

# Naval War College Review

---

Volume 16  
Number 3 *November*

Article 1

---

1963

## November 1963 Full Issue

The U.S. Naval War College

Follow this and additional works at: <https://digital-commons.usnwc.edu/nwc-review>

---

### Recommended Citation

Naval War College, The U.S. (1963) "November 1963 Full Issue," *Naval War College Review*: Vol. 16 : No. 3 , Article 1.  
Available at: <https://digital-commons.usnwc.edu/nwc-review/vol16/iss3/1>

This Full Issue is brought to you for free and open access by the Journals at U.S. Naval War College Digital Commons. It has been accepted for inclusion in Naval War College Review by an authorized editor of U.S. Naval War College Digital Commons. For more information, please contact [repository.inquiries@usnwc.edu](mailto:repository.inquiries@usnwc.edu).

# NAVAL WAR COLLEGE REVIEW

VOL. XVI, NO. 3

NOVEMBER 1963

## CONTENTS

ECONOMICS IN INTERNATIONAL RELATIONS . . . . .	1
Professor David J. Ashton	
STUDENT SOLUTION TO EXERCISE A INSTALLMENT ONE EXTENSION COURSE IN COUNTERINSURGENCY . . . . .	18
Commander Louis A. States, USNR	
Recommended Reading . . . . .	29



## SPECIAL ATTENTION TO THE READER

The material contained herein is for the professional education of officers of the naval service. The frank remarks and personal opinions are presented with the understanding that they will not be quoted. It shall not be republished or quoted publicly, as a whole or in part, without specific clearance in each instance with both the author and the Naval War College.

*Naval War College Review* was established in 1948 by the Chief of Naval Personnel in order that officers of the service might receive some of the educational benefits of the resident students at the Naval War College. It must be kept in the possession of the subscriber, or other commissioned officer and should be destroyed by burning when no longer required.

The thoughts and opinions expressed in this publication are those of the author, and are not necessarily those of the Navy Department or of the Naval War College.

**NAVAL WAR COLLEGE**

**REVIEW**

**Issued Monthly  
U.S. Naval War College  
Newport, R.I.**

## ECONOMICS IN INTERNATIONAL RELATIONS

A lecture delivered  
at the Naval War College  
on 20 September 1963

by

Professor David J. Ashton

The general topic for this morning is *Economics in International Relations*. This is another one of those impossible academic titles which includes a body of material deserving at least a lifetime of study. In an arbitrary, but I hope reasonable, attempt to keep an important luncheon engagement, I shall confine my comments to three discreet areas; (1) we'll examine the role of economic factors in determining the nation's international status and prestige and the relationship of economics to nationalism; (2) we'll look quickly at the principal tools and techniques which economic policy contributes to international relations; (3) finally, we'll have a little to say about the origins and functions of a selected number of international economic organizations, some information about which you received as you entered today and which is a kind of hedge for me in case we run out of time before I'm able to give this area as much coverage as I'd like.

You may note as we go along that I shall deal only marginally and very summarily with the role of economics in U.S. national strategy, or with the peculiar and particular international economics problems which now face the United States. This is because we shall have special lectures and seminars dealing with these topics in the weeks immediately ahead.

Perhaps we should recognize at the very outset that there is a good deal of ambiguity and confusion inherent in this morning's title. The confusion arises because of the word *international*. *International* sometimes means across national boundaries; at other times it means among national governments. It is, of course, in this latter sense that the term *international relations* is used. This being the case we should also be warned of a fundamental difference between international economics and international

# INTERNATIONAL ECONOMICS AND INTERNATIONAL POLITICS

## *THE ROLE OF NATIONAL GOVERNMENT*

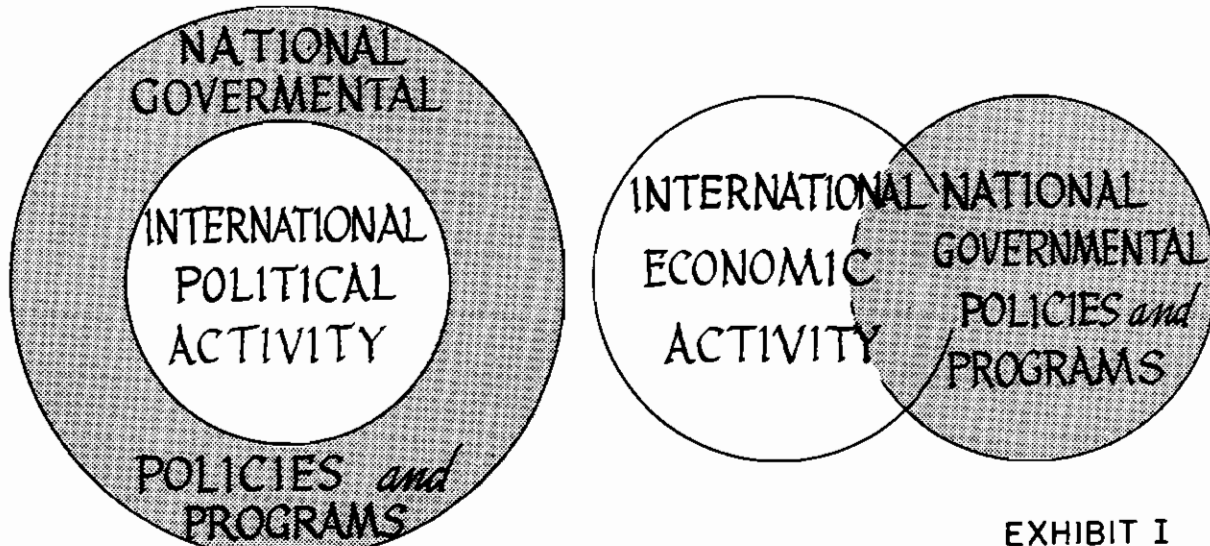
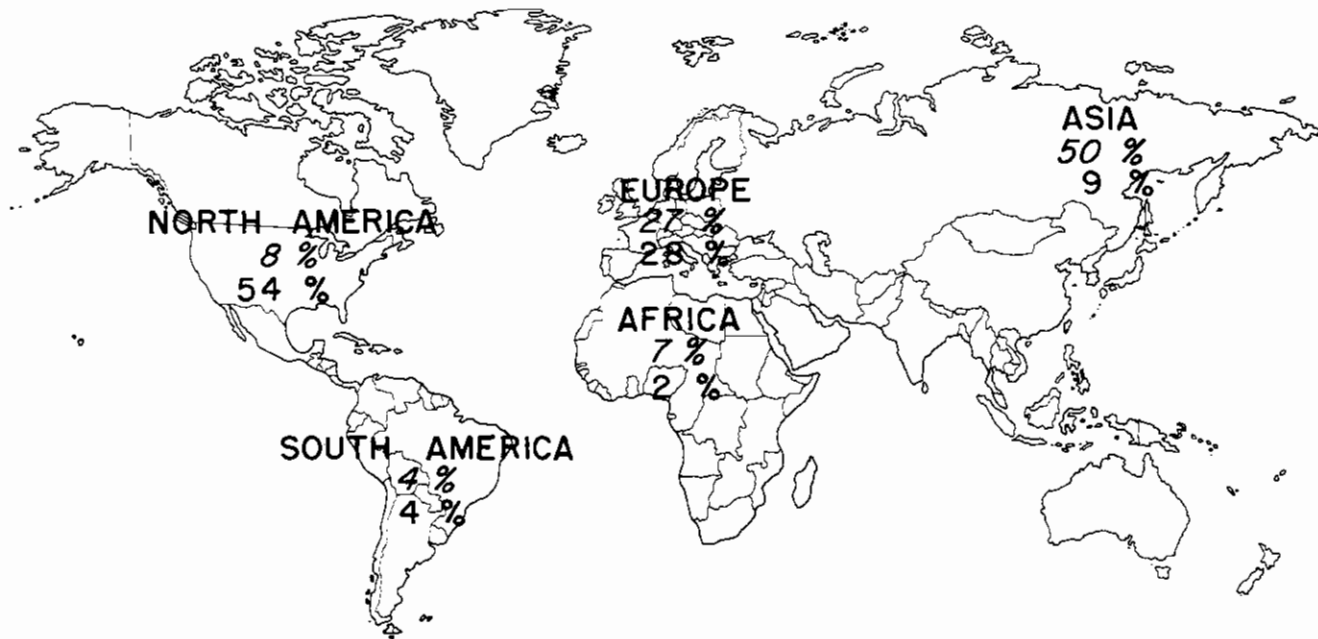


