



# World in the Grip of an Idea

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## 27. The Cold War: Foreign Aid

THE UNITED STATES became the center from which the idea that has the world in its grip, in its evolutionary socialist, gradualist, or democratic socialist formulations, was spread after World War II. The main device for spreading the collectivist practices associated with the idea was foreign aid. Foreign aid was extended by way of grants and loans from the United States government to governments of other lands around the world. It consisted

mainly of military aid, commodities and other economic aid, and technical assistance.

Those who devised, promoted, voted for, and carried out foreign aid activities for the United States did not avow the aim of spreading socialism. On the contrary, it was promoted primarily as a means of containing communism and secondarily as a means of establishing stability and peace by promoting security and prosperity. Moreover, there was much talk of advancing and supporting individual liberty and free enterprise around the world. For example, the "Benton amendment" to the Mutual Security

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In this series, Dr. Carson examines the connection between ideology and the revolutions of our time and traces the impact on several major countries and the spread of the ideas and practices around the world.

Act of 1951 contained these admonitions:

It is hereby declared to be the policy of the Congress that this Act shall be administered in such a way as (1) to eliminate the barriers to, and provide the incentives for, a steadily increased participation of free private enterprise in developing the resources of foreign countries consistent with the policies of this Act, (2) to the extent that it is feasible and does not interfere with the achievement of the purposes set forth in this Act, to discourage cartel and monopolistic business practices prevailing in certain countries receiving aid under this Act which result in restricting production and increasing prices, and to encourage where suitable competition and productivity. . . .<sup>1</sup>

While this was less than a clarion call for free enterprise, it did state that as a part of the aim. That the aim was to defend and establish freedom was stated often and in a variety of ways. Secretary of State George C. Marshall, who articulated the Marshall Plan of foreign aid for Europe, declared before the Senate Committee on Foreign Relations that its high purpose was "the establishment of enduring peace and the maintenance of true freedom for the individual."<sup>2</sup> The Economic Cooperation Act of 1948, which was passed by Congress to put the Marshall Plan in effect, included these assertions of purpose:

. . . The restoration or maintenance in European countries of principles of indi-

vidual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extra-ordinary outside assistance. The accomplishment of these objectives calls for a plan of European recovery . . . based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all steps possible to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers.<sup>3</sup>

At their inception, and for several years thereafter, these programs had widespread bipartisan support in the United States. One historian suggests that this was achieved by the appeal to a broad spectrum of ideas and beliefs:

The relative ease with which Truman got the substance of this European Recovery Program (E.R.P.) through an economy-minded Republican Congress can be easily explained. The administration had done unusually careful and thorough spadework. Sensing the conservative temper of the country, it made business leaders partners in the venture. The success of E.R.P. in Congress was assured when the three most powerful national pressure groups were persuaded that their constituents, as well as the United States, stood to gain from the proposal. The business group (represent-

sented by the National Association of Manufacturers) hesitated to bolster the socialist economies among the sixteen nations. The N.A.M. realized, however, that European recovery would foster American foreign trade and might possibly uproot the seed beds of Communism in France and Italy. Moreover, Truman's liaison officers promised that E.R.P. would be run according to "sound business principles," and that it would help counteract the trend toward socialism. . . . E.R.P. was headed by the president of the Studebaker Corporation, Paul G. Hoffman, who pleaded the industrial bigwigs by advertising abroad the merits of the American system of free enterprise.

The all-important agricultural associations were also enthused by the prospect of increased foreign outlets for farm products, as were the A.F.L. and C.I.O. . . . The support of the country's most influential lobbies was secured before Congress began its debates.<sup>4</sup>

### **Biased toward Collectivism**

Whatever the aims and intents of those who supported these programs, however, the thrust of them was collectivist. The desire to forestall the spread of communism was probably quite sincere, so far as it went. The desire to contribute to European recovery and, more broadly, to the stabilization of countries in various parts of the world may have been equally sincere. There is evidence, too, that some of the initial animus, at least, of American involvement was directed

toward the freeing of trade and enterprise. The best examples of this were in West Germany and in Japan where Americans were most deeply involved. The shadow of Woodrow Wilson still hung over America at the end of World War II, a shadow cast by Wilson's peculiar combination of nineteenth century liberalism, with its emphasis upon free trade and open markets, with twentieth century liberalism, with its collectivist bias.

