AMERICA'S STAKE IN THE PRESENT WAR
AND THE FUTURE WORLD ORDER

The Area of Agreement at

the 5*th* Fortune Round Table

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The Fifth FORTUNE Round Table

A group of representative citizens discusses the vital question of U.S. international relations

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America's Stake in the Present War and the Future World Order

I. Introduction

FOR the second time in twenty-five years Europe finds itself at war. Surveys show the American people overwhelmingly in sympathy with the Allied cause, but desperately anxious to keep out of war themselves. The Round Table joins in this point of view. We do not foresee at this time circumstances in which American interests and welfare would be served by participation in this war, even though some of us recognize that such circumstances might conceivably arise later. Nevertheless we believe that the country should not allow its passionate desire for peace to obscure the fact that its interests may be greatly affected by events overseas.

Although the outbreak of war has given rise to new domestic problems, our task has been to deal with them only incidentally. The Round Table has devoted its attention primarily to the major question of what effect a war resulting in totalitarian victory, social revolution, or widespread chaos in Europe, would have upon (1) the economic system, (2) political institutions, and (3) American military security. We have examined this question in the light of the situation in Europe and also in the Orient.

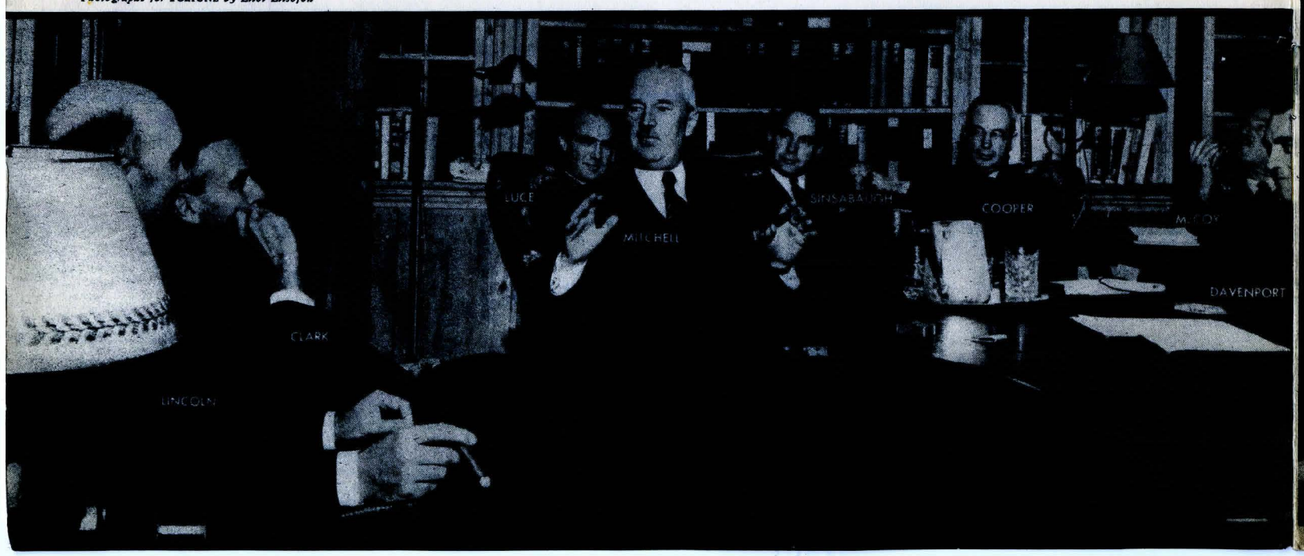
The U.S. today is one of the world's greatest powers. In population it outnumbers any nation in Europe, except the U.S.S.R. In technological skill and raw-material and labor supply it is unrivaled. Within its borders is housed about 45 per cent of the manufacturing activity of the world. Vast oceans separate it from Europe and the Orient, and it is fortunate to have friendly and pacific neighbors on each border.

The U.S. has far-reaching economic and cultural links with other countries.

YET despite its continental proportions, the U.S. does not live an isolated existence. Its cultural, economic, commercial, and financial life is closely linked with other countries. It has exported large quantities of wheat, cotton, tobacco, and lard. Owing to low unit costs, American mass-production industries have sold many of their products in every corner of the globe, in competition with the cheapest labor. In 1938 the U.S. was the world's greatest exporter, surpassing even Britain. Despite numerous defaults and repatriations of foreign securities, it is still a creditor nation, and its branch factories and direct investments are to be found throughout the world. In 1938 over 32,000 ships cleared American for foreign ports, and the U.S. merchant marine was second largest in the world. American aviation has spanned the Atlantic and the Pacific; it operates a regular transportation service to the confines of Asia and Europe and throughout the length and breadth of Latin America—a service now being extended to Oceania. Owing to the relative security of our country, the U.S. has become a haven for refugee capital from abroad. Today it holds about 65 per cent of the world's gold. Although the war has stopped the stream of several hundred thousand American tourists who annually visited Europe, this country now provides a home for some of the most renowned European artists and scholars.

