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INFORMATION SERVICE

FOR OFFICERS
FOREWORD

This “Information Service” has been initiated and established by the Chief of Naval Personnel for the benefit of officers unable to attend the Naval War College.

In this and subsequent issues will be found selected articles of value to all officers. Many of these articles will be outstanding lectures delivered at the Naval War College and other service institutions.
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SEA POWER IS WORLD POWER

An article by
Commander George H. Miller, U. S. Navy

As the United States stands on the threshold of what may one day be known as her Golden Age it might be well for us to look back over the road which has led our country to its present position of world leadership. Today we are the most powerful nation on earth, and there is little doubt that much of the credit for this growth can be laid to our fortunate geographic position. Situated between two great oceans, the United States is unmistakably a maritime power. Our forefathers, who crossed the seas to found our nation, were seafaring people. They derived their living from the sea, and it is because of the sea that our nation grew and prospered. The seas have given us security and economic stability, and these two elements are wholly related, one to the other.

As we grew, we enjoyed the tacit protection of the British Navy. And it was because of the maternalistic attitude, and possibly the preoccupation, of the British that we were permitted to use the seas without having to pay our way. In other words we were given a free ride by the British Navy. For example, we proclaimed the Monroe Doctrine and were able, by obtaining the support of the British, to make it stick. Later we built a great fleet of clipper ships without having to bear the expense of a huge navy to protect them. In World War I, we were able to fight an overseas war chiefly because the British Fleet was there to run interference for us.

Between World War I and World War II we were able to build a tactical navy designed to defeat the Japanese Fleet in a
fleets. During this period all our talent was devoted to the
problem of defeating the Japanese Fleet in the Pacific, while in
the Atlantic our thinking went very little beyond the Neutrality
Patrol. As for the rest of the world, we let the British worry
about that. So long as the British looked out for things else­
where we did not have to think seriously about problems of maritime
strategy—or global strategy.

Thus our navy was a tactical navy, superbly trained and,
we believed, ready to fight. Fleet training and fleet readiness were
given top priority. They were our primary objectives in our peace­
time training for war.

Today we face a different situation. The British are un­
able to carry their former share of the load. We in the United
States are finding it necessary to assume more and more of the
responsibility for world stability. And so if anyone is going to
do any serious thinking about the uses and implications of sea
power it must be the United States.

It is because of our unchallenged position as the dominant
sea power that we are today the greatest power on the face of
the earth. It is because of this control of the seas that we are
able to exert our influence in most of the important areas of the
earth. And in case of war sea power places at our disposal most
of the resources, the populations, and the industrial capacity of the
world. We need only look at the Globe to remind ourselves that
wherever the oceans touch the shores, the United States exerts a
powerful influence for world stability. Consequently, so long as
we control the seas, our frontiers, unlike those of a land power, lie
across the seas rather than at our own borders.

Now we are witnessing an amazing paradox. Here is a na­
tion, born and brought up by the sea, a nation which is today one
of the greatest sea powers the world has ever known; and her people are beginning to forget it. Why has this happened?

One reason for this apparent confusion of thought is the fact that we are in the midst of an industrial revolution. In the last hundred years, civilization has advanced further in the technical field than it has in all previous recorded history. We have moved so fast that our military thinking has not been able to keep pace with the development of new weapons. We are tending to become so preoccupied with the technical aspects of warfare that our strategic thinking suffers.

In the midst of this technical advance, we find the British forced to relinquish their position as the dominant sea power. We in the Navy were just not ready for the task that was thereby handed to us. Up to this time, we had always been a tactical Navy, free to occupy ourselves with our own little problems, while the British worried about the rest of the world. Fleet training and fleet readiness have always taken priority over higher education in naval strategy. As a result, we do not have in our Navy or in our country today any sizeable group of recognized naval strategists. We have never really needed these strategic thinkers until now; and we just do not have them.

We have a wealth of technical experts who have no equal in any other nation. We have aviation specialists, amphibious specialists, submarine specialists, anti-submarine specialists, atomic energy specialists, and electronic specialists, but we just do not have enough people with a clear understanding of sea power and maritime strategy. Without such understanding these many elements of military power cannot be properly integrated into a pattern of national security.

Along with our rapid technical development there has grown up among our people a sincere desire to turn from considerations
of national security to the more constructive pursuits of peace. There has been a natural tendency to look around for a simple formula by which our national security problems could be solved. Some have suggested that the simple solution to our problem lies in the large-scale use of the atomic bomb. We recognize in this proposal the theory of the blitzkrieg, the quick, easy victory idea, that has always seemed so attractive to the uninformed. It is the old land-power concept of the "putsch", which depends so much on being able to obtain the quick surrender of the enemy. But if the enemy fails to surrender according to plan, the blitzkrieg fails, and the attacker is faced with a totally different kind of a war, a kind for which he is not prepared. He finds himself fighting the kind of war the enemy wants to fight, and the result in this case could very well be final defeat.

And thus today we are attempting to solve our national security problems through poorly conceived concepts, rather than through a clear understanding of geography and strategy. We as a nation are attempting to ignore the very existence of three-quarters of the surface of the earth—the seas, by which we have grown to our present position of world power.

The truth of the matter is that we in the Armed Forces have stood by while these unsound concepts were being pressed. We simply did not have the people who understood the significance of the seas to our national life well enough to spell it out for the American people.

We can go even one step further. In some instances, we in the Navy have helped promote these false concepts. During the confusion that followed the initial use of atomic weapons, there were those in our own service who came forward to assert that from now on wars would be fought exclusively below the surface of the seas, or in the skies. And there was one of our wartime captains who is
reputed to have said, “I am retiring because there is no longer any need for a navy.”

As a result of our failure to keep our thinking abreast of new developments the American people are beginning to lose sight of the vital significance of the sea areas of the world to their national security and prosperity. There is a growing tendency to turn from the sea and to accept the far more costly security measures peculiar to land powers. Some current concepts, instead of welcoming and exploiting to the fullest the free, easy road of the sea, seek to avoid its use. Yet, by the very facts of geography we are a maritime power. To reach the rest of the world in peace or in war, we must first cross the seas; for others to reach us they, too, must first cross the seas.

In peace and in war the maritime power holds a tremendous economic advantage over the land power. The significant phenomenon of sea power is that we can build a huge tub, or hull, and float it on the surface of the water. It floats by itself; it requires no power to keep it afloat. This huge tub can be filled with cargo—or bombs, or airplanes, or soldiers—and with relatively little power can be moved to almost any point on the surface of the earth. There are no rail or road beds to maintain, no mountains to cross, no tunnels to dig. And as our civilization continues to develop more ways will be found to use this cheap, easy road of the sea.