But a fuller explanation of a collectivist thrust behind a facade of promoting individual liberty and free enterprise requires that we call to mind how gradualism works. Gradualism proceeds by advancing programs which have their meaning within socialism but are advanced only to deal with particular exigent situations. In England, this approach is known as Fabianism. The gradualist, too, utilizes, so far as possible, familiar ideas and works within the framework of established institutions, even when he aims at their eventual overturn. Gradualism proceeds by altering the content of ideas and the character of institutions. The collectivist premises are often kept out of sight but are made to inform such acceptable ideas as international cooperation, mutual security, and multilateral agreements. Familiar terms are subtly informed by collectivist premises.

### A Confusing Reciprocity

How this works may be made clearer by examples. New Dealers worked to lower tariffs in the 1930s by what were called "reciprocal trade agreements." The lowering of tariffs had been correctly identified with the movement toward free trade. But reciprocity brought a new ingredient to the undertaking, and one which, on closer examination, is quite confusing. "Reciprocal" implies that a *quid pro quo* has been given. But in a reciprocal trade agreement who gives the "*quid*," and who gets the "*quo*"? It is not at all clear when looked at as a matter of economy.

The problem arises because neither nation benefits from a protective tariff. Revenue aside, the peoples of both countries are harmed. So far as the protective tariff succeeds in its object, they are denied goods they might have had at more favorable prices than they can obtain. It is even questionable whether in the long run those interests that are supposed to benefit from the protection, industrial workers, for example, even benefit. But whether they do or not, it has been demonstrated conclusively, and many times, that the general populace of a country does not gain from the protective tariff. That being the case, and assuming that government is supposed to be the agent of the populace, no reciprocal

agreement to lower tariffs is necessary, and none is possible in a meaningful sense. In short, the people of the country in which the tariff is lowered are the most direct beneficiaries of the action. It is in their interest for the tariff to be lowered, whether the tariff of any other country is lowered or not. In a similar fashion, it is in the interest of other countries to lower their tariffs.

### Justified by Socialist Theory

Reciprocal trade agreements do not make sense within the theory and framework of a free market. They are a collectivist device. Socialist theory justifies them, and they are in accord with the idea that has the world in its grip. We can understand both reciprocal trade agreements and foreign aid within the framework of that idea. At the heart of the idea is the notion of getting rid of the pursuit of self-interest. According to mercantile interventionist theory, the protective tariff benefited the country which imposed it by helping to establish a favorable balance of trade. Therefore, according to this theory, the national interest was advanced by the protective tariff. By a reciprocal trade agreement, then, two or more nations would mutually agree to sacrifice their national interests for their common welfare and benefit. It was equally important, too, that governments act in concert

with one another in the movement toward collectivism.

Socialism provided the framework for the foreign aid idea. By foreign aid, a nation sacrifices its interest for the common welfare of all the nations involved. Although there is an egalitarian animus behind foreign aid, it is quite possible that the most important push was to get nations to act in concert for their supposed common good.

Socialism is nationalistic. Virtually every species of socialism is national socialism. The late Ludwig von Mises explained the reason for it in this way:

Interventionism aims at state control of market conditions. As the sovereignty of the national state is limited to the territory subject to its supremacy and has no jurisdiction outside its boundaries, it considers all kinds of international economic relations as serious obstacles to its policy. The ultimate goal of its foreign trade policy is economic self-sufficiency. . . .

The striving after economic self-sufficiency is even more violent in the case of socialist governments. In a socialist community production for domestic consumption is no longer directed by the tastes and wishes of the consumers. The central board of production management provides for the domestic consumer according to its own ideas of what serves him best. . . . But it is different with production for export. . . . The socialist government is sovereign in purveying to the domestic consumers, but in its foreign-trade relations it en-

counters the sovereignty of the foreign consumer. On foreign markets it has to compete with other producers. . . .<sup>5</sup>

In short, in order to control the domestic economy, and have it subject to no outside influences, socialism tends to try to have a self-contained economy.