So far the American people have paid little attention to the question of whether the U.S. can afford to adopt a passive policy of indifference to international affairs; or whether when a proper opportunity arises it is in the American interest to attempt to assist the outside world to follow the principles of democracy and free enterprise. Before this question can be answered it is necessary to review how American interests may be affected by the future course of events.

Photographs for FORTUNE *by Eliot Elisofon*



II. The U.S. economic system in a totalitarian world

FROM the strictly commercial point of view the immediate effect of the outbreak of war has been to stimulate certain branches of industrial activity. For the past seven years this country has endeavored to bring about recovery largely by domestic means; but the result has not been successful. Unlike the European belligerents, the U.S. has idle plant, idle men, and idle money. During recent months, however, a recovery has been under way. One view is that the recovery started well before the war broke out; another is that it was due largely to the prospect of war orders. In any case it is too early to determine whether the U.S. is going to enter a war boom, involving the danger of inflation; whether a new recession will occur; or whether a steady recovery will develop. We believe that American business and other economic groups have already shown an awareness of the new economic problems caused by the war and of the economic readjustments that the U.S. must make when the war comes to an end. Today, however, no one knows the extent to which war orders will be forthcoming or whether they can be filled without detriment to normal activities. The Round Table does not favor the imposition of any drastic government controls over economic life to meet contingencies that may not arise.

What interests us primarily is the longer-range question of whether the American capitalist system could continue to function if most of Europe and Asia should abolish free enterprise in favor of totalitarian economics as the result of this war. The U.S.S.R., Germany, Italy, Spain, and Japan, not to mention other countries, have all adopted some form of state capitalism. Going further than any other country, the U.S.S.R. has nationalized all means of production. In the other totalitarian systems, private enterprise continues to exist on paper, but businessmen have lost their freedom and initiative, becoming mere agents of the state. In Germany, even before the outbreak of war, government officials fixed prices, working conditions, and quotas of production in many industries. Two-thirds of the national income was expended in one way or another by government, while public investment absorbed nearly all available savings. Free labor unions and the right to strike

THE AREA OF AGREEMENT

The Round Table believes that if the war in Europe results in a German victory or widespread social revolution, it will severely injure the welfare of the American people, in these terms:

1. *U.S. Economic Life.* If this war leads Europe to adopt the totalitarian economic system, in which government directs production and foreign trade, the U.S. might move in the same direction, for reasons of self-defense.
2. *Political Institutions.* If the U.S. were the one remaining democracy in a totalitarian world, it would live under the fear of attack from without and subversive propaganda from within and might develop a native totalitarianism of its own.
3. *U.S. Military Security.* U.S. military commitments would inevitably be increased by the success of Germany in sinking or acquiring the British fleet. Also by the success of Japan in establishing a "new order" in Asia.

The Round Table rejects: (1) participation in the present war under circumstances now visible; (2) abandonment of the U.S. world position through surrendering neutral rights, adopting economic self-containment, or acquiescing in Japanese demands in the Orient.

The Round Table favors:

1. Defense of U.S. rights under international law.
2. Postponement of Philippine independence, if the Filipino people request it; U.S. refusal to recognize Japanese "new order" in Asia; help to China either through an embargo against Japan or a government loan to China.
3. Promotion of Latin-American exports, provided imports are also increased.
4. Use of Trade Agreements Act to guard against price increases and protect U.S. balance of payments.
5. Maintenance of an effective military establishment, provided it is adequately financed.
6. U.S. participation in organization for peace.
7. New attack on domestic problems.

SEPARATE VIEWS

One member believes that U.S. should extend active aid to Allies, short of participation in war. Another believes that communism will be the only gainer of a long war and that U.S. should either induce belligerents to stop, or, adopting complete aloofness, prepare to meet the resultant debacle alone.

WHERE THE ROUND TABLE MET

did not exist, and parliamentary government and freedom of the press had disappeared. Similar restrictions are found in other totalitarian states.

The totalitarian system has done away with old methods of foreign trade under which individuals could buy and sell goods in foreign countries in competition with each other within the limits fixed by tariffs. Under this system long-term commitments could be made because of the existence of the gold standard, respected by nearly every country. Governments did not bother about trying to "close the circle." If goods and services did not offset each other over a period of time, the difference was paid by shipping gold. This system of relatively free international trade and investment brought about a vast increase of production and purchasing power throughout the world.

In a large part of the world this system of international trade has broken down. During the depression the gold standard was abandoned, and many countries established control over all exchange transactions. Some systems of exchange controls are more severe than others; but even before the outbreak of war many governments had erected what amounted to foreign-trade monopolies that carry on trade either by barter or by dumping in free markets at the expense of minimum labor standards. Through such monopolies governments could quickly shift orders or sales from one country to another so as to exert political pressure, and could disorganize world prices either to advance political ends or to obtain the foreign exchange essential to buy certain vital imports.

