
The Need for an Enemy

In the relations of individuals “a friend in need is a friend indeed.” But in the relationships of governments, which lack the moral qualities of men, the opposite is often true. Occasions arise when, from the viewpoint of those in power, it is as important for the state to have external enemies as to have friends.

History shows many such instances. In the third century B.C. it was necessary for Rome, if that city-state were to unite all Italy under its sway, to emphasize and even promote the hostility of Carthage: *Carthago delenda est*—“must be destroyed.” To build a colonial empire it was important for England, after the discovery of America, to “sing the beard” of Spanish kings. In his work for the unification of Germany, under Prussian hegemony, Bismarck was greatly helped by, and certainly welcomed, the aggressive tactics of France under Napoleon III.

From the viewpoint of political science, as distinct from politics, it is fruitless to apportion blame, when the emo-

tions of one people are for reasons of state channeled into enmity against another. To defend the course taken by one's own government, "right or wrong," is of course the natural reaction. But it contributes nothing to any solution of the international anarchy. To improve that situation it must first be admitted that no state as such has ever voluntarily recognized any law superior to that of its own self-preservation, and that the government of every state—including our own—always interprets that law in terms of its own necessities. This is what the Apostle Paul evidently had in mind when he voiced his warning "against the rulers of the darkness of this world, against spiritual wickedness in high places."¹ The amorality of the state is as pronounced today as it was then, or as it was early in the sixteenth century, when Machiavelli wrote:

Where the very safety of the country depends upon the resolution to be taken, no considerations of justice or injustice, humanity or cruelty, nor of glory or of shame, should be allowed to prevail. But putting all other considerations aside, the only question should be: What course will save the life and liberty of the country?²

The "safety" of a country, however, is no longer merely a matter of its immunity from armed aggression. Economic, as well as physical, security has now come to be regarded as a right of citizenship. And in the United States the provision of employment is regarded by many as a

¹ Eph. 6:12 (King James Version).

² Niccolò Machiavelli, *Discourses*, Ch. XLI, The Modern Library (New York 1940) p. 528.

settled responsibility of the national government, which neither of the major political parties is likely to deny. There are differences of opinion as to the procedures necessary to prevent any serious unemployment. But there is general political agreement that Washington has an underlying duty to provide jobs, if, as and when private employers are unable to make them available. Since the great depression, governmental function in this field has been enlarged from the relief of unemployment to the provision of employment, a change of emphasis with very far-reaching consequences.

One measurement of this change is the coincident rapid expansion of labor union demands, mounting from work relief and unemployment compensation to the ambition of a guaranteed annual wage. If employment, regardless of productivity, is a "right," then there is good reason for making it permanent. And there is no reason whatsoever for thinking that the effort of organized labor in behalf of contractual employment will slacken. On the contrary, every achievement in this direction is likely to lead to further demands which will be supported by political as well as industrial pressures. The inflationary effects can be offset, for the well-organized, by obtaining "escalator" clauses which automatically increase wages in proportion to any increase in the monthly cost-of-living index. Thus, with the cooperation of business management, inflation can be made less of an anxiety for a large and especially favored portion of the electorate.

It does not follow, however, that the trade cycle has

been, or can be, stabilized under a system of free enterprise. Regardless of the provisions for “social security,” and despite a flexible monetary policy, any lessening of consumer demand will still result in heavy inventories and force a cutting of production schedules in order to reduce unsaleable surplus. This curtailment of production, with consequent idleness, is the more inevitable when costs have been made rigid by factors beyond the employer’s control.

Then, through a process of chain reaction, any “soft spot” in a major industry will tend to spread—backwards to the producers of raw materials, forwards to the distributive occupations. If automobile sales fall off, whether in spite or because of fantastic design and gadgetry, the slowdown soon threatens the employment both of steel workers and of salesmen. Further effects then come into play. Clothing stores in Pittsburgh don’t need so many clerks and advertising agencies in New York dispense with copy writers. Grocery sales go down and oil companies stop hiring geologists. There is no end to it—until the demand again becomes effective.

Reflection on this basic characteristic of the free enterprise system is necessary because of the widespread belief that governmental intervention has somehow solved the problem posed by downward fluctuations of effective demand. Many assert there is no longer any need for the economy to “go through the wringer” of periodic depressions, with all their by-products of anxiety and distress. Now, it is argued, we have “built-in” safeguards against

any such periodic deterioration as has been described. There is a very real question as to the efficacy of these safeguards, but to explore that is not the purpose of this study. Our concern is an assessment of their general effect on the constitutional structure of this Federal Republic.