EXHIBIT I

politics. Whereas the term *international relations* includes the entire field of international political activity (as indicated in Exhibit 1) most international *economic* activity does not qualify as international relations because it is not intergovernmental. The international economic activities of private enterprises and organizations, therefore, are, by definition, outside the scope of our discussion of this morning, except to the extent that these private entities may become government spokesmen, or government representatives, in one way or another. We are discussing, therefore, (with respect to Exhibit 1) the area of convergence which is less than a major share of either international economics or of international relations, but one which is vital and controversial nevertheless. Inis L. Claude says, and who among us could disagree, that the management of power in international relations looms as the central issue of our time. Indeed, international relations today offers us the spectacle of the major powers walking the diplomatic tightrope as they try to manage power in such a way as to (1) advance their international interests, (2) extend their spheres of influence while, at the same time, (3) avoiding mutual annihilation. For lack of a better term we call this peaceful coexistence. Its ingredients include political and economic competition between East and West, carried on under a kind of Damoclean sword of nuclear stalemate and punctuated by occasional outbreaks of old-fashioned conventional and guerrilla warfare. Operational deficiencies in any of these areas obviously reduce the effectiveness of our diplomacy, of our ability to carry on effective international relations. Economic capability is an important part of this total ability which we generally refer to as national power.

Now, certain expert opinion holds that the bases of national power are essentially three: the quantity and quality of population; the stage of industrial development; and governmental administrative efficiency. There may be those who would disagree with this categorization, but mostly in that they would like to add additional factors to the list rather than because of specific disagreement with any of the above. Each of these has strong economic implications. Population size and education levels control the capabilities of the national labor force. The planning, organizing and evaluating functions of administration are also economic in nature. It is the stage of industrial development, however, which is most clearly economic in its implications and to which we shall give our primary attention here and now.

## HUMAN BEINGS AND ENERGY SLAVES, WORLD DISTRIBUTION



**% = HUMAN POPULATION**  
**% = ENERGY SLAVES**



Economic capability and performance are very unevenly divided among the peoples of the earth. About 2 billion persons, 75% of the human race, live in 100 poverty-stricken countries where the income per person per year is below 300 dollars. The top 15% live in the United States and Canada, in Northwest and West Central Europe, in Australia and New Zealand. This top 15% receives about 70% of the world income. Even farther up on this sharply peaked income pyramid are the 6% who live in the United States and who receive 50% of the world's income. This is truly the economic elite, with a real income per capita about double that of Europe's most prosperous countries, and 50% above that of Canada, which is our nearest rival.

What is the basis for this elitism? The answer to this question is certainly tremendously complex, and it cannot be discerned by economic analysis alone. But of this much we are sure: the mechanical revolution, the shift from animate to inanimate energy, holds the key to the modern global layout of resource patterns and of economic well being. In the world of today, nothing differentiates people and regions more than their use of inanimate energy, of the capital equipment which harnesses it, and of the science and technology which render it efficient. Only where mankind effectively exploits many mechanical slaves—that is, machines—per worker is a high level of living possible for any substantial portion of society. It is not at all surprising, then, that North America's 8% of the world's population possesses about 54% of the world's mechanical slaves, (Exhibit 2) along with the previously mentioned major share of world income. Asia's poverty-stricken status, it seems to me, could be no more graphically illustrated than by the fact that this continent's 50% of the world's people has only 9% of those tools without which economic potential is meaningless. Moreover, in recent years the economic gap between the developed and the less-developed countries has been widening, as has the gap in their strategic capability. The ability to muster the materiel and logistic support for a Cape Canaveral or a Newport is essentially an economic capability. The gap between the lesser and the greater military powers, therefore, has also grown in recent years, and differential economic capabilities are basic to this gap. The fact that the United States with 6% of the world's population produces 50% of the world's goods is as good a measure of general strategic capability as one would want. It is also a measure of the reason why the rest of the world so unfailingly looks to us as the major source of economic assistance, and one of the reasons why United States pleas and statements to the effect that it is time that the

rest of the world began to bear its fair share in the fields of economic assistance and foreign aid seem quite laughable to many of our allies and associates.

Now whether these capabilities for military potential or general economic potential or foreign assistance activity—whether these are ever translated into actualities is, of course, a political, cultural, and a social question. Clearly, however, industrial capability based upon the mechanical revolution is a critical component in military potential as well as in economic potential generally. National power is increasingly a function of these mechanical slaves or robots rather than of population size, numbers of men under arms, or of territorial extent. This, in a cruder way and in an earlier age, was the basis of British ascendancy in the 18th and 19th centuries, when Britain temporarily had a monopoly on the industrial revolution. The general principle holds true today.

International relations are, of course, manifestations of the activities—the functioning—of the earth's nation-states. They constitute one aspect of nationalism, whereby each national entity seeks to advance its own interests in its dealings with other nations. National economic policies enlist the support of each national population, and the popular emotional commitment to such policies is usually very high. Thus, nationalism is a local, political and cultural sentiment. Economics, like the wheel or atomic energy, is a universal tool which can serve the nationalist or the world federalist, the dictator or the democrat, the communist or the capitalist, equally well. There is really no such thing as capitalist economics, or socialist economics, careless labeling notwithstanding. There are merely capitalist and socialist economists and politicians.

However, it would not be quite correct to say that economics is essentially neutral toward nationalism because, taken in the abstract, nationalism makes no economic sense. Why? Well, among other reasons, the boundaries of the earth's nation-states have been drawn with little or no regard for economic logic; therefore, although economic analysis can, and does, serve the ends of national policy, it also tends to lead to the viewpoint that nationalism is uneconomical, and many economists tend to be just a little bit sheepish about lending their professional imprimaturs to narrowly conceived and jingoistic national policies. This, I suppose, is because a rational pursuit of economic efficiency almost always tends to weaken nationalism for at least the following reasons: first, nationalism is exclusive, but economic rationality shows

that national barriers which lessen international trade prevent the full development of economic potential, and make for lower incomes both at home and abroad. Secondly, nationalism protects *our* producers against so-called unfair competition from *them*, but economic rationality shows that competition is rarely unfair, merely unforeseen, and that spirited competition within reasonable ground rules is both personally energizing and productively bountiful. Thirdly, nationalism tends to be greatly concerned lest our nation be put in a position of excessive dependence on goods and services from other nations. It worries lest outsiders be able to diminish our national power and sovereignty through blackmailing threats to withhold essential strategic commodities from us. But economic rationality says that well being and higher productivity can be achieved only through increased *interdependence*, and not *independence*. Economic analysis tends to accept closer international ties as the price and the risk of opulence. At the same time, of course, that freest trader of all, Adam Smith, said that defense is superior to opulence, meaning that economic logic must bow to considerations of military strategy when and if national survival is threatened. The disputes come as to what constitutes a threat to the nation, and which industries are crucial to national defense. Economics may be neutral but, I repeat, economists are not.