### **Destroying the Market**

The market is anathema to socialism or to the idea that has the world in its grip. Socialists inveigh against capitalism and capitalists. But they are not the true enemy. Capitalists can be, and regularly are, bought; they can be controlled, manipulated, even used as instruments of government. They are paper tigers, easy to abuse in slogans but hardly formidable opponents of socialism generally.

The free market is another matter. It epitomizes what must be crushed if the idea is to triumph. In the free market, the pursuit of self-interest reigns supreme. There, the sellers display their wares as attractively as possible, hoping to get the best price possible for them. There buyers are dominated by one thought: to get the best merchandise for the lowest price. The market must be abolished. Or, it must be altered so drastically that self-interest no longer holds sway.

The massive revolutionary thrust in this century has been aimed at somehow abolishing or decisively al-

tering the character of the market. Entailed in this effort is the determined and tenacious attempt to transform man and society, for men make markets, and the market is a salient feature of society.

In theory, nothing should be easier than to abolish the market. All that is necessary is to abolish *all* private property. Then, since men will lack all means with which to trade, all trade will cease, all legal trade anyway. Any government that would go so far, however, would almost certainly be committing suicide. By abolishing private property and the market, it would not only remove the positive means that induce men to produce but a goodly portion of the negative, i.e., fear of punishment, ones as well. The most common and widely used means by which governments punish malefactors in our day is imprisonment. But imprisonment would involve no significant change in status for a people who could have no private property or engage in trade.

### As If in Prison

The parallel between the socialist premises and imprisonment is striking. The main impact of imprisonment is felt in the virtual abolition of private property and the drastic restriction of the market. The aim of imprisonment is presumably to punish by detention. But the effect would be the same if the aim were to

abolish the market. It is true that socialism has never threatened to cut off all nonpecuniary exchanges, but to the extent that it limits the market, it reduces the opportunity for these as well.

Even totalitarian socialist regimes have stopped short of abolishing all private property in their assault on the market, however. Indeed, it is probably beyond the power of government to extinguish all private property. Property is antecedent to government, having a factual basis in production and possession. The nearest thing we know to the abolition of private property occurred in the Nazi concentration camps and the Soviet labor camps, but even there men clung to the residues of possessions as property.

Be that as it may, socialists—that is, all those under the sway of the idea that has the world in its grip—everywhere carry on a virtually unremitting effort to limit, restrain, and control the market. Every effort to do so, however, tends to isolate each socialist state from every other nation. Efforts to control the money supply hamper foreign exchange. Efforts to control wages, usually to raise them, make trade with other nations difficult. In short, socialist experiments tend to cut nations off from one another and to pit them against one another. This was dramatically demonstrated by the Iron

Curtain around the Soviet Union and the Bamboo Curtain around China. The isolation of gradualist nations is not so dramatic, but the tendency is at work there as well.

### **Barriers to Trade**

The problem can be phrased this way: How can a nation's economy be managed when the economy is subject to the world market? The answer, of course, is that it cannot be. In their efforts to manage economies between World War I and World War II, nations almost everywhere erected barriers against world trade. This national socialism followed its logical course most fully in Nazi Germany and Fascist Italy. It followed an equally logical course as imperial socialism in the Soviet Union, although there it did not reach fruition until 1948, when all of eastern Europe had fallen under Soviet domination.

To the extent that a country is cut off from the world market it loses the advantages of international division of labor and specialization. It is cut off from many of the best sources of materials and better markets for its products. The most logical course then becomes to expand the area over which it has control. Indeed, the logic is world conquest.

After World War II national socialism was in disrepute. That does not mean that it has not been

practiced—Red China being the most horrendous example—but that it was not avowed as a purpose. Two varieties of international socialism emerged as dominant. One of these is international communism which, after the war, was centered in Moscow. The other, unnamed but nonetheless present as impetus, is international democratic socialism or gradualism. Its center was in Washington. The contest between them was the Cold War.