The old system of international trade, to which the U.S. still clings, was carried on by individuals competing with each other. But the totalitarian system means government-conducted foreign trade in which the exchange of goods is dominated not by competition or the market but by diplomatic negotiation. Foreign trade has thus tended to become political instead of economic.

Although England and France have clung to the capitalist system, the outbreak of war has obliged them to regiment internal production and foreign trade to a large extent. The longer this war lasts, the more difficult it may prove to be for these democracies to throw off these regimented controls upon the advent of peace. There is a real danger, therefore, that as the result of a long war all the belligerent powers will permanently accept some form of state-directed economic system. The question is whether the U.S. can maintain free enterprise at home when most of the world has adopted regimented economics.

Americans individually cannot compete against foreign-trade monopolies.

IF VIRTUALLY all foreign governments adopt foreign-trade monopolies and conduct foreign trade upon a barter basis, American exporters and importers will inevitably be at a disadvantage, for an individual cannot compete against a state. Should Japan succeed in dominating the raw materials of the Orient, it would presumably have surpluses to sell to the U.S., which as a large buyer would still have some influence on the price. Nevertheless the amount and price would in large part depend upon whether Japan succeeded in building up the Orient as a vast self-contained unit.

In such a world it is clear to us that the U.S. would either have to renounce foreign trade, which is important even though constituting a small part of total production, or establish severe government controls over foreign trade to cope with totalitarian competition. We believe that international friction would increase rather than decrease as the result of intergovernmental bargaining for markets, particularly when such governments are inspired by different ideologies. There is good reason to believe that the adoption of a foreign-trade monopoly by the U.S. would, step by step, lead to similar controls over vast segments of our internal economy. Foreign experience demonstrates that when a government dictates exports and imports it automatically obtains the power to control the output of leading domestic industries dependent on imported materials or foreign sales. We do not know how real the danger is. Nevertheless if the rest of the world adopts totalitarian economics, the U.S. as a matter of self-defense will be tempted to move in a similar direction; and we deplore any such development, because it may lead to new international irritations and growing regimentation over domestic economic life.

One of our members points out that in the past Britain has given keener competition to the U.S. abroad than any of the totalitarian powers. This has been due in part to the fact that the British Government extends political assistance to its traders. Throughout the whole British Empire a system of imperial preference prevails under which British goods move at a much lower duty than foreign goods. In this respect British policy differs little from that of the U.S., which has used the protective tariff to favor domestic producers. The Round Table realizes that the economic nationalism of the democracies is in part responsible for the worldwide maladjustments against which the totalitarian powers have revolted. Nevertheless, we believe that the U.S. has far more to gain if it can induce the rest of the world to reconstruct free enterprise upon an international basis than if it passively allows the economic life of the world to become dominated by the totalitarian system, which would be the result of a long war, particularly one resulting in German victory.

III. U.S. democracy in a totalitarian world

EVEN more important than material welfare is the question of whether free institutions can flourish in the U.S. when they have been undermined elsewhere as the result of war, social revolution, or complete chaos. Politically free institutions mean two things: (1) government by the consent of the governed—the free choice of rulers through an extensive franchise and uncoerced elections; (2) the recognition of certain basic individual rights, such as religious liberty and freedom of discussion, which even the majority must not infringe.

From the economic standpoint free institutions in most countries in the past have rested upon private enterprise. We do not mean to imply that a government that enacts reasonable measures of social regulation to make private enterprise more responsible and effective cannot retain the essentials of free institutions. But we do believe that when a government goes so far as to fix prices, wages, hours, and quotas of production, the freedom of such institutions will become nominal. Should the U.S. adopt such a system, the Administration could hardly allow an elected Congress to interfere with the executive determination of prices or wages; and indeed it would be difficult under such a system to find any standards that Congress could attempt to impose on the executive. Moreover a democratic government undertaking to dictate detailed economic decisions would be constantly harassed by pressure groups, to the detriment of the nation as a whole. In other countries parliaments unable to cope with such groups have given way to dictatorship. Particularly at the present stage of public administration in the U.S., the less direct responsibility for the detailed functioning of our economic order is placed upon government, the more likely it is that our basic political institutions will persist.

If as the result of this war Europe becomes dominated by totalitarian regimes of whatever name, the task of maintaining free institutions in the U.S. will certainly be much more difficult. The American democracy has customarily delegated vast powers to the chief executive in time of war or great emergency. And it is entirely conceivable that as a result of the present war international tensions will arise that will force the U.S. to live in a chronic state of emergency, fearing military attack from without and subversive propaganda from within. To obtain unity against a foreign danger a democracy must inevitably curtail discussion; a sense of peril demands sacrifice, particularly in respect to civil liberties, in order that the nation may survive. If this sense of peril should become continuous our democracy might gradually wither away.