Water transportation is by far the most economical means of transportation known to Man. By conservative estimate it is two times as economical as land transportation and thirty-four times as economical as air transportation. To take a specific example, one oil company estimates that it costs twenty times as much to transport petroleum products by rail as it does by water. Thus the cost of transporting petroleum products by air would be over three
hundred times the cost by water. When we realize that our overseas transportation during five years of the past war amounted to approximately 676 billion ton-miles and that about two thirds of this total consisted of petroleum products we can readily see the economic advantage of gearing our war and peacetime transportation to the sea.

War is fundamentally a problem of transportation, the problem of transporting weapons—whether they be in the form of bombs, projectiles or bayonets—to the point where they will exert the greatest influence on the enemy. It would therefore seem prudent that we plan, in the event of war, to transport our weapons as close as possible to our objective by sea, shifting to more expensive means of transportation only when sufficient resistance develops to prevent further movement by water. By projecting our air forces and ground forces at the end of sea lines of communication a smaller percentage of the national wealth is expended for transportation. For every dollar expended for our military establishment we would thereby assure ourselves of more hitting power at the point of contact with the enemy. In order to assure ourselves of the tremendous advantages inherent in water transportation it therefore seems reasonable that our primary national objective in peace or in war is to maintain control of the seas. Any threat to this control should be considered as the major threat to our national security.

What steps are we taking to clarify our thinking on the subject of sea power? Even today there are few in our Navy, or in the country at large, who see the critical need for a serious study of sea power and naval strategy. There are few who realize that a basic understanding of sea power is a matter of grave concern to every citizen of the United States. For the day we as a nation relinquish our supremacy on the seas is the day we begin our decline.
Today there are relatively few in the Navy who fully understand the implications of sea power. Before we can carry this message to the other services and to the people of the United States we must first educate ourselves. Unless the study of sea power is pursued vigorously and continuously with the best minds available in the country we cannot expect to maintain our dominating position in the world. This is a matter of immediate concern to the people of the United States. The best talent and the best equipment in the country must be made available to work on the problem of maintaining our position on the seas.

The study of sea power and naval strategy is an undertaking that should be given the highest priority. It is a project as urgent as the study and development of anti-submarine warfare, guided missiles, or atomic energy. Unless our strategic thinking is the best in the world all the new weapons we are developing cannot save us.

The case for sea power was never so strong as it is today. It is the single factor governing our present position as a World Power. The implications of sea power for our future go far beyond anything we can now comprehend. We in the Navy must be the first to recognize and understand this fact.

We Americans might also remind ourselves that it is not inevitable that the United States maintain indefinitely her present position of world supremacy; we are not immune to decadence. For even though our scientific progress has been nothing short of remarkable, we are not a race of supermen. Nor are we specially endowed with some supernatural immunity from human error. We as a nation are vulnerable to the same error, the same pitfalls as are other communities of human beings.
History is filled with the epitaphs of nations which, though blessed with favorable maritime positions, chose to turn their backs on the sea. We hold in our own hands the destiny of our country; and in our minds lay the seeds of our own destruction. The quality of our strategic thinking today may well determine whether the life of these United States will be measured in centuries—or in decades.
THE ARMED FORCES AND PUBLIC INFORMATION
IN WAR AND PEACE

A lecture delivered by
Mr. Erwin D. Canham
at the Naval War College
May 6, 1948

It isn't really necessary to take much time to seek to prove
the importance of public information and a sound public information program. I don't know that we Americans have learned the
significance of public information as quickly or perhaps even as
completely as some of our enemies. A good deal has come to light
in the last decade about public information and its uses—a good
deal that is revealing and very important. As an illustration, the
diary of the notorious Dr. Goebbels, which has quite recently been
published, is filled with revealing tips as to the power of propa-
ganda.

I shall seek throughout everything I have to say to make
clear and to emphasize the great and profound difference between
a public relations program in a democracy and one in a dictator-
ship. In a democracy one responds to the right of the people to
know certain things, and the attitude is one of opportunity between
the official and the public—while in a dictatorship public informa-
tion is used as an unscrupulous and ruthless tool of thought con-
trol. The fact that public information can be used as an extremely
powerful weapon of thought control indicates that it is a subject
which can no longer be safely ignored. Since dictatorships have
always recognized and used public information as a frankly con-
fessed weapon it behooves us to think it out more carefully and see

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Mr. Canham is Editor of the “Christian Science Monitor,” and Vice
President of the American Society of Newspaper Editors.
wherein a sound program of public relations is an important as­
set and a valuable instrument in attaining definite objectives.

I mentioned Dr. Goebbels and his diary. Dr. Goebbels has
an extreme sensitiveness to words. For example, shortly after
Hitler came to power in Germany Dr. Goebbels saw to it that the
word “assassination” never appeared in the German press. So
finely drawn was this concept of propaganda and of thought con­
trol that Dr. Goebbels, as one of the great experts in the field,
decided that the mere publication of the word “assassination” was
contrary to the Nazi interest.

Perhaps the greatest illustration of the use of public in­
formation as a powerful weapon is the illustration of the Soviet
Union today. It is quite obvious that the Russians are afraid of
information; they are afraid of any ideas, any set of facts which
may, to any degree, challenge their approved doctrine. The Iron
Curtain around the Soviet Union is the result and it grows higher
and higher with every passing week. The fear-inspired efforts
to plug every possible loop-hole in that barrier get more intensive
with every passing week.

I recently spent a month in Geneva in rather arduous ne­
gotiations with the Soviet Union and it was perfectly obvious to
me that some of the best talent and most profound study in the
Soviet Union is being devoted to the problem of thought control
in the effort to isolate and insulate the Soviet Union from any
sort of infiltration of ideas from the outside world. You prob­
ably know that right now a purge is going on in Moscow—a
purge of all individuals who have had any contact whatsoever
with the West. One by one, individuals who have had some con­
tact with the West are being removed from positions of res­
ponsibility. They are being sent somewhere east of the Urals or
to the salt mines or some such place where even their slight contact
with the West will not contaminate the remainder of the population with ideas which may be alien and somewhat challenging to the approved doctrine. That purge is going on. Our correspondent reports to us of the steady progress of this effort to weed out everybody who has been in contact with the West.

You may remember that at one time the Red Army took over a rest hotel in Karlsbad where general officers were permitted to go and enjoy the waters. It was decided some months ago that Karlsbad was too dangerous, too far west, for even a general officer to sojourn and so the rest hotel at Karlsbad was closed. This is just a further indication of the recognition which is being given to the field of public information. It should awaken us more fully than ever before to the importance of understanding the potentialities in this field.

