

spell out in any kind of detail the consequences for human liberty of central planning, although in a recent essay in *Dissent*, he candidly states that planning requires command from above and a moral conformism that treats dissent as heresy.

**I**N A SENSE, KINDLEBERGER's is the most curious of the three works. It is hard to know for whom he is writing, or to what point. A distinguished Establishment opponent of Friedmanite monetarism in international trade, Kindleberger seems

expands. The business mood is a rational consequence of changes in objective conditions.

Neither in this book nor in his previous *The World in Depression, 1929-1939* does Kindleberger display any familiarity with the Austrian theory that expansion of money and bank credit not only causes inflation (the Friedmanite view), but also leads to uneconomic investments that require a recession to liquidate and set right. But then, by focusing solely on financial speculation and avoiding the structure of production, Kindleberger has precluded any

vored political groups.

Above all, Hazlitt is totally familiar with Austrian theory, not simply with its business-cycle analysis, but also with its view that the value of money depends on subjective valuations rather than mechanistic correlations, and with adherence to gold money as a means of radically separating money from the state. Hazlitt understands that only such separation will put the problem of chronic and accelerating inflation to rest.

It is instructive to contrast the Hazlitt and Heilbroner volumes. It is not simply that they are at opposite poles, politically and economically. There is scarcely a fact or a hard piece of analysis in the Heilbroner book. All is cloudy and vaporous, tied only to windy rhetoric about a supposedly inevitable triumph of planning. In Hazlitt, there are facts and keen analysis aplenty, but all laid out clearly and forthrightly before the reader. If this were a just world, the Heilbroner volume would be quickly remaindered, while the Hazlitt would sell like hotcakes to a panting public. Perhaps this will be the time. □

## **Heilbroner adopts an antiquated Marxian view of business expansion.**

here to be carrying his war against Friedmanism into the field of money and business cycles. But it is done with such a bluff scorn for theory as to lapse into a kind of mindlessness. Concerned to deny the crucial role of money in business cycles, Kindleberger first rules out the broad field of cycles altogether in order to stick merely to financial panics. Concentrating on this narrow area, it is easy for Kindleberger to lapse into a mere nonanalytic recital of financial booms and busts, and to adopt the kind of witless "theory" that attributes these events to unexplainable "manias" and moods of "mass hysteria" that strike the market from time to time.

We need not adopt the Friedmanite "rational expectations" theory that the market always perfectly anticipates the future, about which Kindleberger has some shrewd things to say, in order to reject Kindleberger's "mania" approach. After all, entrepreneurs who are subject to such mood swings will fail at business very early in the game. Kindleberger refuses to give sufficient weight to the fact that all these speculative "manias" are made possible and brought about by bank-credit expansion. It is the continuing introduction of new money into the economy that raises prices and gives rise to the not irrational expectation that prices will continue to go up. The inflationary bubble collapses, not because people suddenly become pessimistic, but because the banks collapse, and credit contracts rather than

consideration of such a theory.

Turning to Henry Hazlitt is a particular pleasure after the other two works. For Hazlitt not only has the clearest and most lucid writing style of the three; of all economists who are gifted at writing for a popular audience, Hazlitt has by far the soundest grasp of his subject. Hence, he is able to put correct and even profound analysis into a highly readable style.

Two decades ago, Henry Hazlitt wrote a primer on inflation, *What You Should Know About Inflation*. In the present work, he briefly summarizes his previous analysis, and then goes on to address various more complex problems on the subject of inflation. His subtle and clear blend of analysis and statistical illustration is a delight. In contrast to Heilbroner, Hazlitt understands full well the menace of runaway inflation, and he expounds and analyzes the German case of 1923. There is a devastating demolition of the revered "Phillips curve," which assumes an inverse correlation between inflation and unemployment. The Friedmanites are taken over the coals for their mechanistic version of the quantity theory of money, their concept of velocity, and their faulty and dangerous concept of indexating as a way of taking the sting out of inflation.

Alone of our authors, moreover, Hazlitt points out the class interest of politicians in promoting inflation. For increasing the money supply will enable prices to run ahead of wages, and will provide a flow of subsidies to fa-

**THE PUBLIC AND AMERICAN FOREIGN POLICY, 1918-1978, by Ralph B. Levering. William Morrow, 192 pp., \$7.95 hardcover, \$3.95 paper.**

*All of the people all the time*

**BARTON J. BERNSTEIN**

**U**P UNTIL THE VIETNAM War turned sour, many American intellectuals exaggerated and lamented the influence of public opinion on foreign policy, decried the public's addiction to moralism and legalism, and advocated policymaking

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by an elite of experts. Promoted by such analysts as George Kennan, Walter Lippmann, and Hans Morgenthau, this line of argument became a compelling orthodoxy. The public was denounced for its alleged successive failures— isolationism in the 1920s and 1930s, naïveté about the Soviet Union in the mid-1940s, and virulent anti-Communism in the 1950s.