In a totalitarian world U.S. armament expenditures would greatly increase.

SHOULD the U.S. become the only democracy existing in a totalitarian world it undoubtedly would live in fear of the possibility of outside attack that hitherto has been absent. In this kind of world it would inevitably devote a much larger share of national income to armaments than in the past. If government expenditures should be vastly increased for armaments, private investment and enterprise might become more timid than ever. Under such conditions, particularly if a state of continuous international tension develops, government might be forced to put its hands on industry, resorting to totalitarian short cuts in order to mobilize national resources for purposes of defense. For example, the military authorities might say that the need for military planes had become so great that the production of pleasure cars must be curtailed. In our opinion, the increased armament expenditures, made necessary by the fact that the U.S. was the one remaining great democracy in the world, would involve growing centralization in government and increasing danger of industrial and political regimentation.

When a democracy goes to war it necessarily must modify the rules of capitalism and of free political discussion. The popular claim that American democracy would be destroyed permanently if the U.S. became involved in war we do not regard as well founded. The experience of the World War showed that although the leading democracies suspended their customary liberties in wartime, they restored them promptly when the war came to an end. We do not believe that the U.S. should go to war to safeguard its democracy; but the country should not overlook the continuing strain imposed upon American institutions by a chronic state of uncertainty and apprehension—of no peace and no war—which would probably be the result of a totalitarian victory in Europe and Asia.

In addition to a new sense of military insecurity, the American public under the conditions here envisaged would probably be subject to increased foreign propaganda. The apprehensions reflected in the present investigations of the Dies committee are very largely a product of the international situation. Neither the Communist party nor the Bund may be important in the U.S. today, but certainly their appeal would increase, particularly among underprivileged and disgruntled Americans, if the totalitarian powers won this war. An idea feeds on success. If communism or fascism triumphs over democracy in Europe some Americans will say it can be made to work here.

Although democracy's most vital tenet has been freedom of speech, democracy has always presupposed agreement on certain moral values—such as the existence of certain individual rights that the majority could not overturn—as well as on intellectual and moral standards that gradually work in the direction of truth. During the past twenty years many intellectuals have contributed to the undermining of these values by their debunking of nearly every aspect of American life and by creating an attitude of mind that may play into the hands of totalitarian ideas. Some Americans are so eager to keep out of war that they do not hesitate to distort the issues involved, even accepting at face value some of the most impossible Nazi accusations. In the opinion of the Round Table this mental atmosphere—this propaganda of disbelief—which is now being assiduously cultivated by totalitarian propaganda, may bit by bit undermine the assumptions of democracy unless it is changed. The often expressed uncertainty as to the validity of our past institutions as well as the existence of any ideological issue in the present world crisis creates a spirit of disillusionment that may finally lead many to grasp at the false dogmas offered by the totalitarian religions.

Although legislation may drastically curb Nazi and Communist propaganda, there is a danger that to fight totalitarian ideas this country may resort to dictatorial methods, thus developing a native totalitarianism of its own. Even if such legislation remained within democratic bounds, it would merely drive these alien movements underground where they would corrode American unity more than ever, unless this country develops some dynamic alternative.

As against these dangers there are certain offsets. If Hitler has destroyed democracy in Germany he has unconsciously stimulated interest in it here. Aroused by the events in Germany and elsewhere, Americans are displaying a greater appreciation of traditional ideals and institutions than at any time in many years Some of us believe that it will be extremely difficult for a single democratic state to survive if the outside world becomes totalitarian, simply because of the permeating influence of dynamic ideas, the transmission of which has been enormously facilitated by the radio and movies—that there is a Gresham's law in international life under which democracy will be overwhelmed by inferior but more aggressive forces. Others do not share this fear, believing that the attachment of the American people to their basic institutions and their national genius will assure the survival of free institutions here, regardless of what happens elsewhere. All of us, however, agree that the strongest protection of democracy lies in a more successful effort to solve the U.S. economic and social problems by democratic means, to purify and strengthen the American political system generally, and to obtain a new sense of moral values.

IV The problem of security

SOME Americans profess to believe that, regardless of the outcome of the wars in Europe or Asia, the Western Hemisphere will remain safe because of its geographic position. We agree that there is no danger of aggression so long as the wars continue in Europe and the Orient and so long as Germany does not have a first-class fleet. If the war should end in a deadlock, the resultant balance of power would work to the advantage of the Western Hemisphere. At the same time, the recuperative powers of Europe are remarkable; and if that continent ever became united upon a totalitarian basis, both economic and ideological motives might inspire it to expand in the direction of the Western Hemisphere. For South America today is one of the most underpopulated continents and is also one of the greatest undeveloped reservoirs of raw materials. Moreover, the development of new methods of warfare, particularly in the air, has made aggression in this part of the world far less difficult than a few years ago. Aviation experts are talking about larger aircraft and much more powerful engines. Should such engines become feasible, transatlantic bombing would become a definite possibility. The military danger to the Western Hemisphere certainly is not immediate and can be exaggerated; but we do not believe that the American people will trust the security of the Western Hemisphere or even their own territory to the self-restraint or weakness of the totalitarian powers.