Partly because nationalism and economics tend to be, if not mutually exclusive, at least working at cross-purposes, the main stream of economic activity in the world today is not only international but, I suggest, *antinational*. Nations are being increasingly pushed toward positions which will compromise somewhat their national sovereignty, in return for some rather attractive economic rewards. Most conspicuous among these is the vogue of regional common markets, each of which exhorts its members to relinquish national control over the international movement of goods, money, and people, in return for higher income and improved levels of living. As the fortunate beneficiaries of one of the world's oldest common markets we can testify as to the benefits. Imitation being the sincere flattery that it is, we are glad that the backyard provincialism which has characterized so much of the rest of the world is gradually giving way, even though it may mean stiffer competition for U.S. products.

Another example of this antinationalist drift is what might be called international welfarism which I shall define as the increasing tendency of the governments of the more affluent nations of the world to take an interest in, and some degree of responsibility for,

improving the lot of those peoples and nations which are less fortunate. This, too, represents a substantial departure from traditional nationalism, but moves contrary to the erosion of traditional national prerogatives; it represents rather an extension of national responsibilities beyond the frontiers of the nation-state. It suggests that the sovereign states' social and economic responsibilities do not stop at the national frontier and I suggest that this is true even if the government in question insists that it is only protecting its own national interest. Once a government accepts a policy statement such as, 'Poverty anywhere in the world is a threat to our way of life,' or something of this sort, its viewpoint has become *de facto* global rather than national.

Thirdly, the nations of the noncommunist trading world are increasingly aware of the undesirable stresses and strains which traditional national prerogatives and responsibilities with respect to gold and the balance of payments tend to inflict on the international payments mechanism. As we used to say in the ordnance disposal business, the nations are inspecting 'cautiously, from a safe distance,' a new supranational central bank and clearing house arrangement to facilitate international payments. Interestingly enough, the essence of this proposal was before the Bretton Woods Conference back in 1944. However, at that time it was rejected largely because it had been suggested by the late John Maynard Keynes whose name was, and in some instances still is, anathema to the banking community.

Now the Good Book says that in order to be saved it is necessary to be born again. Accordingly, this proposal has been given second birth, this time by the highly regarded Brookings Institution. Paternity has been attributed to the internationally respected Professor Robert Triffin of Yale, with an impressive staff of economists attending the delivery. So far the Wise Men have not come from the East at all, and most of those who have come have come to scoff and not to bring gifts. The fate of each national currency is charged, like sin and motherhood, with a great deal of emotional political high voltage, and the monetary authorities of the United States, Britain, and the Common Market countries, are outdoing one another in their reluctance to be associated with any proposal which might lessen U.S. control of the dollar or British control of the pound sterling. Yet just as the Federal Reserve system was needed to eliminate or modify local banking and clearing idiosyncrasies here in the United States when our national economy became integrated, so the next five years will almost certainly see the establishment of a new international

currency and clearing mechanism, the operation of which will erode substantially the national monetary sovereignty of the participating nations.

One current economic pattern which seems to be accentuating, rather than diminishing, economic nationalism is the drive for development of the less-developed nations. This developmental process is usually accompanied by an intensification of exclusive economic nationalism—become self-sufficient, keep the foreigners from stealing our resources, monopolizing our trade, etc. This stems in many instances from the countries' recent emergence from colonial status and the politico-psychological need to demonstrate their ability to progress without assistance from former colonizers or from their allies and associates. Even in developing countries where colonialism hasn't been a factor for over a century, the heady wine of economic self-sufficiency and national pride can be so intoxicating as to offset for a long time the lower real income stemming from the flouting of economic logic and the frightening off of foreign investors. For example, Brazilians for over 20 years now have been paying anywhere from 50% to 100% above world market prices for steel delivered in Brazil. At the same time Brazilians point with great pride to their Volta Redonda steel complex, the first and the largest integrated steel facility on the South American continent. They show no signs at all of relaxing the import restrictions which prevent Brazilian manufacturers from buying steel at lower world prices. Brazilian consumers, too, have to pay more for their steel-content goods than they need to. Among other things, this merely verifies what all wise men know—namely, that man does not live by bread alone, but by all those things which produce in him a sense of well being or the good life. Some of these are nonmaterial such as a pride in exclusive membership or a pride in accomplishment. This was Marx's great mistake. He assumed that economic interests alone motivate men. It is true when men have not enough basic food, clothing and shelter, that nothing will take precedence over economics in their motivation. But let them get beyond the threshold of subsistence and mere acquisitiveness or the commercial instinct is not enough. Men seem to need more abstract challenging and inspiring ideas than mere self-interest. Also, although I hate to have to admit this in front of my colleagues from the political sciences, that which is economically rational and reasonable must always wait upon that which is politically possible. There is no better example of that in the present world than the situation in the European Economic Community. This is doubly confusing to a great many people

because they say, 'Well, now, your chronology is wrong in this case. The European Economic Community is going to be an economic community first, and a political community second, and so isn't that evidence of the primacy of economics?' The answer is, 'Not at all, because the European Economic Community is based on a *de facto* informal political settlement among the countries of the continent—a Franco-German rapprochement—an agreement to co-operate, if you will.' It is true that we may not be setting up a formal Parliament of Europe at this point, but the political settlement is there, and it was not until this political settlement was achieved that the economic mechanism could be set in motion. At present this political mechanism is breaking down. To bear this out, the net effect of General de Gaulle's saying, 'We must re-examine the political basis,' has been to stop in mid-stream the progress of the EEC toward more complete economic integration. But at the same time, (although I readily concede that economics must be secondary to politics), developments in science and technology, and in transportation and in communication, have combined in recent years to emphasize the benefits which can flow from a more rational international economic organization. And this has become increasingly apparent to the general public, and has put a gradual but persistent pressure, you might say, on the politicians to move toward increasing economic rationality. I believe, for example, that the long-run political pressure for the more rational integration of Western Europe's economy is essentially irreversible, and that it will be strong enough to overcome any French obsessions with national *gloire* or *grandeur*. However, this is essentially a humanitarian age and if a distinguished representative of an earlier age decides to stretch his elongated person across the main stream of traffic, he will not be run over and crushed summarily—no, the traffic will halt temporarily—will be detoured, and some may even get lost in the detour. But a by-pass will certainly be built, and the main road will, I'm sure, be reopened before very long. So then, nationalism is served by economic analysis, but at the same time, nationalism has a certain degree of incompatibility with economic analysis.