So far as agriculture is concerned a temporarily effective, though highly dubious, safeguard against depression has been set up. Its basis is the Commodity Credit Corporation, through which the central government pays a guaranteed price for the undisposable surplus in certain crops, from peanuts through butter to wheat, storing it up as a "built-in" headache for the Secretary of Agriculture. When this naive device for maintaining prices increased the farm surplus to colossal proportions it was supplemented by adjuncts like the euphemistically named "soil bank," the central purpose of which is to pay farmers not to produce.³ This even-handed policy of subsidizing both to increase and to curtail production has done little for the small farmers but has at least been successful in maintaining thousands of Department of Agriculture employees at the taxpayers' expense. An evermounting government payroll, civilian and military, is certainly one route towards the goal of full employment.

From the viewpoint of consistency Congress might

³ *Congressional Record*, of Sept. 12, 1958, pp. A 8347 ff., lists 2422 names of those who in the preceding fiscal year received more than \$10,000 each for *not* producing on "soil bank" acreage. On March 2, 1959, Senator John Williams of Delaware told the Senate that during the same period three agricultural corporations had received almost \$3,500,000, and 51 other "farmers" in excess of \$100,000 apiece, in price-support payments.

properly apply the same remedy to a saturated automobile market. The Ford Company could as reasonably be paid a subsidy for every Edsel it can produce, but doesn't. And simultaneously a parity price might be set on Buicks and Plymouths, taking over those unsold at that price and storing them, for possible later presentation to our allies, in the holds of mothballed Victory ships. While that may sound absurd it would be precisely as sensible as the present policy for excess agricultural production. So the reason why such procedure goes unadvocated for industry would seem to be the alternative which is available in the case of industrial capacity to produce.

That alternative is what we call "defense production." So long as the country is menaced, or thinks itself menaced, Congress will readily vote almost unlimited funds for its protection. Such armament is for the most part "hardware"—metal vehicles and weapons which, together with the requisite fuels, are directly stimulative to the extractive and fabricating industries. It is these which absorb the greater part of investment capital and provide the bulk of employment. If business is good in these basic industries it will be good throughout the nation as a whole, and vice versa. For while the retarding effects of curtailed spending spread quickly through a capitalistic economy, so do the stimulative consequences of "easy" money.

Congress, which nominally controls the purse strings, never cuts the military estimates by any substantial amount. They are presented as essential for the national security, and it is all but impossible for the most consci-

entious legislator to prove that this is not the case. It is, of course, easy to find evidence of almost incredible military waste. Many instances of this have been detected and publicized, especially by the Hoover Commission on Organization of the Executive Branch of the Government. But the defense budget cannot be substantially reduced by effecting relatively minor economies. Moreover, there is reason to believe that these estimates are not infrequently padded to an extent necessary to offset cuts that may be insisted upon by the Budget Bureau and the Congress. And even when the military estimates are conscientiously held down it is always possible for "defense-minded" Congressmen, with an eye on military production in their own communities, to combine to push appropriations higher.

To outline this situation involves no substantial criticism of the Department of Defense, either under present or previous managements. This department does not direct the foreign policy of the United States, but is saddled with the responsibility of providing the physical power without which that foreign policy could not even pretend to be effective. Consequently, the more far-flung and grandiose our overseas commitments, the more extravagant must be the defense estimates necessary to give them substance. And the net result is military spending which, since the close of the Korean War, has never fallen below thirty-five billion dollars annually and in most of these years has been close to or even over forty billions.

The mind finds it difficult to grasp the significance of

such astronomical figures. They acquire more reality by saying that the military expenditure of our central government now runs continuously at a rate well above one hundred million dollars a *day*. Another way of looking at it is to point out that only about eight days of defense expenditure, during 1958, were covered by the federal income taxes levied that year on the enormous Bell telephone system, though these taxes were then more than 13 per cent of the system's total revenue.

Marshal Göring was much ridiculed by Americans, in the early days of the Nazi regime, for saying that Germany could not afford both guns and butter. But exactly the same thought was expressed by President Eisenhower in his report to the American people immediately after the Russians got their second *Sputnik* aloft. "We cannot," the President then said, "have both what we must have and what we would like to have." That is because: "Defense today is expensive and growing more so."