Already American military commitments and expenditures have vastly increased as the result of international tension. Today the U.S. Government is virtually committed to the defense not only of the continental United States but of the whole Western Hemisphere, including Canada and the outlying islands. Likewise, the U.S. must defend the Philippines

MR. LITCHFIELD, MR. COOPER

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until 1946. Moreover, should Japan or Germany threaten to seize Australia and New Zealand the sense of peril of the American public might be aroused to the extent of demanding that its government intervene. Almost unconsciously the U.S. has assumed vast military commitments in the name of isolation. Even if presidential declarations cannot bind Congress the very nature of the U.S. defense problem and the Monroe Doctrine would make the present scope of our commitments almost inevitable.

U.S. insecurity increased inevitably by German or Japanese victory.

AMERICAN feeling of insecurity in our opinion would be greatly increased in the event of two contingencies: (1) a German victory in the present war so sweeping that all of the British and French battle fleets would be surrendered or destroyed; (2) a negotiated peace in which Britain and France would feel obliged to cede possessions in the Western Hemisphere or on the west coast of Africa, and possibly hand over part of their fleets to Germany. Hitherto, an attack upon the U.S. or the Western Hemisphere from across the Atlantic has been hardly conceivable. As a rule the U.S. has kept its fleet in the Pacific, knowing that the Atlantic was dominated by a powerful and friendly British fleet. But should this fleet be destroyed, or, as the result of diplomatic developments, should it become neutral or conceivably pass into the hands of totalitarian powers eager to expand, the situation would be radically changed.

The question whether hostile overseas powers can successfully attack the Western Hemisphere depends upon whether their navies and air forces can establish and hold bases in this hemisphere. Should Newfoundland, Bermuda, or the Bahamas pass into the hands of an unfriendly power, a large part of the industrial area of the U.S. would at once become vulnerable to air attacks. Should such a power or combination of powers succeed in establishing air bases in Brazil or other parts of Latin America, the Panama Canal, the most vital link in our defense chain, would be similarly exposed.

To meet these contingencies the U.S. has already proceeded to strengthen its armed forces. The navy is being expanded beyond "treaty strength"; the army is being strengthened; and an air force of 5,500 military planes is authorized for 1941. Steps are being taken to improve bases in Puerto Rico, Hawaii, Alaska, and elsewhere; and Congress has authorized a third set of locks for the Panama Canal, which will greatly reduce the likelihood of its being closed by bombing. Military expenditures have jumped from 500 million dollars in 1934 to about 1.6 billion dollars in the current fiscal year. If Congress adopts rumored recommendations, military expenditures will leap to three billion dollars in a year or two.

In addition to strengthening the armed forces, the present Administration has endeavored to protect our security against future contingencies by reasserting the Monroe Doctrine. In 1830 Secretary of State Van Buren informed the Spanish Government that the U.S. would not consent to the transfer of Cuba to any European power. Consequently, when President Roosevelt in his address at Kingston, Canada, August 18, 1939, declared that the United States would not "stand idly by" if Canada were threatened by outside domination, he was merely reiterating an interpretation of the Monroe Doctrine that had been in existence for more than a hundred years. Should Britain or France be defeated in this war and be obliged to consider the cession of territory in the Western Hemisphere, the danger to the Monroe Doctrine would be so obvious that Congress undoubtedly would authorize the use of force if necessary to prevent the transfer, even though the U.S. might thereby become technically speaking the aggressor. This danger might become more immediate if European belligerents should overrun small, neutral countries having colonies strategically located with respect to the U.S.—such as Denmark or the Netherlands.

The security of the Western Hemisphere, in our view, might also be endangered if the totalitarian powers succeeded in establishing air or naval bases in West Africa or in the Azores. From such a vantage point they would be closer to the east coast of South America than is the U.S. Only recently Italy has organized a proposed air route to Brazil that will probably touch at Lisbon and Cape Verde, thus avoiding the French and British flying fields at Dakar and Bathurst. A similar route might be used by a European power for aggressive purposes.

To meet such dangers a number of Americans propose that the U.S. extend the Monroe Doctrine so as to erect a prohibition against the transfer of any territory in West Africa by one European power to another, thereby ensuring that such colonies remain in friendly hands. The Round Table would point out, however, that such a declaration would certainly constitute an act of potential intervention in an area always under European influence, and would still further extend the military commitments of the U.S. For if the European powers transferred such territory despite American protest, the U.S. would either have to fight or make an ignominious retreat that might increase the demands made upon it later. For these reasons, we seriously question the expediency of thus extending the Monroe Doctrine.