What, then, does economics have to offer the practitioner of international relations? I suggest that it provides him with a diversified bag of tools, whether his objectives are international co-operation or the unilateral furtherance of particular national interests. We shall have more to say about international co-operation just a bit later, but let's start with policies which advance particular national interests. These we can divide

further into those which are essentially offensive and expansionist on the one hand, and those which are essentially defensive and protectionist on the other. Expansionist policies seek to increase national economic influence outside national borders. The specific objectives ordinarily include achieving for one's nation a predominance, if not a monopoly, of one or more types of economic activity in a particular foreign territory. Efforts may be directed toward agriculture, mining, industry, finance, trade, or any other aspects of economic activity. How is this achieved? Well, in the western world if the government of Country A wishes to increase its economic influence in a particular area it may order specific steps to be taken by appropriate government agencies, but it is more likely that it will try to achieve these same objectives indirectly through private organizations. These private corporations ordinarily do not regard themselves as national agents, and they may be completely ignorant of the grand strategy which they are serving. They will be responding to indicated profit potential in the area in question; they may be spurred on by their governments' exhortations to trade more, to invest overseas, or by more specific incentives such as tax concessions, low cost loans, export subsidies or investment guarantees. In the Soviet Bloc, government agencies would carry out the entire trade and/or investment programs designed to achieve this diplomatic end.

Economic assistance is also an important technique. It can develop in the overseas area some degree of specific political leverage while subtly gaining a foothold in the recipient territory for the donor country's products, industrial specifications, currencies, systems of weights and measures, and channels of trade. Any or all of the above may be assisted and confirmed by special treaties by which Country B accords preferential treatment to Country A's traders, bankers, and investors. The assumption (rather reasonable, I think) is that economic predominance can some day be converted into political influence at the appropriate moment, although the record on this is by no means unequivocal.

Such measures also enhance the economic well being of Country A—that is the aggressive country—either through multi-lateral general benefits which would also be shared by Country B, benefits which stem from increased international specialization and trade, or through the economic exploitation which is traditionally inherent in such economic imperialism, for we really should call it by its proper name.

A nation's defensive foreign economic policy measures, by contrast, involve varying degrees of restriction and control of the movement of goods, money, and people across its national boundaries. These ordinarily reflect national concern about an invasion of foreign goods, capital or labor. They include financial penalties such as import and export taxes (or tariffs as they are usually called), anti-dumping penalties, special taxes on foreign investment and bank accounts, quantitative controls such as quotas or embargoes on goods or people, and exchange and investment controls which limit or prohibit international financial transactions. All of these defensive measures run contrary to economic rationality. They lower international economic efficiency, and they tend to make poor both the country imposing them as well as the rest of the world.

A third category of policy procedures differs from those above only in degree but it is perhaps worthy of a separate mention. It consists of what is usually termed, 'economic warfare.' Any or all of the previous offensive or defensive techniques may be employed; the difference is that the measures are directed specifically against a particular antagonist rather than against foreigners in general. Mining concessions may be sought in Country B, for example, not because of their prospective profitability, but in order to deny them to Country C. Similarly, unceded goods may be subjected to preclusive buying in world markets. Trade barriers may be erected, not to protect domestic industries, but to deny markets to the enemy. Erratic commodity purchases and sales may be carried out, and new industries may be started, in order to disrupt the world market for certain commodities believed vital to the enemy's economy. Economic warfare tactics, like the defensive policy actions described previously, are equally costly both to the initiator and to those against whom they are directed. They are unilateral acts with multilateral consequences.

Before we leave this area we should add that the converse also applies; that is that unilateral measures to liberalize the international flow of goods and capital benefit both the initiator and the rest of the world as well. These, too, are unilateral acts with multilateral consequences, and it is an ironic commentary on the 'Alice in Wonderland' nature of the politics associated with international economic policy that we dwell almost entirely on the impact of these measures on the domestic and foreign *producers* of the goods, and ignore the consequences to *consumers* and to other affected industries. Thus, if we lower our tariff we are granting a concession to the foreigner, or if we increase our



tariff we are withdrawing a concession to the foreigner. No politician would dare to advocate publicly that the United States unilaterally reduce its tariffs lest he be accused of selling out his country. Yet it can clearly be shown that U.S. producers and consumers would derive just as much benefit from this as would any of our foreign trading partners.

Let's look, for example, at the current 'chicken war.' Now, if you are like most of us you have read in the accounts of the chicken war that the EEC, on behalf of Germany, has imposed higher duties on U.S. poultry, and that because they have done this to us, we are considering a retaliatory imposition of higher duties on a variety of German products in return. We say, in effect, that they can't get away with doing that to us; we're coming back at them. But I submit that the Germans have already, in effect, retaliated against themselves by the mere act of increasing poultry duties. This is apparent if we proceed in our analysis beyond the superficial. First, both the United States *and* Germany are poorer because of what the Germans have done. In Germany, the consumer has been deprived of low cost, high quality poultry. The German people are poorer; the poultry they now get is either lower in quality or higher in price than what they had before. The German people as a whole have been penalized. What else have the Germans denied themselves by raising the tariff on U.S. poultry? They have denied to themselves employment opportunities and investment rewards in the industries which export to the United States, and these by definition are their most efficient industries. This is so because the United States is bound to reduce somewhat its purchases of automobiles and instruments and all those things that we buy from Germany even if nobody does anything about retaliation. This is because we will have earned less Deutschemarks by selling fewer chickens and therefore we will be both less able, and less willing, to buy German goods than we were before. Therefore, not only are German consumers penalized, but German producers are having part of their U.S. market taken away from them, not by U.S. retaliation, but by the action of their own government in protecting the German chicken farmer.

Now in the United States what is happening? Well, we have been deprived of investment and employment opportunities in poultry production; this is very obvious. And our consumers are less likely now to be able to avail themselves of low-cost German compact cars and instruments. Both nations are poorer, and in addition, within our economies, we have pursued a policy

of 'penalize the efficient and reward the inefficient.' Which producers have suffered from this? The efficient producers of poultry in the United States, and the efficient producers of compact cars and instrument manufacturers (whom I'm using to characterize all German export industries) in Germany. We have rewarded the inefficient who are the poultry growers in Germany and the compact car substitute manufacturers in the United States. Stated otherwise, we are encouraging the transfer of resources out of efficient employment into less efficient employment, thereby lowering both the national productivities of both of our countries and the overall world production of useful goods and services. In conclusion, therefore, this unilateral act by the EEC has had a multilateral effect. It has made both Germany and the United States poorer, and in both countries it has penalized the efficient and rewarded the inefficient. If we in turn retaliate, we shall start another cycle of multilateral impact from a second unilateral action. However, unless the EEC recants, we shall probably be compelled by political pressure to proceed with the threatened retaliation. Not only is Congressional appreciation of these subtleties rather inadequate, but those legislators who *do* understand feel that it is politically impossible to explain them to the public. Again, the economically logical waits upon the politically possible.

We may conclude, then, that economic policy measures are potent, although poorly understood, weapons in the diplomatic arsenal. In an age of competitive coexistence they are among the strongest sanctions available. At the same time, however, we must remember that many of them are economically irrational, and that they will be under increasing attack as economic integration moves ahead in the world.

Having looked then down the avenues of action available to the nation-state acting on its own, so to speak, we should note in concluding that international economic relations are increasingly multilateral in character, and that these multilateral relationships are being increasingly institutionalized in more or less permanent international organizations which range in their scope from the Economic and Social Council of the United Nations and its associated auxiliary agencies to the members of the International Coffee Agreement. We have time here only for the very briefest of summaries. A few international economic organizations are truly omnilateral, in the sense that they take in almost all of the world's sovereign states. For example, both the Universal Postal Union and the International Telecommunications Union have more members than the United Nations itself. They represent

international functionalism, which is a concept of international relations which holds that politicians negotiating political disputes can rarely come to agreements because each one has to try to prove to his constituents that he has outtricked the others. But the people working together on essentially nonpolitical functional economic activities between nations will build up such a web of interdependence, communication and co-operation that international conflict will be impossible. Functionalism has had only modest success in achieving these objectives, being incorrectly premised on the primacy of economic factors.