The Soviet Union sought to remove its isolation by expanding the communist system. (It could be argued that this represented no change in Soviet policy, since it had been trying to do so since 1918. Perhaps, though, there was a shift toward the emphasis of fostering communism instead of simply extending Soviet power.)

### **The Role Played by the U.S.**

The precise role of the United States in these developments needs a little further explanation before it becomes clear. Neither the United States nor other nations were opposed to foreign trade as such. The opposition of socialists is to the market, not to trade. To put it another way, if trade could be conducted as a part of the managed economy, could be collectivized, and carried on so as advance democratic socialism it would be entirely acceptable. In short, if trade could come

under the auspices of government instead of being carried on between peoples in the market it would lose its onerous character.

It is quite possible that no one conceived the matter in just this way, and it is certain that those who advanced the American programs did not publicly state the case for them in this fashion. In any case, socialists have not been inclined to acknowledge that barriers to trade arise from socialist practice, if they were aware of it. (Quite often, they don't even admit they are socialists, especially in the United States.) So far as Nazi Germany and Fascist Italy were concerned, those were "right wing" movements, according to other socialists. Of course, it is no secret that countries following collectivist practices have difficulties in foreign trade. But they are not ascribed to socialism. They are ascribed to dollar shortages (American printing presses have finally eased or removed that one!), to trade imbalances, to the devastation of wars, to cold winters, to droughts, to industrial backwardness or underdevelopment, to colonial exploitation, or to a hundred and one other conditions.

Even so, the problem was there, and it was real, whether it could be openly faced or not. Namely, how could socialism be an international movement? How could nations open up to one another in mutual benefit

rather than each be cut off from the other in isolation and mutual antagonism? How could Soviet socialism be undercut, contained, and perhaps tamed by gradualist socialism? Although there is no reason to suppose that American intellectuals were wrestling with these problems formulated in this way just after World War II, they were wrestling with problems stemming from them.

### **The Marshall Plan**

An American plan for dealing with these problems began to emerge in 1947. There had been an earlier American plan—the United Nations—but it was thwarted by Soviet obduracy plus a lack of determination from other nations. It was first expressed in the Truman Doctrine in connection with aid to Greece and Turkey. President Truman said, in part:

The seeds of totalitarian regimes are nurtured by misery and want. They spread and grow in the evil soil of poverty and strife. They reach their full growth when the hope of people for a better life has died. We must keep that hope alive.

The free peoples of the world look to us for support in maintaining their freedoms. If we falter in our leadership, we may endanger the peace of the world—and we shall surely endanger the welfare of our own nation.<sup>6</sup>

It was, however, Secretary of State George C. Marshall who gave

much more definitive form to the plan. In a speech at Harvard University, delivered on June 5, 1947, he set forth some ideas which were quickly dubbed "The Marshall Plan," and became the foundations of an American plan. Two key points emerge from the address. The first is his statement of the purpose: "Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world. . . ."7 The other was the method. Secretary Marshall took care to emphasize that the initiative in devising the particulars of the plan must come from European nations. "It would be neither fitting nor efficacious," he said, "for this Government to undertake to draw up unilaterally a program designed to place Europe on its feet economically. This is the business of the Europeans. The initiative, I think, must come from Europe. The role of this country should consist of friendly aid in the drafting of a European program and of later support of such a program so far as it may be practical for us to do so. The program should be a joint one, agreed to by a number, if not all, European nations."<sup>8</sup>

If Marshall's program was anti-communist, it was surreptitiously so. Communist countries were invited to the initial conference, and

one accepted. The Soviet Union intervened, and none of the countries in the Soviet orbit participated.

When the Marshall Plan was put into effect heavy emphasis was placed upon the "joint effort" and "economic cooperation." Truman described the plan this way: "This was our proposal, that the countries of Europe agree on a cooperative plan in order to utilize the full productive resources of the continent, supported by whatever material assistance we could render to make the plan successful."<sup>9</sup> The participating countries made a formal pledge "to organize together the means by which common resources can be developed in partnership. . . ."10 The thrust of the programs as activated was to promote economic union of European countries.<sup>11</sup> The main outcome was the Common Market.