This is not a field which Americans take to with any degree of satisfaction or ease. I doubt very much if many men in this room would greatly relish plunging into the task of handling publicity. I could be wrong, but it is my feeling that we are instinctively repelled by the effort to try to control people's thinking.

My major thesis is that we do not have to get into the position and the attitude of Dr. Goebbels or of any other totalitarian manipulator of public thinking; that there is a different basis, a different formula, and a different concept and relationship which can be worked out in a representative government which can be maintained and carried through with complete dignity, propriety and self respect; that this can be carried through in an atmosphere in which we are never seeking to soften up the other man's thinking or his right to think, but in which we are responsive to his need to know the largest possible area of fact, truth, and sound doctrine.

This is of course an age of publicity, not only in the totali-
tarian states but in our own. It is a brash new world of publicity and we have to find out how to live in it. We might as well conclude that the newspaper, the radio and the P.R.O., like the automobile, are here to stay. Instead of kicking against any irksome and irritating attributes of this weapon, we should learn better how to use it. I assure you that this is a study that will pay dividends as many have already discovered.

I should like to make it clear, near the outset, that newspaper men, people on our side of the fence so to speak, have a very great deal to learn. We have to accept new obligations of responsibility in these very troublesome days. There is (and every candid newspaper man will recognize it) far too much irresponsibility on the side of the press. We work for the most part under a considerable handicap, a handicap that goes all the way back to events which took place in the Garden of Eden. The human mind is more interested in conflict, in disaster, in sensation, and in scandal, than in constructive, sound, forward-looking and sometimes unexciting developments.

For the most part, publicity is built upon conflict and sensation and for this reason newspapers are more or less in a constant battle with their better selves. They are aware of the ways in which it is possible to cater to this human desire for sensation and scandal, conflict and disaster. At the same time every newspaper editor knows that he has a responsibility to the people—the responsibility to try to tell the truth. The acceptance of this responsibility and the setting of higher standards, I think, has made some progress within the American press. However the fact remains that in conducting public relations activities one must deal with an activity in which there is a premium on conflict, revelation of secrets, trash, scandal, and sensation. It is important to help newspapers rise above these imperatives which tend to drag them down. It is important to help newspapers
carry through the responsibility which they owe to the public, to the nation, to the well-being of all.

It is also true in many respects and with few exceptions that newspapers and radios live in abysmal ignorance of the Armed Forces. This means that the public is almost equally in such abysmal ignorance.

Ignorance is a constant danger; ignorance is the weapon of totalitarianism. Iron Curtains are always a greater danger to the power seeking to hide behind them than they are to anyone else. I believe Iron Curtains more often hide weakness than strength. Perhaps some of you can confirm this statement from personal observation.

About a little over a year ago when I was in Japan, I was taken by Capt. Decker down to Yokosuka to visit the former Japanese naval base there. Captain Decker and other officers made it very clear to me that the tremendous wall of secrecy which the Japanese built about that particular spot hid weakness rather than strength and that the stories which we had heard during the thirties of vast dreadnaughts and of other great developments being worked out in the Japanese shipyards were, to a large extent, myths which had been able to come into being, spawn and flourish behind walls of ignorance. Therefore, obviously, these Iron Curtains of ignorance are in a sense a greater danger to the person who is seeking to erect and maintain them than they are to the rest of us.

Of course it is necessary sometimes, in an emergency, to hide weakness. Everybody recognizes the necessity for the right forms of censorship in wartime and for the concealment of military secrets in peacetime. There is a tendency for censorship to become habit forming and for information which could break
down public ignorance to be held up long after the need for secrecy. There have been violations, gross and grave violations, of what should have been a patriotic obligation not to print. I think those violations will be fewer and the right relationship will be maintained if every responsible officer in the armed services is prepared to weigh the legitimate need for secrecy against the legitimate need of the public to know. More often than not, ignorance is the greatest danger of all. Public participation, public partnership, is a great good in itself which must be achieved in the largest possible degree.

The armed services are part of the public services of the nation which means that an officer in the armed services is a public servant and like other public servants he must accept as a part of his public obligation the duty of giving an account of himself to the public. This is done through proper channels, in a proper way and through such media of ultimate expression as the press, the radio and so on. The more accurately and the more fully the public understands the goal and the performance of the armed services, the more whole heartedly will the public support those services. Particularly in these precarious times, it is desperately important for the public to understand the precise role of the armed services. All this means that today, more than ever before in peacetime, it is necessary for the armed services to study the duty, the opportunity and the technique of public relations.

More than once during the recent war, several of these three qualities were not adequately recognized. We did see an enormous expansion of technique during the war. Public relations officers blossomed everywhere but their mere existence is far from enough. Some of the worst crimes against public information, some of the greatest damage to the armed services themselves and to individual officers was done by public relations officers who
misunderstood and misapplied their energies. Conversely, some of the best public information work was done not by public relations officers but by professional officers who had grasped the duty and opportunity of a public relations program.

We have come a very long way from the exasperated officer, early in the last war, who once declared at a Washington cocktail party, speaking of war correspondents, “I wouldn’t tell them anything until the war was over and then I’d tell them who won.” This is a natural enough feeling and one can sympathize with it, particularly if one has known some war correspondents. Nevertheless strength comes from the people and the ultimate strength of the Armed Services will rest upon the degree of public support. Public relations technique can be stymied if there is not a recognition, from the top on down, of the duty of keeping the public informed. I wish to quote an eloquent paragraph recognizing this duty and put into excellent words by Lt. General Collins, now Deputy Chief of Staff. This paragraph says what I think we all agree on; forgive me if it is covered in terms of the Army:

“Responsibility of the Army is to make sure that the public has real information on which to base sound evaluation of it’s Army. The Army has nothing to hide and nothing to fear if it recognizes the public as a partner, as well as a boss; if it ignores the captious critic and assumes that public confidence is there for the making. But it cannot expect that confidence unless it is deserved. The individual soldier, commissioned and enlisted, is responsible for seeing that it is deserved. It is the responsibility of the Commander to see to it that his officers and men conduct themselves in the manner that will win the public esteem and that the military establishment has the high professional standards expected of it by the public. It is the job of the public relations officer to assist the Commander in cementing this partnership with the
public by providing accurate, full, and unbiased information and by interpreting the profession of arms to a nation which is eager to be proud of its armed services.”

That is the basic relationship which needs to be understood and carried out.

I had personal contact with a good deal of public relations work in the last war and it is my impression that the very best public relations work was done at the top. I had the opportunity during the war of sitting in on informal conferences with Admiral King and General Marshall. Both of these men did a superb job of discussing with our group (which was representative of the nation's editors) the state of affairs, the problems which arose, difficulties and so on. To my knowledge there was no instance of any violation of their confidence.