Other even more unpleasant contingencies may arise out of this "hemispheric" policy of self-defense. Because of the Monroe Doctrine the U.S. today is in the anomalous position of being obliged to defend those parts of French and British territory in the Western Hemisphere against conquest, although such territories are now belligerent.

To remove this anomaly a few Americans have gone so far as to demand that the territories in this hemisphere now under European sovereignty be obliged to become independent of Europe. In the Senate a leading isolationist has even declared that the U.S. should seize nearby British and French territory unless the inter-Allied debt is paid. We believe few Americans will take these proposals seriously, for they would plunge this country down a path of imperialism and make it party to the acquisition of territory regardless of the wishes of the inhabitants.

Nevertheless should Europe become united on a totalitarian basis, it is not impossible that certain Latin-American governments would fall under the control of similar antidemocratic governments, perhaps because of internal revolution assisted from without. By virtue of obligation and ideology, such governments might then go so far as to conclude alliances or grant bases to totalitarian governments overseas. Although under the rules of international law they would have the right to do so, obviously such a development would inject both antidemocratic ideologies and the European system of power politics into the Western Hemisphere to the ultimate injury of the U.S. Undoubtedly the American public would become aroused by such developments and might demand that the government resort to unilateral force to prevent a European power from thus obtaining a foothold. We do not believe that these dangers are imminent, but they certainly will have to be envisaged in the event of totalitarian victory in the present war.

Meanwhile, as the result of our commitments in the Philippines and the strong position taken by the U.S. in the present Sino-Japanese war, the interests of Japan and the U.S. conflict at many points. The preoccupation of France and Britain with war in Europe leaves the U.S. as the only great power, with the possible exception of the U.S.S.R., to restrain Japanese imperialism. Thus the world situation, coupled with our American policies, has already imposed upon the U.S. important commitments that will inevitably increase if Japan succeeds in establishing "the new order" in Asia or if Germany succeeds in sinking or acquiring the British fleet.

To meet such dangers, Congress undoubtedly will vote any sums that the President deems necessary for national defense. We would point out, however, that unless tax yields or rates markedly increase or unless relief and other expenditures fall, the expansion of the military establishment means an increase in the federal deficit and debt that cannot go on indefinitely without leading, bit by bit, to drastic controls over economic life so as to mitigate the danger of inflation. Should such a development be accompanied by a growing demand to seize strategic territory to prevent it from falling into the hands of unfriendly powers or for intervention to prevent the rise of unfriendly governments in Latin America, the consequences to American democracy might be serious.

V Shall the U.S. withdraw?

FROM this analysis it is evident that the strains upon the American economic system, its political institutions, and its military security will increase as a result of a long war, and that these strains would become critical as a result of the dominance of totalitarian powers in Europe and Asia. The problem confronting the Round Table is what policies should be adopted for the purpose of reducing these strains and of safeguarding American institutions and security against the hazards of the future.

In this connection the Round Table has examined three possible courses open to the U.S. The first is the extension of unlimited economic and financial assistance to Britain and France, in the belief that their victory would maintain democracy in Europe and lead to a just peace. But this would mean that the U.S. would inevitably go to war with Germany. This course* we have eliminated since, under present circumstances, we do not believe that the interests of the U.S. would be advanced by war.

Participation in this war might injure U.S. influence on next peace.

PARTICIPATION in this war might destroy the influence that the U.S. could have as a just and objective neutral on the next peace. What is even more important, the strains imposed upon the American economic and political system by participation in war might be greater than the strains arising out of isolation in a totalitarian world. The risks of relative isolation are still uncertain, distant, and hypothetical. Under the circumstances now visible, we prefer to take our chances in meeting these risks in the future rather than accept the known sacrifices involved in participation. As yet the war is too young to make any predictions as to its outcome or even as to its participants. Under such circumstances it would be unwise for the U.S. to plunge now into a conflict that may result in a victory for the democratic powers without American aid.

According to the second course the U.S. can best avoid international conflict by reducing its outside contacts with the world. This policy, which might be termed the New Isolation, takes a number of forms, such as (1) the drastic reduction of existing military commitments, (2) the adoption of a policy of economic self-containment, (3) the waiving of neutral rights under international law, particularly with respect to the freedom of the seas—policies that we shall now examine.

1. *Reducing our military commitments.* In view of the vast scope of the present U.S. military commitments, it is natural for some Americans to say that if the country wishes to avoid going to war, it should reduce these commitments merely to what is clearly indispensable to defend the continental U.S. against invasion. Under this theory the U.S. should become indifferent to the fate of Latin America and even Canada—and care even less what happens in the Orient. It is quite clear to us, however, that in a world of mounting tensions the American people will in all probability insist upon a military establishment strong enough to prevent any outside aggressor from seizing territory in the Western Hemisphere. Once in occupation of such territory an unfriendly power would be in a position to threaten the Panama Canal at least from the air, and disrupt Pan-American solidarity.