We have, also, a large number of multilateral organizations; that is, organizations which are open to world-wide membership but in which the Soviet Union for its own purposes and for a varying number of reasons has refused to participate; to a large extent the satellite countries also have abstained from these. Yet all of these, except the General Agreement on Tariffs and Trade, are under the general aegis of the United Nations. Therefore, they are supposedly nonpolitical in their essence and open to membership by the Soviet Union when and if it chooses.

We have international economic organizations whose bases are hemispheric as in the Alliance for Progress, and the Inter-American Development Bank. We have those whose bases are regional economic co-operation, as in the various common markets and free trade associations. We have two international economic organizations which are essentially ideological in that they are the main spokesmen in economic matters for the cold war groupings. This includes the Organization for Economic Co-operation and Development, (OECD) the outgrowth of the Marshall Plan-stimulated OEEC, and the Council for Mutual Economic Assistance, also known as COMECON or CEMA, depending on where you sit. We also have international economic co-operation which is based on the creation of instrumentalities to effect or carry out individual great power foreign policies. Although the Colombo Plan has been expanded since its original inception to include non-Commonwealth countries, it was originally conceived as a means for maintaining British investment pre-eminence in those parts of the Commonwealth in Southeast Asia. The sterling area and the Commonwealth preference systems provide a monetary and a trade policy which also tends to tie the Commonwealth and dependencies to one another and to Great Britain. Through the French community and the Franc Zone, France accomplishes these same purposes. COMECON is listed twice because it serves not only as an ideological organization, but also as the

instrument through which communist economic control over Eastern Europe is effectively maintained.

We may, therefore, summarize the role of economics in international relations as follows: (1) Economic capabilities are basic to achieving a prestigious stature in international relations. (2) Economics tends to be internationalist in its influence on policy, but ordinarily must defer to political considerations, at least in the short run. In the long run, it tends to influence and to shape political considerations. (3) Economic policy provides the diplomat with some of his most convincing persuaders in international negotiations, but these must be used with care because they are like the overloaded gun—they shoot both forward and backward at the same time. (4) International economic relations are marked by a growing proliferation of international economic organizations, and it is likely that government participation in international economic activity will continue to expand for the foreseeable future.

## BIOGRAPHIC SKETCH

Professor David J. Ashton

### EDUCATIONAL BACKGROUND:

Tufts College, 1942, B.S.

Boston University, 1950, M.B.A.

Fletcher School of Law & Diplomacy, 1959, 1952, Ph.D, M.A.

### MILITARY SERVICE:

United States Naval Reserve, 1942-1945; Mine Disposal Officer,  
North Atlantic

### PROFESSIONAL ASSIGNMENTS:

NavWarCol	Staff	1963-
Boston University	Professor, Associate	1947-1963
	Professor, Asst	
	Professor, Instructor	
	Coordinator, International Business Curriculum	1958-1963

(Presently) Consultant to the U.S. Department of Commerce, Washington, D.C., the Federal Reserve Bank of Boston, the World Trade Center in New England, the Committee for a National Trade Policy and the United States-Japan Trade Council.

Author of monographs on foreign investment patterns (1963), regional export origins (1962), concept of trade origin (1960); articles on U.S. foreign service (1962), Alliance for Progress (1961), and European economic integration (1960).

STUDENT SOLUTION TO EXERCISE A

INSTALLMENT ONE

EXTENSION COURSE IN COUNTERINSURGENCY

by

Commander Louis A. States, USNR

This student extension education paper has such unusual merit and originality that it is considered worthy of receiving fleet-wide distribution by being published in the *Naval War College Review*.

'We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. . . . That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness.'

The directive for this paper requires that the excerpt of the Declaration of Independence quoted above be examined with a view to determining whether or not prevalent causes of recent insurgencies are in consonance with the principles set forth in that document.

This particular quotation from the Declaration is a summary statement of a political philosophy based on man's recorded contemplation of himself and his environment over a period of some twenty-five hundred years. Man has no doubt reflected on such matters for a much longer period but, certainly, since the time of Plato, the thinking of the best minds has been recorded and has come down to us. It is one of the great documents in any language and, like the Gettysburg Address, is incapable of improvement by alteration or restatement. I referred to it as a summary statement and this it is, since within its few words the framers deal objectively with man's place in the Creator's scheme, his relationships

with all mankind and the relationships of man with his society - and from these derive and state a concept of a political system suitable to the world as they see it to be.

Dealing with an idea so simple in its terms and so vast in its implications is probably beyond my capability and certainly beyond the scope of this paper. It seems obvious, and yet insufficient, to say that man who is alive, free and happy does not afford a very suitable soil in which to sprout the seeds of insurgency. Yet, as any summary statement must, this one speaks in terms which are extremely difficult to define due to their tremendous breadth and depth of meaning. My plan therefore will be to briefly put this statement into its historical perspective and by further enquiry attempt to understand for myself more clearly the definitions which might be acceptable today for life, liberty and happiness. In this connection, it is my understanding of the precept that we are searching for a fundamental consonance and not an agreement that any list of specific grievances in any specific situations does, or does not, come under the broad shelter of the Declaration. To summarize my own opening statement, I will attempt to analyze this excerpt from the Declaration, state my understanding of it and find what general application it may have in recent current affairs involving insurgency.

As a part of such an analysis, the Declaration of Independence should be put into chronological perspective and other statements therein should be examined to discover what significance, if any, they lend to the quoted excerpt.

From an historical standpoint, the Declaration was framed an even one hundred years after the first significant rebellion had developed in the colonies. Bacon's Rebellion in Virginia in 1676 serves as a convenient landmark to fix the beginning of a century of discontent prior to the Declaration. Bacon's Rebellion concerned discontent over taxes, land laws and administrative practices considered by the colonials to be restrictive of their personal rights. This affair tended to set a pattern, irregular but persistent, in the years that followed. Over these years the growing discontent of the colonials, when it came into the open, was appeased or repressed by measures designed to meet only the immediate crisis. Then, as now, expediency served only to delay the eruption and did nothing to eradicate the causes underlying the unrest. English policy with regard to the colonies failed to recognize the ever-growing complexity of colonial life, the increasing political awareness of the colonials and their genuine need for more self-government as

opposed to more rule from London. There was a consistent pattern of pressure, peaceful for the most part, being met by varying degrees of reform which, when it appeared, was already insufficient. When English policy with regard to the colonies did take a more firm and, apparently, a longer range form, it unfortunately appeared to the colonials to be one of regression under which they not only failed to obtain the reforms they desired, but stood to lose some of the gains previously made. There resulted thereafter what could, for the first time, be termed a rising tide of widespread discontent concurrent with the realization that there was an underlying political, economic and potential military strength in the colonies.

I feel that in any successful insurgency there must occur an event which shows, or is accepted as showing, some clearly definable area of insurgent strength or governmental weakness in the face of the insurgency. It appears that this would be necessary to provide an acceleration or impetus to the insurgent course of action. It would seem to me that in this case the Stamp Act of 1765 provides such an impetus. It was extremely objectionable to the colonists and was met with an almost universal resistance up to the level of flat and outright refusal to obey its requirement. In this case the government rapidly retreated, refused to face the issue and repealed the Act in 1766. There followed a decade of increasing colonial confidence and pressure of all types, increasingly more overt in nature. The Boston Massacre in 1770 and the Boston Tea Party in 1773 were logical phases of the deteriorating situation and the formal Declaration of Independence was a logical outcome. Historically, then, we may conclude that the statement under consideration did not initiate or cause an insurgency, but resulted from the contemplation of one which had existed in some form, and in some degree, for one hundred years.