### **Massive Redistribution**

The Marshall Plan was a major breakthrough for gradualist socialism. Theretofore, the interventionist measures associated with gradualism had tended to raise barriers between nations. The Marshall Plan attempted to lower the barriers within a region of the world while promoting collectivism on a broader scale. The Marshall Plan was socialistic, in the first place, because it entailed American aid to European countries. Tens of billions of the wealth of Americans was trans-

ferred to Europe, a clear cut case of redistribution of wealth. More, the program promoted collective action by several participating countries. Moreover, it enabled countries to continue their domestic socialist programs by negotiating arrangements with other countries that would leave them undisturbed.

The question of whether or not the United States should promote free enterprise by the European Recovery Program was resolved in this way by a committee:

Aid from this country should not be conditioned on the methods used to reach these goals, so long as they are consistent with basic democratic principles. . . . While this committee firmly believes that the American system of free enterprise is the best method of obtaining high productivity, it does not believe that any foreign-aid program should be used as a means of requiring other countries to adopt it.<sup>12</sup>

It would have been surprising if the committee had determined otherwise, since the United States was extending aid to the Labour government in England which was busily nationalizing industries before the Marshall Plan got underway.

### Extending the Vision

Despite its extensive scope, the Marshall Plan was a limited program, limited to Europe and to a few years to help these countries recover from the ravages of war. However,

President Truman was not long in extending a vision of American help to the whole world. Following his re-election in 1948 he announced what he called the Point Four Program. He explained the program this way:

Point Four was aimed at enabling millions of people in underdeveloped areas to raise themselves from the level of colonialism to self-support and ultimate prosperity. All of the reports which I had received from such areas of the world indicated that a great many people were still living in an age almost a thousand years behind the times. In many places this was the result of long exploitation for the benefit of foreign countries. . . . This was the curse of colonialism. . . .

In this country we had both the capital and the technical "know-how". I did not see how we could follow any other course but to put these two great assets to work in the underdeveloped areas in order to help them elevate their own standards of living and thus move in the direction of world-wide prosperity and peace. . . .<sup>13</sup>

The following are examples, cited by Truman, of programs undertaken under the auspices of Point Four:

A monetary, fiscal, and banking system was introduced in Saudi Arabia. Schools of medicine, public health, and nursing were set up in several countries. A 75,000-acre irrigation project in the Artibonite Valley of Haiti got underway. A great multi-purpose hydroelectric plant was constructed in the Mexican state of Michoacán. Irrigation projects in Jordan were started to create 120,000 acres of arable land providing

homes and six-and-a-quarter-acre tracts for 21,000 families consisting of 105,000 individuals.<sup>14</sup>

### **Economic and Military Aid**

Very soon after its inception, indeed, in some places from the beginning, foreign aid was of two kinds: economic aid and military aid. The whole became a vast effort to arm and assist in feeding peoples around the world. Within a decade after World War II, American influence was extended to virtually the whole of the non-communist world. A political scientist imaginatively described the American "presence" this way:

The extent and depth of American commitments in the postwar world were staggering. In the decade after the war Americans took the lead in the United Nations and American soil became the site of the world's "capital." Americans ruled alien peoples in Germany, Austria, Italy, Trieste, Japan, and Korea; and American generals, like Roman generals of old, became world famous as proconsuls. Peacetime "entangling alliances" were made with Europeans, with Asiatics, and with countries as far away as Australia and New Zealand. American spheres of influence arose in Greece, Turkey, and Saudi Arabia, and extended in circular half-moon fashion through the Japanese islands, the Ryukus, Formosa, the Philippines, the Carolines, and the Marshalls. The internal politics not only of Latin American countries but also of European, African, and Asiatic countries turned on American policy.