Cold War revisionism and the painful war in Vietnam have compelled many to reconsider their assumptions about the near infallibility of an elite and the suitably subordinate role of the public in shaping foreign policy. Expressing these concerns, Ralph Levering, a liberal historian who rues the excesses of the Cold War, has written a brief survey of twentieth-century public opinion and foreign policy. It is “an overview of public involvement in foreign policy issues,” with emphasis on the general public, the minority of “foreign policy activists,” and the mass media.

One of Levering’s major points, according to his introduction, is that critics of public involvement in foreign policy have often neglected “the strong influence that government officials have on public opinion.” Unfortunately, this important theme stumbles in and out of the text as the author struggles to present material on the attitudes of different social groups (primarily defined by education, ethnicity, party, and media usage, and occasionally by religion, region, and income) on various topics—the larger problems of isolationism and internationalism, the specific challenges of fascism and communism, and such issues as the World Court, the United Nations, the Truman Doctrine, nuclear testing, the Cuban missile crisis, and the Indochina war.

Partly because so much of the study is based on polling data, which do not provide discrete information on corporate leaders, the book uses categories that avoid the reality of power, minimize the significance of great wealth, and ignore the social backgrounds of foreign policy advisers and decision makers. It is a book that believes in survey data, not social analysis. The result is that the author charts shifting public attitudes but often is unsure—or slippery—on who actually controls foreign policy, and on how and why public opinion changes. The volume fails to explain the formation of a consensus on foreign policy, neglects an analysis of ideology, and

glides past key events. Thus it virtually ignores major examples of manipulation.

Consider the rise of the Cold War and the enrollment of the citizenry in the crusade against the Soviet Union and international Communism. Since most scholars agree that the Cold War erupted over Eastern Europe, there is the troubling question of why the American people interpreted as Soviet perfidy the disputes of 1945–1946 over Rumania, Bulgaria, Hungary, and Poland. Was there manipulation? Yes. The government also concealed crit-

Greece and Turkey, blamed the Soviets for the upheaval in Greece, defined it as “aggression,” and thus prepared Americans for “get tough” policies. When a presidential aide complained, “There has been no overt action [by] the Soviet Union which serves as an adequate pretext for [this] ‘all-out’ speech,” Clark Clifford, Truman’s special counsel, explained that it was “the opening gun in a campaign to bring people . . . to [the] realization that the war isn’t over by any means.” Put bluntly, Americans had to be mobilized to oppose Communism abroad.

## **President Truman tried to enroll Americans in a crusade against Soviet Russia.**

ical information. Roosevelt never acknowledged to the American public that the Churchill-Stalin understanding of October 1944, the armistice agreements of the autumn and winter, and the Yalta provisions of February 1945 had all sanctioned Soviet control of Rumania, Bulgaria, and Hungary. And when an adviser complained that the Yalta agreement on Poland was so ambiguous as to allow Communist domination of its government, Roosevelt replied, “I know it. But it’s the best I can do for Poland at this time.” What would have happened if Roosevelt had told Americans that he was recognizing these nations as Soviet spheres of influence and that there was little possibility of democratic governments there? Could the Truman administration have still complained about the Soviets breaking agreements and acting perfidiously in Eastern Europe? Or would Americans have understood what was really happening—that Truman’s administration was trying to overturn the arrangements that Roosevelt had approved?

Or, to cite another important case, consider the launching of the Truman Doctrine in March 1947: the President’s request for \$400 million in economic and military aid for Greece and Turkey as part of a program whereby “the United States [must] support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.” The administration exaggerated the crisis in both

**I**N SECURING THE MARSHALL Plan, the Truman administration skillfully misrepresented its terms and concealed its strategy. Seeking to reconstruct Europe as an American-led capitalist system, the administration knew that the plan would be unacceptable to the Soviets. They were expected, under the plan, to open their territory to American agents, to reveal secret data on their economy, to move toward economic multilateralism and away from state trading, and to allow the United States to pry the satellite nations out of the Soviet orbit by reorienting their trade to the West. While fully anticipating that these terms would compel Soviet rejection, in public American leaders acted as if they were sincerely inviting Soviet participation. Truman’s offer of money for reconstruction seemed generous. His strategy cleverly avoided blame for dividing Europe and placed the onus on the Soviets. Stalin’s rejection of the Marshall Plan was interpreted in America and Western Europe as additional evidence of Soviet malevolence and paranoid suspicion. What would have happened if Americans and Western Europeans had discovered that the State Department had expected, and wanted, the Soviets to refuse to join the Marshall Plan—indeed, that Washington’s long-term goals depended on that refusal?