The quoted excerpt from the Declaration of Independence sets forth a moral principle under which it is neither treasonable, criminal nor wrong to alter or abolish any form of government which does not conduct itself in accordance with the expressed principle. Inasmuch as alteration from without and abolishment without a consent to be abolished require acts of violence against the government, this moral principle affords justification to the individual or groups for subversion, insurgency and civil war against a legally constituted government. When one considers the fearful waste of life and property accompanying violent forms of insurgency and civil war it must be concluded that the framers of the Declaration felt that they were indeed expressing a principle completely



fundamental to their continued existence - one not to be set aside by any other consideration. Such a fundamental right established in principle carries with it the obligation of enforcement. This is not overlooked for, where the principle is involved with government, '. . . it is their [the peoples'] right, *it is their duty*, to throw off such government. . . .'

The statement of principle involved in the quoted excerpt was not an innovation of the insurgent leaders. Since man first contemplated himself and his place on earth he has recorded his persistent belief in his individual intrinsic value and his rights derived from this evaluation. Christianity, the one continuing cohesive element in Western civilization, is based upon a high and equal valuation of every individual before the Supreme Being. Similar views are implicit in the great Eastern religions. Intellectuals from the time of Plato, Socrates, and Aristotle, on down to the eighteenth century, had proclaimed the rights of the individual conferred on him by the bare fact of his existence. Now this principle was brought forward in a political instrument in justification of years of insurgency and for the civil war which the framers knew to be inevitable once its implementation was sought.

The extreme gravity of the situation was obvious to the framers of the Declaration. They emphasize this, and at the same time reinforce the position that they act under a moral compulsion, by stating '. . . Governments long established should not be changed for light or transient causes; . . .' They recognize the need for international approval. They appeal for this, and perhaps for the favorable judgment of history, when they write '. . . [their] decent respect for the opinions of mankind requires that they should declare the causes which impel them to the separation.' It must be presumed that each of the specific charges against the Crown which follows did, in the opinion of the framers, infringe one or more of the unalienable rights of life, liberty and the pursuit of happiness.

In summary to this point, the Declaration advances a political philosophy which embraces two basic concepts. The first is that mankind is an institution of the Creator and the second, that government is, or ought to be, an institution of mankind. This is in direct confrontation with the existing philosophy which agrees that mankind is an institution of the Creator but conceives that government [The Crown] is also an institution of the Creator for the purpose of governing mankind. It is obvious that there is

no definable area of compatibility in the implementation of these two philosophies.

If the political concept of the Declaration is valid, and I believe it to be, its all-embracing scope is extremely difficult to apply except by a gross use of oversimplification. This is due in part to the fact that of the three expressed rights—Life, Liberty and the Pursuit of Happiness—neither has any empirical or readily definable value or meaning. Life is of no consequence in a consideration of the causes of insurgency unless the term is equated with the fear or apprehension of an untimely deprivation of life, or the *means* of sustaining it. Equated thus, it is a definable and specific cause though it is of a relative value which varies from one individual to another. Liberty is likewise a relative value but by fencing in a specific area it may be defined with some clarity. The pursuit of happiness, I feel, cannot be defined for the purpose of enquiry into the causes of insurgency without going into the complete nature of man, both as a species and as an individual. It is a measurable value but the measuring stick is within the individual and no two sticks are the same. The value placed on these three unalienable rights reflects the whole individual and his relationship with his environment. It represents a philosophical concept of value which to have meaning and to be definable must be applied to a specific individual in a specific circumstance. Furthermore, the measuring stick is not stable even in the individual and this presents further difficulties in analysis.

These reflections lead inevitably to what appears to me to be perhaps the most fundamental trait of the nature of man—discontent with his environment—physical, spiritual and intellectual. All other forms of life on this planet, if they survive, eventually achieve a satisfactory relationship with their environment and, once achieved, their desires tend to become stabilized, and they are content. This is not true of man either as an individual or as a social unit. Any improvement or elevation of his level of physical comfort, intellectual attainment or spiritual awareness is immediately consolidated as a new base representing his minimum demands—one from which he immediately launches a new move into yet higher ground. This discontentment of mankind has accounted for his march from an unknown beginning to the level he has attained today. Whether or not the march has been worthwhile is not here in question, but it has been inevitable and apparently will remain so.

In accepting the validity of the foregoing, I am accepting the obvious fact that mankind is continually in an insurgent state or in the consolidation phase of a past insurgency after which the insurgency will continue. I believe this to be true, but I would define this as evolution. Any marked acceleration of this normal speed of advance I would equate with revolution. In nonpolitical revolutions we use other terminology as, for instance, the scientific breakthrough; or we add various modifiers to the word revolution such as economic, educational, intellectual or even spiritual. In these cases, however, we are dealing for the most part with institutions or ways of life which do not have the means at hand to forcibly defend the positions wished to be perpetuated. It is notable in this instance, that when physical force is at hand in such circumstances it is frequently used when the institution to which the force is available is under external pressure. In general, however, these nonpolitical institutions do not have such force. The political scene is different. Here, the primary attribute of the political institution is that of having the coercive force available. Some cultures have evolved in which the mechanics of government are so arranged as to be acceptably prompt in yielding to what Mr. Macmillan calls the winds of change. These cultures have experienced political evolution. Other cultures have never developed such a manner and method of responsive government and have experienced the political revolution. In these latter instances then, we see the legal holders of the coercive force either unwilling or unable to respond to the needs or the demands of those over whom the force is wielded. This creates an obstruction to a vital and fundamental force present in all mankind. I would use the illustration of the dam thrown across the stream. It will stop the flow for a time but in the end it will be overflowed. If it is built higher it will again be overflowed or will collapse. I equate the collapse with the revolution. There is only one method of preventing such a collapse and that is to allow the flow to continue unabated but with judicious modifications of direction. This would seem to be the way of the political systems which avoid the revolution as opposed to those which are subjected to them.

To find a point of application I will first agree completely that man does indeed have the rights set forth for him in the Declaration of Independence and that, moreover, he is naturally bent, actually impelled, to attain those rights to the highest degree or form of which he has the capacity to envision—and that his capacity for vision in this instance is unlimited. To

this extent then, the quoted excerpt of the Declaration must be present in some form in every insurgency. The form of its presence must be determined, but it is very difficult to apply a philosophical concept of such breadth and depth as the one set before us. Mark Twain is reputed to have said, in effect, that a man is incapable of understanding a philosophical concept when he is wet, cold and hungry. To my mind this puts the philosophy of insurgency in a proper perspective. It underlies deeply every circumstance of every insurgency, but it is the wet and the cold and the hunger which actually translate man's natural instincts to insurgency into the overt act.