The best public relations work can be done at the top and the tone can be set which will permeate the entire service. If it is continuously recognized that the greatest possible achievement is to get close to the people, then the public relations program will be on a sound basis. I don't know whether it is worthwhile to go into any post-mortems of some of the public relations work of the last war. In preparation for this talk I asked half a dozen of the members of our staff who were themselves either public relations officers, several of them in the Navy, or who were war correspondents, to give me memoranda analyzing the problem as they had seen it in action during the second World War. They gave me some very hard-hitting and candid answers.

They support the point that I have been making, that the main thing is to get underneath the psychology which would naturally prefer to fight a war in private. Secrecy is an important part of war. You deal properly here, day in and day out, with classified documents and information, confidential and secret material. In the nature of things you may be more ac-

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customed and more indoctrinated with concealing than with revealing. That point of view, which is entirely proper and sound, has to be reconsidered in relationship to the problem of public information. You are trained to think accurately, precisely and scientifically. The average newspaper writer is not necessarily trained to think in quite that same way. He is trained to interest the public. Hence there is not a natural meeting of minds between men trained as you are and men who are trained as newspaper men. That gulf has to be bridged. It can be bridged if it is realized that along side this duty of secrecy, which should never be breached, is the positive advantage of letting the public know everything that it can know safely. The advantage of an informed public has to be weighed against the precaution taken by not giving out information. It is a little bit like the relationship of sins of commission and omission. There is a natural inhibition against letting information out unless there is some positive reason for it or unless the information is perfectly innocuous. That attitude must be studied and re-examined in the light of the importance of an informed public.

There was a revolution in public relations during the last war. Our men who were both public relations officers and war correspondents agree that in late '44 and '45 the expansion of public relations in the Pacific was on the whole a very healthy and important decision. The gratitude of the press to the men who were responsible for that expansion and revolution in policy is great. It was, however, an uphill job.

I want to outline the elements of a constructive public relations program. First, establish a general concept, from the Naval Academy on up, that it is important for the public to understand that information is a precious asset to be used constructively and advantageously. It is important to have the at-
titude, not of constant desire to hold everything back, but of responsiveness to the opportunity of public relations which produces an instinctively right public relations program. We have to get back to fundamental thinking in a responsible government and to realize that the support of the public is, as I have said so often, the most precious and valuable asset that can be had.

The second element is to establish clearly the distinction between information and propaganda. I think one of the worst curses which ran through our public relations program, particularly during the war, was a sort of shame-faced feeling on the part of responsible officers that they were really being called upon to become propagandists and they didn't like being propagandists. This instinctive American abhorrence for propaganda, and an out-and-out dislike for the word is sound and right. No one should be called upon to become a propagandist and no one engaged in public relations work should shoulder the inferiority complex of thinking that he is a propagandist. There doesn't have to be any propaganda to it. The problem is simply one of an open channel of information between the services and the people. I think the curse, the feeling that one is a propagandist, came into being especially when adverse and disagreeable news had to be handled. That need not be the case at all. Responsiveness is the keynote. A relationship, a bond, a link, a channel, between the services and the public is the keynote. **Responsibility**, not promotion or propaganda is the basic word.

Don't worry too much about adverse publicity on stories which are technically incorrect or seem to be undesirable. It wouldn't do much harm if officers who are forced in this maelstrom of public relations could get some of the psychological attitude of the politician. The successful politician, as you all know, has a hide as thick as an elephant and only starts worrying when
he doesn't get into the headlines. An adverse headline is regarded as just as much of an asset as a favorable headline. The important thing is that the politician has to be talked about, to be in the news—not forgotten. You remember the advertising campaign which went on for a good many years warning people of the horrors of pink toothbrush. The campaign was finally abandoned partly because so many people kept going into drug stores and asking to buy a pink toothbrush.

This really proves the point that confused public concepts do build up but in spite of this it is important to have the public aware of the Navy and of its basic problems. The public will not always be as wrong as the pink toothbrush people were. I have, and I think probably you all have, a rather profound belief in the fact that public opinion balances up; that while any number of individuals may be wrong, there is a certain fundamental rightness in the general will and in the general direction of the popular opinion when at least a minimum of information gets to the people. So I say it is important not to be too sensitive, too meticulous, or too fussy about the things one gets into in this public relations business, but emulate the hard-boiled old politicians. I have never heard Mayor Curley of Boston complain although nine-tenths of his publicity in the last 25 years has been seemingly adverse. The old scoundrel knows that any publicity has a certain value. This is a pretty cynical view I know, gentlemen, but you are up against a profession which has to deal with popularization.

It is necessary to study the techniques of public relations and to be in touch with experts in the profession as the situation requires. There is a wide diversity of opinion as to the techniques of public relations. It is not a scientific profession with everything worked out on a slide rule basis but at the same time there are experts. Newspaper men are not, by any means, always
the best experts in the field; there is a difference between the role of the reporter and the role of the public relations officer. One of the most successful public relations officers in the service of the American government, Mike McDermott, of the State Department, has been at the business for over a quarter century. He was never a newspaper man. As a matter of fact, Mike started out as a stenographer and began to absorb, by some kind of osmosis, the necessary relationship between the press and the government service.

As I said, many other newspaper reporters who have tried to do the same thing have failed because of the difference between the public relations relationship and the reporter's relationship with the press. However, there is a technique and it is being studied and developed to a degree. Progress is being made in reducing this to terms which may be studied and comprehended by people coming in from the outside.

But this technique is tremendously subordinate to attitudes. One basic attitude is the value of maintaining contacts, of getting close to newspaper men and keeping close to them. I emphasize that it is valuable to maintain this contact at the highest level possible and to add plenty of follow-through at lower levels. If you do have contact with the newspaper men, friendships and relationships, social and informal contacts, then I think you will begin to understand more clearly the viewpoint of the newspaper man. You will understand that his job is the task of popularizing things, of getting into people's thinking, and you may soften up some of your quite natural indignation at the over-simplification of problems. It is a very difficult thing to convert a technical subject to terms the public can readily understand. There are bound to be errors, lack of precise and explicit qualifying remarks, in every popularized account but it is a problem we cannot get around and have to
accept. A lot of this publicity will be repulsive to the expert but, nevertheless, it does serve a useful purpose in getting through to public thinking.

I strongly recommend the habit of press conferences whenever there is any need and opportunity. It is even possible to come to enjoy press conferences after a certain amount of experience with them.