Though administrations have frequently been successful in manipulating public opinion, there are important constraints, especially in the short

run. Take, for example, the Cuban missile crisis of 1962. John F. Kennedy had himself fanned the flames of anti-Castro and anti-Soviet resentment in the presidential campaign of 1960, when he skewered Eisenhower and Nixon for "allowing the triumph of Communism in this hemisphere." By the summer of 1962, under assault for not deposing Castro and not "enforcing the Monroe Doctrine," Kennedy tried to minimize the Soviet military build-up in Cuba in order to defuse his right-wing critics and reduce Democratic losses in the November elections. "Cuba is the number-one issue," declared the GOP, in condemning JFK's "tragic irresolution." Some Republicans even charged that there were Soviet missiles in Cuba. When Kennedy learned in mid-October that the critics were right about missiles in Cuba, he was boxed in. He lacked the time to educate the public to the fact that these additional weapons in no way altered the military balance. Now it was too late for such an argument. Had he wished to accede to the presence of missiles in Cuba, he might have been impeached. Kennedy concluded that he had to act decisively and that he could not first try private negotiations, partly because news of the missiles might leak out and his party and program would suffer. Electoral politics and the anticipated demands of the military restricted his options. He eagerly chose a public confrontation with Khrushchev and offered the Soviet premier the painful choice of either retreat and humiliation, or else nuclear holocaust.

During the week of crisis, the administration skillfully managed the news. In discussing this strategy, one aide at a high-level conference raised the question, "Do we have a plan to brainwash the key press?" That week, the answer became clear. The administration exaggerated the range of the missiles, denied that they were analogous to our "defensive" missiles in Turkey, and deceived the American public on the fact that most of the missiles in Cuba were operational during the crisis. Ironically, had Americans known that these weapons were operational, they might have condemned JFK for dallying a week before imposing the quarantine and demanding a Soviet retreat.

Not only does Levering's book neglect critical instances of manipulation, but readers will search in vain for any analysis of such key institutions

as the Council on Foreign Relations (treated in a sentence) or the Trilateral Commission (not mentioned). Members of these bodies, however, do indeed exercise great influence on American foreign policy. Levering implicitly rejects the theory of a ruling class and does not even consider that the Trilateral and the CFR are key filters for selecting foreign-policy advisers and, possibly, even presidential candidates. Carter, for example, despite self-proclaimed populist leanings, was a member of the Trilateral—founded by David Rockefeller—where he worked with Samuel P. Huntington and Zbigniew Brzezinski.

Basically, this book, like much liberal work on American society, relies upon a modified model of pluralism and avoids basic questions about concentrated power. As a result, the author can comfortably plead for a more informed public opinion and a more knowledgeable dialogue on foreign policy without ever realizing that information and knowledge can be a threat to powerful interests. □

**KOLYMA: The Arctic Death Camps, by Robert Conquest. Viking Press Inc., 254 pp., \$10.95.**

## Stalin's garden

DAVID LONGLEY

**I** APPROACHED ROBERT Conquest's *Kolyma* with mixed feelings. Yet another book about the Soviet camps? What could there be left to say? In fact, most of the material used here is already available in English, much of it in Conquest's own *The Great Terror*. True, there is some new material, most notably the excerpts from Varlam Shalamov's *Kolymskie Napiski*. But is it enough to justify a new book?

As for interpretation, Conquest offers very little. The book is baldly factual; clearly and unemotionally writ-

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ten, it is a plain, descriptive piece. Of course, this is a kind of trick, since selection and organization of material is itself argument, but there is justification for it.

Difficult though it may be to understand, there are still intelligent and otherwise humane people in the West prepared to defend the Soviet regime. Solzhenitsyn is dismissed by such persons as too obviously a man with a case to prove. Robert Conquest, on the other hand, presents his account almost without comment. Written in good, clear English, it will make a strong impression on any reader. Throughout, the facts are permitted to speak for themselves . . .

The facts he provides relate to the part of the USSR that lies closest to the United States: that long, bearlike peninsula that reaches out from northeast Siberia almost to touch Alaska. In it lies the Kolyma gold field. In the 1920s the gold was worked on a small scale by scattered private miners. This was replaced in the 1930s by a severe, but still relatively humane, camp system. Since 1937, however, the camp regime has been such that, as Conquest puts it, "for Russians . . . Kolyma is a word of horror wholly comparable to Auschwitz." One of Conquest's reasons for writing the book is that he feels "that it is surely right that this should become true for the world as a whole."

Another reason is that, as the entire area was supplied by sea, and as the numbers of ships, their capacities, and so forth, are known, there is a reasonably solid basis for calculation of the number of prisoners taken there, and of the numbers who died there. Conquest adduces a figure of 3 million deaths, "a figure," he points out, "well within the range of the Final Solution." A third reason is that, as the death rate can be clearly seen to vary with the nature of the camp regime, it can accurately be ascribed to "conscious decisions taken in Moscow" and not to the severity of the climate or geography.

**WHAT CONQUEST HAS TO** tell is a terrible story of degradation and death, of corruption and cruelty under the banner of socialism. Throughout, far more is implied than actually stated. There are, for instance, the implications for the condition of the Soviet economy in the remark that common criminals bribed *the guards* with bread that they