Indeed it is. The cost of intercontinental missiles and nuclear explosives is fantastic, and to produce these and scarcely less intricate weapons a tremendous expansion and integration of scientific industry has been necessary. It is consolingly pointed out that the total defense cost can still be held to just under 10 per cent of the gross national product, whereas in Soviet Russia the percentage spent on armament undoubtedly runs higher. But this slim consolation overlooks two vital points. It is wholly consistent with the communist system, but not at all with ours, to have a handful of officials planning and managing the

economy. The second point is that even a 10 per cent armament leverage on a free-market economy is more than enough to spell the difference between boom and bust.

The gigantic infusion of public funds goes far to explain why the United States has had a fairly continuous inflationary "prosperity" since the close of World War II, instead of the contraction that should be expected to afflict a capitalistic economy when war spending is terminated. We have avoided the depression that normally follows war by the unusual expedient of avoiding peace, a course necessitated by the obvious enmity of the wartime ally which our own government built up as a formidable threat to our security. The story is told in the annual budget figures. In only one year since the close of World War II has the military expenditure of the United States been less than double what it was at the peak of World War I, and in that single year—fiscal 1950—this outlay was almost double. To minimize these figures by considering dollar depreciation is also to emphasize that military spending on this scale is a cause of that depreciation.

Along with the spurious prosperity produced by cold-war spending has come increasing acceptance of the theory that it is a duty of the national government to guarantee full employment for all. The affirmation of socialism at this time is no mere coincidence. Once the White House has announced that everyone has the right to full employment, and has seemingly shown the ability to provide it, people naturally and properly expect all pledges in this respect to be fulfilled. They do not ask, any more than

does a child, how the accepted paternalistic responsibility will be met. That is the business of those who have assumed the parental role, not less so if temporarily they refrain from the parental discipline without which any household soon becomes anarchic. This sharply qualified individualism is of course far less logical than the thoroughgoing socialism of Soviet Russia, which assuredly can provide employment of a kind for every adult, but only by applying an iron regimentation which none may question.

It would seem that a very large number of Americans now actually believe not merely in "the right to a useful and remunerative job," but also in all the other "Economic Rights," such as "adequate recreation," "adequate medical care" and "good education," as promised them by President Roosevelt in 1944. The primary responsibility for providing most of these "rights," in the form of fringe benefits additional to wages and salaries, is currently placed upon employers, either by legislation, by labor union pressure, or by both. So far private enterprise has been able to carry this additional load of pensions, medical care, paid recreation, free meals, etc., etc., though the cost of such extras rose from one cent an hour per employee in 1929 to 25 cents an hour in 1955, and is projected by the United States Chamber of Commerce at approximately \$1.00 per hour per employee for 1975. But if private enterprise should now for any reason be unable to provide all these subsidies it is apparently the "general will" that Washington should do so, in accordance with

the assurance that these are "Economic Rights," based on "the Four Freedoms," which the central government has a positive duty to provide.

Thus there has arisen an inexorable pressure to maintain that full employment which is unfortunately incompatible with the free market. This pressure bears on the trade unions, the leadership of which—whether or not honestly elected—must ever strive to make each contract with management more favorable to organized labor than its predecessor. It bears heavily on management, which to make any profit over and above arbitrarily fixed expenses must press for government contracts, either direct or indirect. And most heavily of all the pressure to maintain full employment bears down on the Administration in office, which knows that it will become a target of popular criticism, subject to overthrow at the next election, if it fails to do so. Of course there is no solution to the problem in the use of automation to cut costs since, if only temporarily, this increases unemployment.

It is this complex of pressures, the direct if generally unforeseen consequence of Mr. Roosevelt's "Economic Bill of Rights," which makes it virtually impossible to keep both the nation and the State budgets from rising, year after year, no matter how grievous the tax burden necessary to keep them even nominally balanced. And, more especially, it is this situation which has now made the American economy very largely dependent on a huge and continuous expenditure for defense.

If that type of spending were cut from a rate of well

over one hundred million dollars a day to a rate of one million a day, which in a rational world would still seem a sizable amount for any nation to spend on armament, the economic dislocation in the United States would be profound. Indeed, it would be so disastrous that such reduction—or anything approaching it—is simply not a matter of practical politics and therefore cannot possibly be expected. A part of the evidence is found in the comments of the financial writers who, whenever the stock market slips, assure their readers that this is a “secondary adjustment” and that the constant outpouring of defense expenditure insures a fundamentally “sound” economy. Only a real prospect of disarmament would be—to use the word actually employed—a “threat.”