I have already referred to the importance of understanding the viewpoint of newspapers. Newspapers cannot escape the obligation of popularizing material, the duty of holding public interest. This need for popularizing is terribly overdone and abused but we are dealing with the people who will decide the pattern of national defense in the United States. We must inform and educate them. We cannot ignore them; we cannot permit them to remain in the shadow of ignorance which has frequently surrounded them. This goes pretty deep. The difference between ourselves and our enemies in this world is probably best defined as the difference between a nation which respects the individual as the most important element and value within the nation and one which declares the individual to be valueless and the state to be all important and all powerful.

The only way totalitarian states can maintain their hold on the people, can make their force actually operative, is to control, to destroy the independent thinking of their people. By allowing public expression there is bound to be conflict and diversity of thinking. This was the primary issue at our conference on Freedom of Information at Geneva. The great cleavage between the Eastern Bloc and ourselves was this: they believe in one single set of ideas, imposed by force, which is infiltrated into the people's thinking by artful devices, subtle techniques and ruthless repressions—in short, by complete thought control; while to us
strength comes from diversity and a belief that all progress comes from the conflict of ideas.

This basic principle of diversity, of conflict, of growth through the stress or strain of ideas meeting in healthy conflict, we believe will produce strength. I think that by taking a long historic viewpoint the germs of weakness contained within the totalitarian system are those which have wiped out genuine self-criticism; whereas with us, self-criticism and conflict of ideas produce a healthy organism which goes forward, revises its ideas, improves its ideas, and carries them ahead.

The relationship of that principle with the press is this: You will encounter a diversity in publications and a diversity of treatments in the press. It will be apparent that the viewpoint and technique of one newspaper will be very different from another, but if you appreciate that the vagaries, the irresponsibilities, the over-simplifications of the press go back to the idea of free and diverse opinions, you will be more tolerant and will see that any effort to generalize or to standardize the press will be a technique pointed in the totalitarian direction and would lead us away from our greatest source of strength which is our cantankerousness and our unwillingness to accept standardized concepts. I am deeply confident that techniques of study and of working out problems here, as in every other well conducted American institution, will be based on constant reexamination of ideas. That is part and parcel of our public information system.

Freedom of the American press depends upon diversity. Your relationship to the press will depend upon the recognition of its importance to the public and of its value to you. There is no chance of a meeting of minds between the East and the West on so fundamental a matter of principle as this matter of public information, but we in the West must not be victims to totalitarian-
ian thinking to such an extent that we will deny the people the diversity of information which will enable them to go forward, which will enable them constantly to reexamine, to criticize and to grow strong through self-examination and self-criticism.

In two wars, the two greatest and most tragic wars of history, the United States Navy was headed by newspaper publishers—Secretary Daniels and Secretary Knox. After the First World War the Navy became involved in the most extensive disarmament program in our national experience. After the Second World War the Navy ran into an economy wave which had for a time very grave consequences. These two experiences would seem to indicate that there is still a very large unsolved problem about the public's information concerning its armed services despite enormous efforts and real progress. It is fair to conclude that that problem has not yet been adequately solved. I repeat, take seriously the opportunity of getting closer to the public through the media of public information. I believe that every officer should be conscious of the significance of this task, not as an onerous chore, not as an undignified and unworthy type of dissemination of propaganda, but rather as an enormous opportunity to be responsive to the need and the right of people to know everything which will not be a positive danger.

Now as I said before, I think you have to work primarily against a viewpoint which rightly and almost instinctively holds that it is safer not to talk too much. One has to be aware and conscious at all times that along side of this important obligation must go the requirement to do a better job of breaking down the barriers of ignorance by giving the American people more information with which to grow through conflict and diversity, criticism and reexamination; to grow into an appreciation of the world responsibilities which have become ours. This relationship of pub-
lic information to the future of peace or war in the world is simple to understand. It is simple but the people of the United States must understand the importance of a strong national defense of arms adequate to maintain our duty and obligation in this storm-tossed world. Unless the American people do adequately understand these necessities the dangers of war are doubled and trebled. If the American people do understand the necessity of strength at this time, if instead of some vague and ignorant concept based largely on fear they understand that our rearmament program of today is not a war program but a peace program, then, indeed, there is a possibility of maintaining peace in the world.

At Geneva in our small way we ran the gamut of relationships with the Eastern Bloc. American diplomacy since the war has not been very shrewd or successful in its relationship with the Eastern Bloc but certain fundamentals had managed to seep through. As we prepared our tactics for the Geneva conference we decided that the basic thing was to take a very strong, almost a provocative, position at the outset, to maintain it throughout and to get the jump on every single point where we could get our proposals, our ideas and our policies in first. The chief American delegate at the opening session of that conference made an extremely strong and provocative speech which completely changed the tone of the conference. The Russians immediately turned conciliatory, placating and appeasing. They sought to weasel around the middle group nations to support an appeasing attitude. Every time we came in strong the air cleared, and the Eastern delegates had to appeal for some form of conciliation, some form of compromise. We maintained to the end a refusal to compromise, saying it was impossible to compromise in a field of basic principles.

Now that teaches us a lesson that the American people ought to understand. The American people are being appealed to today by various individuals who know that the American people
want peace. It is perfectly obvious that the American people want peace but not at any price. We want to insure peace but our experience at Geneva proved to us again that the way to insure peace is through strength, vigor and capacity; to lay down a position and to maintain it.

The American people have not altogether understood that. To the American people a rearmament program sometimes seems a war-like program. I believe that the undeviating informational line of the armed services should be: that our rearmament program is a peace program, not a war program; that it is the only basis on which we can hope, at this stage of human and world experience, to insure peace; that the sacrifice and expenditures which the American people are being called upon to make are not expenditures in the interests of war but rather expenditures in the interests of preserving the peace and that the program of appeasement which Mr. Henry Wallace, for example, is presenting to the American people and to which he is getting a response, is due to the basic craving of the American people to avoid a Third World War, a craving which is perfectly sound and right but based upon ignorance.

The whole problem of peace comes down to this problem of dispelling fears by letting the American public see that the necessity for supporting a rearmament program is not because we are afraid of the Russians or of anyone else, but because it is the way to achieve peace at this time. Public interest on this subject will not be dispelled through silence but will be dispelled through a responsive attitude toward the need of the public to know everything that it possibly can. If any chances are taken they must be taken on the side of knowledge rather than on the side of ignorance.
I believe that this opportunity can be seized and that we do have a chance to achieve a stable world. It is a necessity to carry through this kind of information program if the armed forces are to preserve their rightful place as pillars in the temple of peace.
My subject this morning is Economic Warfare—The Defense. In particular I shall address myself to problems concerning the defense of the United States and her allies—actual or potential—in the present "cold war" and in the event hostilities break out between this country and Russia.