Woodrow Wilson wrote, 'When I look back on the processes of history . . . I see this written on every page: That nations are renewed from the bottom, not from the top.' Professor Toynbee has recently written 'For the first time since the dawn of civilization the masses have become alive to the possibility that their way of life can be changed for the better.' Yielding to my penchant toward oversimplification I feel that Professor Toynbee's 'masses' and Mr. Wilson's 'bottom' are the same as Mark Twain's 'wet, cold and hungry.' It is here that I feel we find our point of application. It is at the bottom and in the masses that we find the wet, the cold and the hungry. I do not imply that physical discomfort is the only prevalent cause of insurgency. There is also a 'bottom' where the quest is for intellectual and spiritual freedom, where the individual hungers for dignity and pride as well as for bread. Whatever bottom they are on, all share one thing in common and that is subjection to the coercive power of their political system.

It is from this bottom that the insurgency originates. When it is first seen it has already existed for a measurable time and would not be seen had it not already gathered strength and momentum. At this time its causes are probably very simple and may reflect a specific discontent with specific circumstances. For it to maintain momentum it must have leadership and at this time I feel that the true causes begin to become obscured. This is due to the fact that once leadership is established the movement will take on the color of the leader, at least in the form of an overlay to the color of the cause. This is a significant factor since the leadership may not, and frequently does not, represent the true causes of the insurgency, but uses the insurgency to strengthen its own cause by accretion. This necessity for accretion also tends to dilute the pure insurgency since numerical requirements are paramount. In the end, affiliation with the insurgency will be based not on what it stands for but what it

stands against. Finally then, the insurgency, even if it is untouched by forces external to the nation in which it originates, becomes a heterogeneous force with components which probably agree on only one thing, and that is the desire to overthrow the current political system.

This tendency to accommodate all comers who are willing and able to lend assistance can be further complicated by the infiltration of the insurgency by forces external to the state of origin in order to take over the insurgency and further its own political aims. This is not new in the histories of insurgencies but, since World War II particularly, it has become a highly organized and effective method of waging war against a state while ostensibly keeping clear of the situation.

This ability of the external power to gain control of what otherwise might be a purely internal affair stems from the requirements of modern armed action. The time is long since past when the farmer with his scythe blade was as effective in combat as the professional with his sabre or the frontiersman with his hunting rifle more effective than the professional with his musket. The guerrilla on his own terrain may be able to make more effective use of less modern weapons, but this holds only until the professional soldier is adequately trained and motivated for this type of warfare. The point is that the insurgent band or force must have access to an adequate logistic source for all phases of his effort. This problem is most easily solved when the logistic source is provided by the external power. Thus the truly national insurgent leader may not only accept but seek the external intrusion into his leadership.

The provision of leadership itself offers an additional avenue through which the insurgency may be corrupted and taken over. The early phases of the insurgency may produce the ideological leadership, but it would be difficult to refuse the affiliation of foreign professional military personnel who can provide the operational leadership required when the violence of the insurgency commences the inevitable escalation to civil war.

Nothing has been said to this point of the various types of insurgency and in my approach to this subject there is little that needs to be said. It will be noted, however, that the *coup d'etat* type of changeover has little to do with insurgency, and true insurgency has little to do with the *coup d'etat*. This generalization would not hold up in cases similar to those of

Hitler and Mussolini but, particularly in Latin America, it would seem to be part and parcel of an established system in which the changes at the top neither reflect nor affect the underlying causes of persistent insurgencies. It is to be noted, however, that governments susceptible to the frequently recurrent coup are in fact still targets for the external power which wishes to intervene via the avenue of an infiltrated insurgency.

I feel also that the insurgency against the victorious invader does not require comment as to cause. The continued resistance of the citizenry after the collapse of the defending professionals has been common throughout history and constitutes, at whatever level it appears, a component part of the national effort to defend the home country. It is only when the insurgent group joins the invader to help pull down his own political system that we need to enquire. In such a circumstance it appears there is a *prima facie* case against the political system for having engendered a situation in a segment of its society in which those involved will willingly entrust their fate to an armed invader in lieu of a continuing loyalty to their native system. It occurs to me in this connection that a nation least likely to have an active and purely internal insurgency would, in all probability, generate a most powerful and effective insurgency when faced by the occupation of the victorious invader—and vice versa. It is also evident that the nation which survives defeat, invasion, and occupation is left with what is actually an insurgent government which will have to be taken into consideration and adequately accommodated in the postoccupation phase even if the old political system is reinstated.

In an effort to terminate this phase of my enquiry I will try to differentiate between the causes of insurgencies and what I will call the 'trigger' of insurgencies. I believe the causes to be adequately contained within the opening quotation of the Declaration concerning 'Life, Liberty and the Pursuit of Happiness' when considered in the light of mankind's eternal drive to improve himself and his environment. I contend that this concept underlies every insurgency and that it exists in a lightly dormant state in even the most placid of political situations. Therefore, I conclude that it is present and is an accountable factor in insurgencies, but I prefer to think of it as the powder charge in the rifle. My 'triggers' then would be the circumstances which detonate the charge or disturb the dormant state of insurgency.

I have previously noted the need of the insurgency for numerical strength and that this strength of numbers is to be formed at the bottom of the national pyramid. It is therefore along this bottom that the most sensitive triggers are likely to be found. It is here that the so-called necessities of maintaining life are recognized as being exactly that. Food, shelter and clothing, in that order, would constitute an adequate list of man's minimum demands. All of these, and food in particular, come from the land and where land, or reasonably free access to the use of land, for the purpose of producing food is not equitably assured, we find what I consider the most sensitive trigger of insurgency. Shelter and clothing adequate to fill minimal requirements can also be wrung from the use of land and may be grouped with food as part of this most fundamental and sensitive issue. Historically, this problem of equitable distribution of land or its use has triggered more revolutions than any other single area of man's activity.

Granted that man no longer is bound by slavery as such, it is also along this bottom where he is to be found still bound in economic chains, in the chains of ignorance and in those of intellectual, cultural, and even racial segregation—and politically impotent to ensure his release.

I feel it is justifiable to conclude that where oppression of any type, and in particular economic oppression, exists, and where existing political systems are unwilling or unable to lift the oppression, insurgencies will develop. Comment has already been made of the rapid proliferation of causes once the insurgency is in the open. Note has also been taken of the current inclinations of external powers to reinforce existing insurgencies or even to promote them. I feel that these aspects are not in consideration since they are phenomena of a phase which develops later in time than the one in which I think the cause is to be found. With regard to the promotion of insurgencies by the external power, I feel that a pure promotion is impossible in my concept of cause since in the absence of cause there is no point of penetration for the promoter.

The framers of the Declaration were, in my opinion, on sound historical ground when they used the phrase of 'Life, Liberty and the Pursuit of Happiness.' If history teaches us anything beyond man's chronological movements it reveals the innermost nature of man himself—or, in the aggregate, mankind. Their expressions were, I believe, truly and completely consonant with this revealed nature. Since I also believe that this nature has remained unchanged, I would have to conclude that prevalent causes of recent insurgencies are completely consonant with the precept set for this paper.

## BIOGRAPHIC SKETCH

Commander Louis B. Statos, USNR

Commander Statos entered Trinity College of Duke University in 1925 and graduated with an AB degree in 1929.

He enlisted in the USNR in January 1942 and served with the 3rd Construction Battalion in the South Pacific where he was commissioned LTJG in September 1943.

After returning to CONUS in February 1944, he attended the Navy School, University of Arizona and in the summer of the same year was assigned to duty with Underwater Demolition Team ELEVEN.

In February 1945 he became Commanding Officer of Underwater Demolition Team ELEVEN and was serving in that capacity when the team was awarded the Presidential Unit Citation for the period April through June 1945.