A reduction of military commitments is more possible in the Orient than in the Western Hemisphere. Since 1898-99 the American flag has flown over the Philippines, and the American government has consistently upheld the principles of the open door with respect to China. Today these principles are being challenged by Japan, and as a result a war between Japan and the U.S. always remains in the realm of political possibility—a war that could be waged only at vast cost because of the distances involved.

In the past a number of members of our Round Table were sympathetic to the idea of Philippine independence, not only because they believed the Filipino people wanted it but because military authorities point out

**See Appendix for further observations.*

Round Table

that, 7,000 miles removed from the continental U.S., the islands are extremely difficult to defend against attack.

Recent developments have caused some of us to modify former conclusions. If Japan succeeds in dominating China, it will inevitably be tempted to embark upon expansion toward the South Seas. So long, however, as the American flag flies over the Philippines, it is improbable that they will be attacked, and a potential restraint on Japanese expansion will remain.

Should the U.S. withdraw from the Philippines, however, the record of the past eight years would indicate that sooner or later they would be occupied by Japan, with far-reaching consequences to the whole Pacific area. As a result of the development of air power the Philippines have assumed great strategic importance. By virtue of their location they are destined to become the air-route center of the western Pacific. Occupied by an unfriendly power, the Philippines would constitute a military air base that might make virtually all European possessions in the Orient untenable and even destroy communications between Australia and England.

The Philippines constitute a key to the control of the western Pacific.

TO SOME Americans the fate of the Filipino people or the progress of Japanese expansion is a matter of indifference. They believe that the U.S. can remain secure merely by defending the Alaska-Hawaii-Panama line. The Round Table cannot take such an optimistic view of the situation. Wholly apart from the question of whether this country has any obligation to the Filipinos, it is clear to us that should Japan succeed in controlling the Philippines, sooner or later the rich resources of the Straits Settlements, Netherland India, and even the Pacific dominions might fall into its hands, giving it resources adequate to become one of the world's greatest and most dangerous powers.

Encouraged by such successes, Japanese imperialism would very likely look for new worlds to conquer, since the idea of conquest grows with success. For many years Japan has been interested in the Western Hemisphere. Since 1906 relations with the U.S. have been frequently strained over disputes arising out of immigration and the right to acquire land here. In 1936-37 Japanese anchored floating canneries in Bristol Bay, Alaska, that threatened the rich salmon fisheries of the North Pacific—which constitutes the world's greatest salmon reserve—endangering the livelihood of 30,000 American fishermen. Although these canneries were on the "continental shelf" outside the three-mile limit, the State Department made a vigorous protest, which led Japan, then preoccupied with the China "incident," to give way. It is a question whether ten years from now Japan would prove as amenable in such disputes if meanwhile it had established its position in China and the South Seas.

It is worth remembering that Alaska almost touches the Asiatic mainland, and that a victorious Japan could make itself disagreeable in America's northernmost outpost. Finally, Japanese immigrants and traders have been active for years in Latin America. Obviously these activities would increase—and what is even more important the American people would *fear* their increase—should Japan succeed in its present objectives.

For these reasons, the Round Table believes that Japanese expansion would seriously jeopardize the interests of the U.S. and the Western Hemisphere, particularly should Japan ultimately form an alliance with a victorious Germany in Europe. Consequently we believe that should the Philippine Government take the initiative in reopening the question, the U.S. should postpone withdrawal from the Philippines from the date of 1946 now fixed in the Independence Act until a more favorable international situation develops. The Round Table unanimously opposes any policy under which the U.S., whose influence in the Orient today is greater than ever, would acquiesce in the Japanese policy to create a "new order" in Asia, to the injury of American rights or the independence of the Chinese people.

Finally we believe that the U.S. should extend some positive help to China that does not involve going to war against Japan. Some members favor an embargo on war materials to Japan because they are being used to violate the independence and territorial integrity of China, which both the U.S. and Japan agreed to respect in the Nine-Power Treaty. If not an immediate congressional embargo then these members favor legislation authorizing the President to impose it in future if meanwhile he cannot negotiate a fair settlement between China and Japan. These members believe that it is essentially inconsistent if not dishonest for this country to continue to supply Japan with the major portion of its foreign purchases of materials essential to its war against China, at the same time that this government protests the violation of the Nine-Power Treaty, as it is bound in honor to do. They do not believe that Japan, whose resources have been severely strained by more than two years of fighting, would dare to go to war against the U.S. in retaliation.