There appear to be three distinct aspects of this subject that merit attention. In the first place, there is the protection, in a physical sense, of the United States and her allies and of the areas from which they draw essential war materials. In other words, economic defense of the United States must include defense of more than the territories within our natural boundaries. There are geographical areas important to us in the light of political and economic considerations which from the point of view of national interest must be defended. In the second place, there is the maintenance and defense of the high level economy which the United States has maintained since V-J day. The protection of this condition is necessary, partly for strictly military reasons and partly because American prosperity is of great political consequence throughout the world. In the third place, there is the ideological conflict. There will not be time to say much about this aspect of the problem this morning. I would, however, like to say at this point that under present conditions economic warfare is not simply a "battle for supplies," as it was in World Wars I and II. It is also a struggle of

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ideas, of achievements, of two opposed economic systems. In this ideological struggle, propaganda, which has always been a recognized part of economic warfare, will probably play a larger part than it did in the Second World War.

Since in my lecture a year ago I spoke in some detail regarding the problem of protecting a high level economy, most of my attention this morning will be devoted to the first aspect of that problem—the protection of the United States and her allies, and particularly of the areas from which they draw supplies.

Before examining particular facets of the problem it may be helpful if I give some of the background of my thinking on this whole general subject. It would appear that in the event of hostilities many of our actual needs, political and economic, may not be greatly different from the needs of the Second World War, but the measures needed to satisfy them I presume might differ appreciably.

As regards supplies, it seems likely that the types and perhaps the amounts of strategic and critical materials which we might need would not be greatly dissimilar to our requirements in the last war, although I would hope that the Emergency Shipping Priority List might be trimmed somewhat. One very interesting estimate that has come to my attention since my last talk, which was based on the resources available in areas one might expect would be controlled respectively by the United States and by the U. S. S. R., suggests that our chief shortages in the event of hostilities would be mercury, bauxite, manganese, and oil. I may add that this same estimate indicated that the chief shortages of the Soviets would likely be nickel, tin, copper and lead, tungsten, and of course, oil.

Satisfaction of our needs will of course require the control of the sea lanes. While sea power might not be as useful for the
blockade of Russia as it was for Germany, it nevertheless would be of the highest importance—in order to assure this country and allied areas of a steady flow of supplies, in order to support advance bases from which attacks against Russia might be mounted, such as British East Africa and Cyprus, and in order to restrict the movement of enemy agents and of persons capable of inducing subversive movements. I make this last point in full recognition of the fact that the development of the airplane and the submarine has made restrictions of the movements of enemy agents far more difficult than formerly.

In the last war the phrase “Western Hemisphere Defense” was one of the common cliches. It has been suggested that in the event of hostilities we would probably have to add “Security of the North Atlantic Community” to this former objective, and I presume, the economic and military defense of other areas as well. Certainly the maintenance of relative economic stability in Latin America would be essential, partly because of physical proximity, partly because of the essential foods and raw materials which we would need to draw from that area. None of these purposes, you will observe, can be attained without control of the sea lanes.

As before, there will probably be a price attached to maintenance of economic and political stability in the areas important to us. In its simplest and perhaps its easiest form this price may be merely the extension of various kinds of dollar loans and credits. It is more likely, however, that the price will consist of things that these areas will want from us: shipping space, scarce materials, manufactured goods, and so on. It seems to me altogether probable that the servicing by us of some so-called minimum standard of economic and business needs will be the price—if not of friendship, at least of political and economic conditions that serve our interest. Iceland presumably will want hay, fertilizer, agricultural
machinery, and manufactured goods; the East Coast of South America will want newsprint, coal, and steel; South Africa will want railroad cars and mining machinery, as well as silk stockings, toilet paper, and dry cereals; Canada will want fats and oils, especially peanut butter. To push this thinking one step further, I would guess that Canada might ask not only for supplies but also for the maintenance in Latin America of outlets for her pulp, newsprint, and other products.

I can readily conceive that the price of stability in certain colonial areas may be the purchase of entire crops or outputs of raw materials, conceivably even at premium prices. Some of these commodities may be needed in their entirety, but it is not realistic to think that we will be so lucky actually as to want all of them. In the last war the loss of the European market made the entire copper output of South America available to us and, as you know, it was bought here. The Metals Reserves Corporation alone in the four years ending November 1, 1944, bought $400,000,000 of South American copper. Fortunately we needed this item, and it was available to us. Maintenance of the Chilean economy, however, in a style somewhat better than that to which it was accustomed, was a fortunate by-product. I can readily conceive of this situation being reversed, so that the maintenance of the Chilean, or the South African, or the East African economy through commodity purchases might become the prime objective, and the acquisition of commodities a somewhat embarrassing by-product of the policy.

The ability of our adversaries to frustrate these objectives will certainly be of a somewhat different character and may be of somewhat larger dimensions than was the case in the Second World War. The mechanisms of economic penetration at the service of the Russians, which they are using and will use, are quite dissimilar to those of the Nazis. There will not, presumably, be the problem of enemy-owned business concerns and trade connections, at
least not on the same scale. There is no Russian counterpart to the
I. G. Farbenindustrie. The problem of hidden or “cloaked” ene-
ymy assets will be of much smaller proportions. On the other hand,
it is doubtful if the Nazis ever commanded a fifth column of the pro-
portions of the Communist party and its sympathizers; the problem
of loyalty, with its many ramifications, will be far more severe.
In terms of the specific measures of economic warfare and penetra-
tion with which we shall have to contend, it is probably safe to
assume that the amount of competitive buying of scarce materials
in neutral markets will be reduced. While it may be ventured
that the Russians have an adequate supply of gold to use as a means
of payment in competitive buying, I would assume that they might
be severely handicapped through lack of an effective world-wide
network of trade connections. As far as I can determine, a system
of trading relations and established commercial connections are
almost if not quite as important for competitive or preclusive
buying as is an adequate supply of the means for payment.

Against this background of thinking we may now consider
in more detail two of the aspects of the problem which I mentioned
at the outset: maintenance of political and economic stability in
areas important to the national interest of the United States,
and preservation of a high level economy in this country.

I shall not try to designate with any precision the areas
which it will be important for us to defend. The forces that
will determine these areas, however, are reasonably clear. There
will be the countries which are our allies; there will be the
interests of military strategy; there will be the areas from which
we have to draw our essential supplies; and particularly there will
be the areas from which our Allies will have to draw their essential
supplies. For example, the Argentine will be of more importance
to Great Britain than to us because of the United Kingdom's de-
pendence upon Argentine beef, although this country will no doubt
also need Argentine linseed and quebracho.
Evidently if we are to receive aid from these areas or give it to them, control of the means of transportation and communication will be essential. Maintenance of our position will be dependent upon supremacy on the sea. While such control may be of less offensive significance than in the first two World Wars, its defensive significance will be greater and, consequently, the threat of submarine attack may be of even larger moment.