There are, certainly, alternative forms of government spending which theoretically might be expanded to offset a serious curtailment of defense expenditure. Foreign aid might be boosted even higher. Very substantial additional amounts could be channeled into roadbuilding, housing, school construction, irrigation, flood control and numerous other public undertakings. We may overlook the fact that this would still be “government spending.” That aside, it is more difficult to obtain Congressional authorization for any of these projects than in the case of armament. Only in that one form of gigantic outlay is it possible to assume the need, to ignore the cost completely, and to provide a spillway of money from the Treasury into the economy on the mere assertion of national necessity. Also, defense is the clear prerogative of the central gov-

ernment whereas the domestic improvements are not. It is suggested that more commodious public school facilities, for instance, might in a general way be regarded as contributory to "defense," and financed by Washington as such. But this is one of the issues in which the tradition of federalism dies hard, and is related to the burden of taxation with a critical scrutiny seldom directed against armament expenditure.

Nevertheless, the Congress will continue to appropriate upwards of \$100,000,000 a day for defense only so long as people believe that the national security is actively menaced by an aggressive foreign power. And since this rate of expenditure must now be continuous, an equally constant official propaganda must be exercised to make it appear that the potential foe is the personification of evil, a dire threat to a way of life which we are ourselves undermining by the way we confront that threat.

The communist regimes have certainly done much to make such a portrayal of Russia and China wholly plausible, but other factors are involved. They were suggested when the Moscow Government, on May 14, 1956, announced a decision to carry out substantial unilateral disarmament. Whether or not sincere, an immediate result was a definite downward turn in the New York stock market. In the words of the Associated Press: "The declines were attributed by brokers to a fear that defense spending in America might be curtailed." Secretary of Defense Wilson thereupon promptly let it be known that the Administration would cancel no military contracts merely

because Russia proposed to do so. Some months later, when economy pressures began to cut a little fat from the military establishment, there was a real stock market break, and a quite perceptible business recession. The coming of the *Sputniks*, defined in the United States as an enemy accomplishment, served to re-stimulate the cold-war economy.

There is also a powerful, though intermittent, political leverage operating to maintain defense spending at a very high level. This becomes especially effective as a Presidential election approaches. The great industrial States are those with the highest number of electoral votes, and therefore those in which the political struggle for the Presidency is keenest. Precisely because the leadership of organized labor tends to favor the Democratic Party, "modern" Republicanism must seek to offset this by espousing a policy of "full employment" for which huge and continuous defense contracts are essential. In behalf of defense spending, if not for foreign policy as a whole, the bi-partisan attitude is well established. Thus there is little or no political criticism of the uncompetitive channeling of defense contracts to areas in which the Department of Labor certifies unemployment as "substantial." The practice violates both the principles of free enterprise and the spirit of the anti-trust laws, and thereby illustrates the triumph of socialist planning.

Although economic and political considerations now make it difficult for the Administration to curtail defense spending, it is equally impossible for anyone in authority

to admit the fact. No official can openly suggest that the Kremlin may conceivably be sincere in seeking a relaxation of the now completely fantastic armament race. One might as well expect the Secretary of the Treasury to say publicly that during an inflationary period Savings Bonds are a bad buy. And because it is in practice impossible for our officials to tell the whole truth they are gradually forced into overt deception. In spite of the cost-of-living indices the steadily depreciating "E" Bonds are advertised as "the safest investment in the world." In spite of the logic and good reasoning often found in Russian overtures it is consistently maintained that because communists are congenital liars, no conciliation of any kind is possible.

Such an attitude is of course barren of any promise for improvement in the international situation unless one can assume either that communism will collapse from incompetence, or that the Russian people will rebel against its centralized tyranny. Since the *Sputniks* the former hope seems untenable. And when Americans are themselves so disposed to accept governmental dictation there is small reason to anticipate that people with no tradition of individual freedom will dare oppose the "general will."

Unfortunately, there is no longer room for doubt as to the official desire to keep the American people ignorant as to the actual motives and forces directing national policy. This anxiety is suggested by the proliferating network of information and public relations officers with which the policy makers in every government agency are now surrounded. These are not yet coordinated into a single Min-

istry of Public Enlightenment, as in Nazi Germany under Dr. Goebbels. But the trend is certainly in that direction. The irony is that the more we propagandize our own people, in a manner essentially un-American, the more we fulminate about the anti-American propaganda of the communists.