The following are net figures for foreign aid from the United States for the years 1945-1965. The total for economic and military aid was slightly over 100 billion dollars. Economic aid to western Europe amounted to \$23.8 billion; military aid to \$16.2 billion. To the Near East and south Asia, \$15.4 billion in economic aid; \$6 billion in military aid. To the Far East and Pacific, \$14.5 billion in economic aid; \$12 billion in military aid. In the Western Hemisphere, \$5.6 billion in economic aid; \$1 billion in military aid.<sup>15</sup>

### **"Democracy" as a Code Word**

Our concern here is primarily with how this expansion of wealth and influence contributed to the spread of gradualism. The ostensible purpose of the aid was to spread and buttress democracy and build the sort of regimes that would resist communism. "Democracy," as earlier noted, was a code word for democratic socialism, at least as used by many intellectuals. In practice, this meant that where American aid went the prevalent American notions of the role of government went also. Here is an example of the development of an argument for this in an Economic Cooperation Administration report to Congress:

No modern self-governing state—and especially no state with a democratic form of government—can maintain itself

and develop its potential unless it performs a minimum of public services in the fields of health, agriculture, education, transport, power and communications, industry and overall planning. The countries of southeast Asia . . . are acutely deficient in these public services. . . . The initial step in any program . . . must therefore be the organization and maintenance of adequate, self-sustaining public services.<sup>16</sup>

Another report was even blunter, declaring that we must assist in the "creation of social and economic conditions and institutions under which the people feel that their basic needs and aspirations are being satisfied by their own free and independent governments."<sup>17</sup> In short, the foreign aid programs aimed to strengthen governments by helping them to provide for the needs of their citizens.

### **Building a Base for Socialism**

In the broadest sense, what animated the foreign aid programs can be described as follows. The most basic appeal of socialism is the promise of redistributing the wealth. However, industrially undeveloped countries had very little wealth either to distribute or redistribute. (The same had been true, to a much lesser extent, of war-ravaged countries.) Nor did they have modern weaponry with which to consolidate their own power over the populace or to defend themselves from foreign

invaders. The United States intervened by providing wealth, or a modicum of it, for governments in these countries to distribute, and weaponry to build up military establishments.

The aim was not to make these countries permanently dependent on largess from the United States. Direct aid in goods and materials was supposed to be a stop-gap measure. The aim was to develop these countries so that they would no longer require such aid. This was affirmed over and over again in public statements, and there is little reason to doubt the sincerity of such intentions. One may surmise that if a country could learn the techniques and develop industries they could then engage in their own redistribution programs.

But if each country in the world became self-sufficient, the world would presumably be caught up in the inner contradictions of socialism, namely, each country isolated from every other. There is, of course, no danger that countries will become self-sufficient. The tacit premise of socialism is that all the goods will be more or less equally available to all the peoples of the world. That is hardly a project that could be accomplished once and for all, if it could ever even be momentarily accomplished. Droughts, floods, hurricanes, tornadoes, discoveries of rich mineral deposits, in-

### **A Mistaken Idea**

THERE could hardly be a more perverse and mistaken idea than the idea that you can fight communism with socialism. So-called "gradual" socialism is at best a halfway step toward communism. The economic ideals of socialism and communism are identical. Both believe in government ownership and operation of the means of production. Once this ownership and operation become sufficiently extensive, the government has economic life-and-death powers over the individual. It can say where he must take his job, what job he must take, or whether he can take a job at all. And once the government has this power, the liberty of the individual has in fact, if not in form, disappeared. As Alexander Hamilton pointed out in the Federalist Papers a century and a half ago, "a power over a man's subsistence amounts to a power over his will." . . .

Under capitalism, in addition to the possibility of going into business for oneself, there are in the United States several million employers competing against each other for labor. Their competition not only raises the wages but protects the liberties of the worker. His situation becomes incomparably worse when he must bow to the will and terms of a single employer, the State. The history of the spread of socialism is in fact a history of the disappearance of peace, representative institutions, limited government, and personal liberty.

HENRY HAZLITT, *Will Dollars Save the World?* (1947)

ventions, and what have you, would be continually unbalancing the division.