We can anticipate that economic attacks against our interests in “our” areas will be made. In general I suspect that the attacks will not be through what we might call “recognized” instruments of economic warfare—blockade, trade agreements, preclusive buying, and so forth—but will be intended to disrupt the smooth functioning of the productive process and the flow of trade. On the whole, it does not appear that Russia will be able to use effectively the recognized types of economic pressure; but she has at her disposal other means for accomplishing the same ends. Let me be more explicit.

In the first two World Wars the United States and the United Kingdom employed shipping controls and preclusive buying to cut off supplies from Central European powers. A civil disturbance in South America, the Dutch East Indies, Burma, or Malaya, sponsored by Moscow, could be used for much the same purpose—to cut off supplies from the United States or the United Kingdom. This country and Great Britain have in the past used commodity purchase agreements to shape the economy of neutral and also colonial areas in such a way as to assist our war programs. Our interest at the present time and in the future will lie in the maintenance of political stability and a continued production of necessary materials in these areas. The Russians are quite capable of various types of operation designed to thwart our interests which is the same as saying that they have methods of shaping the economic processes in these areas to their purpose.
Strikes, sabotage, political unrest, inflation, or any other operation that reduces production or disturbs the normal tenor of business will serve the Russian purpose, much as commodity purchase agreements have served the purpose of this country and of Great Britain in the past. I make this point notwithstanding the fact that Russia is using trade agreements with her European satellites much as if she were a capitalistic power. In the last war we lost control of Southeast Asia, the Dutch East Indies, and the Philippines through Japanese conquest. If in these areas Communist or nationalistic movements sponsored by Moscow should spread, I can conceive that we might lose their resources almost as fully as if we had lost control of the areas themselves. It does not take great imagination to see that strikes in key industries and stoppage in key plants can have much the same effect on production as if those industries and plants were the object of strategic bombing. I was interested to observe that the November 1st issue of *TIME* carried a story to the effect that the coal strike in France was a political maneuver aimed at hampering the Marshall Plan and European recovery. The current strike of longshoremen in this country initially had the effect of permitting us to supply Alaska only by an air lift, and of putting extreme pressure on Hawaii; latterly it has had the effect of constricting shipments to Western Europe under the Marshall Plan.

My conclusion may seem far-fetched, but I cannot see why an effort could not be made through a world-wide movement, partly Communist and partly nationalistic, in colonial areas, to cut off the highly industrialized, raw material importing portions of the globe from supplies that are produced in those areas. There is already trouble in greater or lesser degree in Southeast Asia, the Near East, the Far East, and West Africa. Other parts of the world, such as North Africa and certain sections of Latin America, are clearly susceptible to this type of penetration. If such an ef-
fort were combined with strikes and sabotage in key areas, notably in docks, harbors, and the maritime industries, it would seem to me that we might have a reasonable facsimile of a blockade. If, as many people think, in the next war strategy and operations will necessarily be subject to logistics, disturbances in the areas from which supplies are obtained will come to have a new and a more sinister significance.

While the North American continent is perhaps only moderately vulnerable to this type of pressure, it is quite clear that certain other areas “on our side,” notably the United Kingdom and parts of Western Europe, are distinctly vulnerable. Next to the coal shortage, probably the major shortages in Western Europe and in the low countries are shortages of such imported items as fertilizers, leather, fibers, fats, and oils. Practically all of these items are of colonial origin.

It may seem that I have belabored this point, but I believe it is of real moment and I wish to give two final examples of what I mean. Present plans for European aid assume, I believe, that by 1951 80% of Europe’s petroleum imports will come from the Middle East, and that by that date there will be a greatly increased volume of European trade across the Iron Curtain. Clearly the validating of these assumptions depends much more on Russian action than on ours. It is inconceivable that Russia could not hamper shipments of petroleum from the Middle East if she so wished, and certainly the development of east-west trade in Europe depends directly on her policy. It follows of course, that if these assumptions of the European aid programs are not validated there will be a commensurate increase in the economic pressure exerted on our economy; at the very least the present pressure will not be diminished.

The conclusion of this line of thought is that the war po-
tential of the United States and her allies is most easily attacked by indirection, and that the area most vulnerable to attack is in the peripheral sectors of Eurasia and in the colonial territories that furnish raw material. The kind of attack to be expected, it would appear, is a combination of measures not ordinarily looked on as the "orthodox" measures of economic warfare, but which would have the same purpose and could be highly effective.

To meet this type of attack there are immediately evident two countermoves: One is the continuance—or better yet the extension—of international trade and the present high level of prosperity. The other is stockpiling. I do not intend in this lecture to try to explore the first of these countermoves, but I do want to say a little something about stockpiling, and in this term I include offshore stockpiling as well as reserves built up in this country.

Stockpiling is of course one of the recognized, classical, orthodox measures of economic warfare. It is designed to circumvent the effect of a blockade, or at least to mitigate the effects of a sudden shortage of essential items. If it is done on any large scale it must be done by governmental agencies, partly because of the amount of money involved (especially if premium prices are paid), partly because of problems involved in storing and handling, and partly because utilization of stockpiles must be geared in with whatever system of allocations and priorities is being employed. Although the operation must be financed and administered by government agencies, the operation must be conducted in close collaboration with industry if it is to be effective.

It may be worth while to quote here some portions of the "Report on Activities of Metal Reserves Company" for the period June 28, 1940—November 1, 1944, signed by Charles B. Henderson, then president of the M. R. C. and chairman of the R. F. C.
The report covers the period prior to the creation of the United States Commercial Corporation. According to this report the M. R. C. contributed to the war effort in four ways:

“IT has created stockpiles of metals and minerals that provide assurance for continued production of military goods, regardless of possible interruption of supplies.”

“It has assisted in increasing the total volume of metals and minerals currently flowing into the war effort by making available to industry, on allocation by the W. P. B., metals and minerals from sources not available directly to private industry.”

“It has helped to stabilize prices.......by selling at OPA ceiling prices”—even though it had bought at premium prices, above OPA ceilings or levels we might consider “economic.”

“It has contributed to the war program by reducing the strength of the foe through its purchases of supplies from sources available to unfriendly (later enemy) powers.”