He was assigned as Chief Staff Officer to Commander, Underwater Demolition Teams, Pacific in June 1945 and was the Acting Commander of Underwater Demolition Teams, Pacific from March 1946 until shortly before being released to inactive duty in September 1946.

Commander Statos was recalled to active duty in January 1950 and later served as Commanding Officer, Underwater Demolition Team FIVE in Korea. He was again released to inactive duty in January 1953.

Commander Statos has been awarded the Silver Star, the Bronze Star, and the Order of Orange, Nassau (Netherlands).

His present position is Assistant General Manager, Board of Directors, and Secretary, Ocean Shore Iron Works, Inc. of San Francisco.

He continues to actively participate in the Naval Reserve and is presently assigned to Naval Reserve Officers' School 12-6, San Mateo, California where he has instructed in Strategy and Tactics and International Law.



## RECOMMENDED READING

The evaluations of books listed below include those recommended to resident students of the Naval War College. Officers in the fleet and elsewhere may find them of interest.

The inclusion of a book or article in this list does not necessarily constitute an endorsement by the Naval War College of the facts, opinions or concepts contained therein. They are indicated only on the basis of interesting, timely, and possibly useful reading matter.

Many of these publications may be found in ship and station libraries. Certain of the books on the list which are not available from these sources may be available from one of the Navy's Auxiliary Library Service Collections. These collections of books are obtainable on loan. Requests from individual officers to borrow books from an Auxiliary Library Service Collection should be addressed to the nearest of the following special loan collections:

Chief of Naval Personnel (G14)  
Department of the Navy  
Washington 25, D.C.

Pearl Harbor Naval Base Library  
Navy No. 128  
Fleet Post Office  
San Francisco, California

Commanding Officer  
U.S. Naval Station  
(Attn: Station Library)  
San Diego 36, California

Commanding Officer  
U.S. Naval Station  
Attn: (Library ALSC) Box 169  
Navy No. 926, Fleet Post Office  
San Francisco, California

U.S. Naval Station Library  
Attn: Auxiliary Service Collection  
Building C-9  
U.S. Naval Base  
Norfolk 11, Virginia

## BOOKS

Eisenhower, Milton. *The Wine Is Bitter*. Garden City, N.Y.: Doubleday, 1963. 342 p.

Dr. Eisenhower has written an unusually fine account and analysis of United States-Latin American relations covering in substantial detail the period 1953-1963. The author has intimate knowledge of the area and relationships about which he writes. The book reviews history with erudite impartiality, and clearly sets the record straight, permitting the facts, as the author sees them, to seek their own level. The frank discussion devotes equal time to the faults and virtues of the leaders of both sides of the Americas. Gross mistakes of the United States are elaborated in detail while orchids are extended for her successes. The same impartial formula has been used to describe the Latin attitudes and their successes and failures. The author has not only described the recent historical events with refreshing candor; he has done so in the context and background of the various anthropological influences which have created the social forces extant in Latin America today. Of particular interest is Dr. Eisenhower's amazingly accurate assessment of the characteristics of the peoples of Latin America. He has carefully recorded the individual differences of the various Latin American nations and has also outlined the problems which are shared in common. The book is highly recommended reading for individuals interested in Latin America and United States aid programs.

Goldsen, Joseph M., ed. *Outer Space in World Politics*. New York: Praeger, 1963. 180 p.

Edited by the associate head of the Social Sciences Department, Rand Corporation, the symposium under review treats the possible effects of space technology on world peace; political exploitation of its own achievements in this area by the U.S.S.R.; the impact of public opinion on space developments in the United States; the theoretical introduction of bombardment satellites; and a 1988 projection. The contributors to the seven chapters, all versed in technology and/or international relations, include such well-known writers as Almond, Deutsch, Horelick, Kecskemeti, Knorr, Schelling and the editor. The brief 29-item bibliography indicates how little has been published in this field. The contribution by Thomas C. Schelling, Professor of Economics at Harvard University, probably would be of most interest to the military reader, as it deals with bombardment satellites.

Agar, Augustus. *Showing the Flag*. London: Evans, 1962. 304 p.

Prior to reading this work, one would expect it to be an analysis of the role that the Royal Navy played in British diplomacy between World War I and World War II. In reality, it is an autobiography and deals with the trials and tribulations of a naval officer during an era when the Royal Navy did not have the full support of Parliament. The reader may find it pleasant to cruise with Captain Agar in the South Pacific from New Zealand to the Polynesian Islands, or among the islands of the Caribbean, to Newfoundland and Labrador, or to parts of the Mediterranean, at the same time learning of the many problems with which an officer of the Royal Navy had to concern himself. Captain Agar had a very interesting and versatile career, serving with many of the Royal Navy great and near-great. The side excursions on which he takes the reader are often most interesting and sometimes entertaining. *Showing the Flag* provides the reader with a revealing insight into the views of at least one current professional naval officer of the Royal Navy.

Claude, Inis L. *Power and International Relations*. New York: Random House, 1962. 310 p.

Proceeding from the premise that although he does not consider it inevitable, 'mankind stands in grave danger of irreparable self-mutilation or substantial self-destruction,' the author proposes that the highest priority must be given to developing the maximum safeguard against such tragedy. After cautioning the reader on the dangers of 'the peace at any price' approach to the problem, he concludes that the elimination of the power to kill is unobtainable, and that any solution to the danger lies in the development of a means of management of power. From this introduction, the author evolves a very scholarly analysis and discussion of the theoretical approaches to the management of power in the search for world order. Successively he analyzes the semantics and practical aspects of balance of power, collective security and world government, and skillfully weaves throughout his work the thoughts of eminent writers and statesmen as well as historical facts. This book would be of particular value as a reference for those engaged in writing a research paper on the subject of management of power in international relations.

Wheeler, Gerald E. *Prelude to Pearl Harbor*. Columbia: University of Missouri Press, 1963. 212 p.

*Prelude to Pearl Harbor* is a detailed and painstakingly documented study of naval-political relations during the period 1921-1931. With reference points at the Washington, Geneva and London Naval Conferences, Professor Wheeler contrasts the rationale of naval thought with other national and international forces. The inconsistencies of the 'Open Door' policy and defense of the Philippines, and the inadequate naval support of these policies, are examined in detail. Extensive footnotes detract from the readability of the book; however, the serious student will find a wealth of material in this searching study and its extensive bibliography. Of particular interest is the author's discussion of the considerations of arms limitation. The pitfalls of mathematical formulae (i.e., 5-5-3) among nations which have totally different strategic naval requirements are well demonstrated. The domestic impact of arms limitation agreements is shown to have inadvertently produced nationally imposed limitations exceeding those so carefully guarded in the international arena.

Morris, James. *The Road to Huddersfield*. New York: Pantheon Books, 1963. 235 p.

This is a 'biography' of the World Bank. It accomplishes the objective of presenting operations of the World Bank within the community of nations, and at the same time adds the bonus of a lucid picture of some of the needy nations. The policies and attitudes of the World Bank toward these countries are refreshing and encouraging to anyone who has an interest in the progress and needs of the ever-increasing number of new nations needing help. The fundamental theme of the bank is 'We want our money back, and we want it properly used.' The bank has been getting its money back. It readily gives out loans where sound financial principles can be fully met. By the confidence it inspires, it has opened the way to much private investment in backward countries. In some cases it was necessary only to point the way and let private capital take over on its own. The bank now finds itself in the position of having too much money to lend and not enough applicants who can qualify. This book is a valuable source of material for those who are interested in the progress of underdeveloped nations.