### **A Brotherhood of Nations**

The foggy dream which impels gradualists is not of some final resolution in which socialism will have been achieved but of an enduring effort to shift the world goods where they are wanted. They will have the mechanism for the activity when some international body has been

empowered to take from the haves and provide for the have-nots everywhere in the world. Pending that, the task is for wealthy and "enlightened" nations to provide for those who have less. A kind of brotherhood of all nations is supposed to emerge from all this, nations which no longer advance the self-interest of their own people but are exclusively concerned with the well-being of all mankind.

In the real world that did not come

to pass. As soon as the Arabs had the technology for producing oil within their bounds they took it over and jacked up the price of oil. They utilized their regional association to form a giant oil cartel. Military aid has all too often turned into military rule within countries. American aid was often a handy device for keeping a particular party in power. But, above all, the amount of foreign aid never kept up with the dreams and expectations of the people to whom it was extended. Underdeveloped countries remained underdeveloped countries for the most part, their foreign aid spent for showy demonstration. True, the foreign aid programs spread the virus of socialism. They helped to fasten on most of the peoples of the world the notion that they should look to their governments to take care of them. But it was never enough—it could not be—to produce what it promised.

In consequence, by the 1960s many countries were leaving the American orbit. For the most part, they were not going into the Soviet orbit, not headlong anyway. They declared themselves unwilling to be participants in the Cold War, and many of them were clearly not sold on the superiority of gradualism. That was for Western nations who had already developed their

technology. They would have to find another way. It is time now to discuss the development of this Third World.

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Next: 28: *The Cold War: The Third World.*

### —FOOTNOTES—

<sup>1</sup>Harry B. Price, *The Marshall Plan and Its Meaning* (Ithaca, N.Y.: Cornell University Press, 1955), p. 172.

<sup>2</sup>Robin W. Winks, ed., *The Marshall Plan and the American Economy* (New York: Henry Holt and Co., 1960), p. 15.

<sup>3</sup>*Ibid.*, p. 25.

<sup>4</sup>Selig Adler, *The Isolationist Impulse* (New York: The Free Press, 1957), p. 365.

<sup>5</sup>Ludwig von Mises, *Omnipotent Government* (New Rochelle, N.Y.: Arlington House, 1969), pp. 72-73.

<sup>6</sup>Hugh Ross, ed., *The Cold War: Containment and Its Critics* (Chicago: Rand McNally, 1963), p. 7.

<sup>7</sup>Winks, *op. cit.*, p. 14.

<sup>8</sup>*Ibid.*

<sup>9</sup>Harry S. Truman, *Memoirs, II, Years of Trial and Hope* (Garden City, N.Y.: Doubleday, 1956), 114.

<sup>10</sup>Price, *op. cit.*, p. 39.

<sup>11</sup>See *ibid.*, pp. 121-22.

<sup>12</sup>*Ibid.*, p. 44.

<sup>13</sup>Truman, *op. cit.*, p. 232.

<sup>14</sup>*Ibid.*, p. 237.

<sup>15</sup>Donald B. Cole, *Handbook of American History* (New York: Harcourt, Brace, & World, 1968), p. 287.

<sup>16</sup>Price, *op. cit.*, p. 205.

<sup>17</sup>*Ibid.*, pp. 205-06.

# Egalité?— Sheer Illusion!

THE VIEW that equality is a goal which the human race should strive to reach is widely accepted and supported, in one form or another, although this hazy concept has always been found wanting when subjected to careful scrutiny. Perhaps a few comments on the limitations of the egalitarian dream, in some of its current manifestations, are not inappropriate at this time.

To begin with I'll take note, briefly, of two fundamental obstacles to achieving complete equality among individuals or groups, large or small. One is the impossibility of

providing each of the several billions of our present population with precisely the same endowment of the natural resources of benefit to man. Mother Earth's bounties are not uniformly distributed over the habitable surface of the globe, and there is literally no practical way by which each of us can be equally endowed with sunshine, rainfall, fertility, timber, mineral resources, and so on. Substantial mitigation of the impact of these differences would be possible in a condition of permanent peace plus expansion of international trade, but to date the human race has failed to move decisively in this direction.

Even more inherent and insurmountable is the variation plainly in evidence in the native qualities of individuals and groups. Diversity is

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