As you know, the M. R. C. was originally set up to stockpile two commodities, tin and manganese; in the four years of its operation the list increased to 49. Its transactions covered 51 foreign countries, 31 states of the Union, Alaska, and the Philippines. In addition to buying commodities it paid subsidies to marginal producers who were thereby enabled to produce and sell in the ordinary channels of trade at OPA ceiling prices. It set up subsidiary corporations to operate DPC facilities designed to produce scarce items. While a substantial number of the stockpile goals were met 100% or more, a good many goals were not attained. Achievement of the goal, of course, does not tell the whole story of the operation, since sales were continually made from stockpiles during the period when they were being built up.

I may observe here that some of the audits required of government corporations under the Corporation Control Act of
1945 are just now becoming available. If we are to take these audits at face value, the stockpiling operation, so far as its bookkeeping was concerned, certainly left something to be desired. If such operations in the future are carried on on a large scale, here is surely one area where there is considerable room for improvement.

The conclusion that I reach concerning stockpiling is that a limited amount, designed to prevent a sudden interruption in supplies, may be very useful. But if events develop in such a way that more than a moderate stockpile program is urged, or if substantial reliance is placed on this type of operation, such circumstances indicate that the economic war under either hot or cold conditions, is being lost.

Let me turn to the second aspect of the problem which I mentioned at the beginning of this lecture, the defense of a high level economy. In my talk a year ago I took the line that the present high level economy in the United States—with its record-breaking national income, its "over-employment," its high tax receipts, and its large profits—was a fact of great political and economic consequence throughout the world. For three years we have had a most successful economy, more successful than anyone could have hoped for in 1945 and certainly more successful than the best expectations of many of the "planners" who forecast much lower levels of production and employment. Except for price stability we have met all the tests of a successful economy given in the textbooks; we have had full employment and something more, record-breaking levels of production, a declining debt and burden of taxation, a high level of profits, an increasing volume of capital investment, and a rising standard of living.

It is this high level economy which makes possible support of a $40 billion budget and a $250 billion debt, together with the
enormous "unrequited" exports of which shipments under the Marshall Plan are only a part. As you know, "unrequited" is the economists way of describing exports for which you are not paid. This high level economy has demonstrated to the world the volume of production possible under a free market economy, available either for armament purposes or for raising the standard of living of the population. In our "positional war" with the Soviets this achievement has been something that the Russians undoubtedly had not counted on.

Unfortunately, a high level economy is a vulnerable economy. It is vulnerable either to a recession or to a final burst of inflation and speculation that makes a recession inevitable and more severe than might otherwise be the case. The Russians have confidently expected and predicted a recession. Should that occur it would weaken our tax base and our ability to supply raw materials, food, and capital equipment to Europe. It would seriously compromise the position of the United States on the international stage, since it would validate the Marxian prophecies.

The Russians could—as could any state with sufficient resources and particularly an authoritarian state—undertake from the outside measures to precipitate either a bust or the final states of a boom that precede a bust. In my lecture a year ago I mentioned certain maneuvers that could be undertaken for this kind of purpose, such as the disorganization of markets for international commodities, the use of gold shipments for political purposes, and the falsification or misinterpretation of government statistics.

The greatest danger, however, I believe lies in the pressures that can be exerted from the outside in this country on the federal budget, with the consequent repercussions on taxation, spending, and borrowing. I am so thoroughly convinced that the greatest
danger of overstraining the American economy lies here, in the problem of the big budget, that I will not even stop to argue the case. The methods available to the U. S. S. R. for exerting pressures in the field of “big government” and “big spending,” both in foreign and domestic fields, are numerous. The implications of these pressures are almost infinite and extend far beyond the limits of this lecture. They involve not only the whole field of public finance and fiscal policy, but also a detailed consideration of how our economy works—down to, say, the adequacy of depreciation policies of individual companies.

I will make only two observations as regards this type of pressure. Insofar as Russia, in what we may call the area of “foreign spending”, can increase the needs for such things as ERP or European rearmament through political tensions, disruption of trade, diminution of production, or civil disturbance, the pressure on our economy is increased. This fact is now becoming generally recognized. On November 4, Edson Smith, the financial editor of the Boston Herald said: “It is becoming increasingly apparent that whether by accident or design the Russian government is forcing us into a spending program which makes the achievement of a stable economy at home practically impossible.” The implications of such a situation, as I have indicated, are extremely serious.

“The area of domestic spending” seems to me to fall naturally in the orbit of ideological warfare. Insofar as a public opinion can be created which demands and expects big government spending for social security, farm parity prices, grants and aids, and so forth, the pressure on our economy will evidently be increased. That is, the problem of the “big domestic budget” is essentially one of domestic public opinion. If the public wants a large volume of spending there will be a large budget; if the pub-
lic does not want such spending the budget will be small. The point of this line of argument, of course, is that public opinion in a foreign country is exactly what ideological warfare seeks to influence.

In conclusion let me say that the framework, the setting, the logics, and the position of economic warfare in the present cold war between the United States and the Russians are quite different from the situation prevailing in either of the first two World Wars. This is what might be expected on a priori grounds. The whole geography of the situation is different and it seems virtually impossible to blockade the Russians. The U. S. S. R. is not so highly industrialized a country as Germany and not so susceptible to shortages of food and raw materials. Nor is it so dependent on foreign commercial connections and foreign trade. Consequently it is distinctly less susceptible to offensive measures of economic warfare, at least of the traditional type, than was Germany. On the other hand, in view of our logistic and ideological position, we are more susceptible to offensive measures of economic warfare than we were heretofore. We are particularly vulnerable to types of operations that lend themselves to the Russians' abilities. This country, at least this country together with her allies, is very dependent on an even flow of supplies. Our national interest lies in the preservation of "normal" economic activity and economic and political stability. Our interest in such stability is more intense and will extend over a wider area than was the case before. As an industrialized, highly integrated, capitalistic nation with a delicate and delicately balanced economy, we are particularly susceptible to the effects of strikes, sabotage, civil disturbance in colonial areas. Some of these areas are no further away than Latin America. Ideological warfare evidently has played and will play a larger part in the situation than it has before. Consequently it seems necessary that more of our efforts should be, and
will be, spent on defensive operations than on offensive operations
designed to injure the Russian war potential directly. The Mar­
shall Plan is a case in point.

Lest this should seem a pessimistic, unaggressive point of
view, I may point out that few things can be so damaging to the
Russian program, or at least large portions of it, as a failure on
their part, because of the excellence of our economic defense, to ac­
complish the world wide proletarian revolution they have so con­
fidently predicted. They are in the position of having to validate
a prophecy. If the prophecy is not validated their ideological
position is not likely to stand the disappointment.