University of California Press, 2002.
An examination of NGOs and INGOs and their development. He equates their extensive development with the rise of global awareness. Spanning a variety of organizations and purposes, his analysis is quite politically positive and tends to shy away from issues of

invasiveness or coercion in ‘third world’ affairs. His study includes chapter notes, and most of his sources are other authors.

Easterly, William. *The Elusive Quest For Growth: Economists’ Adventures and Misadventures in the Tropics.* Cambridge: MIT Press, 2001.
A testament to how democracy promotion and social engineering have effected policy, this book examines countries who have been the recipient of various ‘development’ schemes. His conclusion, however, soberly advises policy makers and economists to not expect a quick fix in developmental policy, but rather anticipate slow changes and enhance communication between developmental departments. Obviously an advocate for such intervention, Easterly seems sympathetic and thoughtful throughout his presentation, supplies a number of illustrative graphs, and relies impressively on a comparatively equal amount of primary and secondary sources.

Guilhot, Nicolas. *The Democracy Makers: Human Rights and International Order.* New York: Columbia University Press, 2005.
French Political Scientist analyzes democracy promotion through U.S. initiative. He traces a similar theme of active foreign policy and modernization from the Post World War II era, and argues democracy promotion is a form of imperialism. He tends to use ‘democracy’ and ‘human rights’ interchangeably, which is problematic if one considers them two separate ideas. A cogently argued work, it supplies notes and a bibliography that include mostly secondary but also some primary sources.

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