Every Washington correspondent and radio commentator can cite instances of official pressure brought to report governmental policies and activities in a continuously favorable light. But the most comprehensive evidence is found in the published hearings on "Availability of Information from Federal Departments and Agencies," conducted since November 7, 1955, by a special subcommittee of the House Committee on Government Operations. This committee has throughout keyed its inquiry to the incontrovertible thesis of James Madison: "A popular government without popular information or the means of acquiring it is but a prologue to a farce or a tragedy, or perhaps both." And the testimony it has elicited certainly shows that the United States today is in his prologue stage.

Of particular interest is the statement made at the opening hearing by James Reston, the highly regarded chief of the Washington bureau of the *New York Times*. He then observed that reporters confront a condition quite as insidious as the official "suppression of news." This is "a growing tendency to manage the news." Mr. Reston gave as an illustration, first the State Department's effort to play up the 1955 Summit Conference at Geneva as a great

American diplomatic triumph, and then the subsequent effort to blame Soviet Russia for its failure because “the people in the Western countries were letting down their guard. . . .”⁴

Much later in these hearings, on July 8, 1957, an interesting bit of testimony came from General Arno H. Luehman, Director of the Office of Information Services, Department of the Air Force. In answer to some acute questioning on the guided missiles program, from Representative John E. Moss of California,⁵ General Luehman said: “We feel, in our service, again speaking for the Air Force only, that the progress we have made, that the country has made in this missile development firings, has reached the point that maybe we ought to consider telling a little more about it.”

Just four months later, after the *Sputniks* had made “telling a little more about it” a political necessity, President Eisenhower himself gave a green light in this particular channel.

For this Federal Republic there is a very serious threat in the combination of undisputed power and calculated secrecy now exercised by the executive branch of the cen-

⁴ 84th Cong., 2nd Sess., *House Report* No. 2947, p. 5.

⁵ It was also Mr. Moss who, on Feb. 12, 1958, drew from the Department of the Army a reluctant admission that some experimentation with bows and arrows had been labeled “silent flashless weapons”; was regarded as involving a “security factor”; was classified first “Confidential,” then “Restricted,” then “Confidential” again; until finally “reviewed and declassified” on Jan. 31, 1958—three days after the inquiry from Congressman Moss. (85th Cong., 2nd Sess., *House Report* No. 1884, pp. 174–5.)

tral government.⁶ Indeed it may and should be questioned whether the Russian military threat, which of course encourages the centralizing trend here, is the more serious danger. Care must be taken, however, not to concentrate the blame on those harassed officials who, like the rest of us, are caught in the swiftly running tide of world events. The fundamental problem is not of their making but is an inevitable consequence of the fallacious theory of a general will.

If there is anything on which the people of U.S.A. and U.S.S.R. are mutually agreed we may be sure that it is horror at the thought of their reciprocal mass murder by intercontinental missiles with atomic warheads. Yet the highly centralized governments of both countries, each claiming to be a "people's democracy" and each claiming to act in self-defense, have been moving steadily towards a smash for which a balance of terror has become the sole deterrent. For the Russians, who have never known self-government and free enterprise, the tragedy is far less poignant than it is for us.

Under the fatal illusion of strongly nationalized power the United States has now geared its economy to preparation for war and if those gears were unmeshed the immediate effect would be catastrophic. Instead of plenty of

⁶ Senator Thomas C. Hennings, Jr., of Missouri, Chairman of the Senate Constitutional Rights Subcommittee, said in a statement released Jan. 28, 1959, that this committee also "has come across many instances of what have appeared to be completely unwarranted withholdings of information from both the public and the Congress."

work at high wages there would be, for a time at least, much less work at much lower wages. Gradually, the dislocation would rectify itself. Taxes could be cut to a fraction of the present scale. Production costs would then come down, stimulating renewed economic activity and employment for the cold-war workers. The dollar could regain, instead of ever steadily losing, purchasing power. But the transition to a peace economy would not be made overnight. It would be accompanied by hardships which many Americans are no longer prepared to accept. Like Frankenstein's monster the general will to live luxuriously would turn on those who have animated it. And this fate officials who are nominally in the seat of power believe they must at all costs avert, even though the present course portends the fall of the Republic.

It was difficult, evidently, to solve the "re-entry problem" for guided missiles. But the problem of re-entry to American constitutional government is every bit as difficult.