Other members of the Round Table do not favor such action. Now that Congress has lifted the embargo for countries at war in Europe, they believe it is hardly logical that the U.S. should impose an embargo upon a country technically at peace, such as Japan. Apart from the fact that Japan is a good customer for American products, these members fear that if the embargo is applied, Japan would abandon the pretense of "peaceful intervention" and exercise belligerent rights affecting American lives and property and resulting in incidents inflaming American opinion. In their opinion, the imposition of an embargo would involve the real risk of war, and since Japan is so far away from its goal in China, these members think that it would be foolish for the U.S. to become involved itself. These members believe that the same objective could be attained through extending a further government credit to China of liberal proportions, for the purchase of nonmilitary supplies in this country. Such a policy, coupled with diplomatic firmness in refusing to accept Japanese pretensions, should gradually wear down Japanese imperialism and eventually make it possible to negotiate a settlement that would

respect the political independence of China, while remedying the legitimate economic grievances of Japan.

The consensus of this Round Table, in short, is that the U.S. should not abandon its interests in the Orient under existing circumstances. Nor does it believe that it should indulge in provocative acts against Japan. It believes in maintaining the status quo until the time arrives for a new Pacific Conference. Meanwhile, because of the U.S.'s vital interest in the balance of power in the Pacific, it should not reduce its commitments there.

2. *Economic self-containment.* If the U.S. could expect to safeguard its standard of living and its free institutions by adopting a policy of economic self-containment, much could be said for such a policy during the present world crisis. In theory, self-containment should insulate the country against the dangers of a war boom, remove any disputes with belligerents over the trading rights of neutrals, and prevent the development of economic maladjustments at the end of the war. The statement has often been made that the U.S. should ignore world problems until it has solved domestic problems and that it should use the funds and goods that have hitherto gone into international markets to raise the standard of living at home.

It is far more feasible for the U.S. to adopt a policy of self-containment than any other great power except the U.S.S.R. Even in 1929 foreign trade consumed less than 10 per cent of our total production. Moreover, American chemistry and technology are so advanced that this country could develop synthetic substitutes for raw materials such as rubber and tin, now produced overseas.

Despite these arguments, no member of the Round Table is prepared to advocate the adoption of an extreme policy of self-containment, which means dispensing with all but an inevitable minimum of exports and imports. We find three major difficulties with the self-containment thesis. First, the adoption of such a policy would inevitably mean a reduction in the standard of living. Even if the U.S. raised the purchasing power of the lower third of the population, the country could still efficiently produce surpluses of farm and industrial products that other peoples need and that, in an orderly world system, could be profitably exchanged for surpluses produced more efficiently abroad. The growth of new industries, relieving this country of dependence upon certain imports, which is the natural result of technological progress and economic efficiency, is a welcome development. This is far different, however, from the kind of self-containment imposed by government for the negative objective of rearmament or isolation. Should government attempt to force American industry to become self-sufficient, it might develop synthetic raw materials, but in many cases they would certainly cost more than imported materials, and as a result prices would rise. This type of self-containment would mean that the U.S. would abandon its position as the first exporter of the world and that American mass production would sacrifice some of the advantages arising out of large capital investment and technological skills, which can be fully realized only on a constantly expanding market.

Self-containment of this type would involve drastic readjustment in certain areas of our economic life, probably requiring far-reaching government intervention. Federal farm payments and measures of crop control are to a large extent the result of the loss of farm exports (although the administration of such measures may in itself have aggravated the loss of exports); and complete self-containment would probably require the multiplication of such devices for other industries. Even if foreign trade constitutes only a small proportion of our production it often makes the difference between profit and loss in many enterprises. What is more, such trade serves to regulate many domestic prices, constituting an important part of the market mechanism. The government prohibition of foreign trade would inevitably lead to government control of prices and output in affected industries, and government intervention so as to shift displaced workers and excess capacity into other less efficient employment. Foreign trade remains important to the material welfare of the country and the system of private initiative.

Our Round Table might indeed be willing to risk a lowered standard of living and the drastic controls implicit in the idea of self-containment, if we were sure it would keep this country out of war. But whether this would be the probable result is a matter of doubt. Before discussing that question more directly below, we would stress the fact that the only countries that have made an effort to become self-contained have been countries that have soon become militarized and imperialistic. Fascist Italy, Nazi Germany, and the U.S.S.R. have all endeavored to reduce dependence on foreign trade. In the process they have generated huge military machines and an expansionist psychology. When a great power cannot or does not exchange its surpluses or sail its ships freely over the world it is tempted to acquire markets by force.

3. *Waiving neutral rights.* The philosophy embodied in the Neutrality Acts beginning with the Joint Resolution of August 31, 1935, represented a limited and negative form of self-containment. According to adherents of the new school of "neutrality" that has been so popular in this country, the U.S. became involved in the last war because of its trade with belligerents and because American citizens lost their lives as a result of submarine raids on the high seas. The theory is that the U.S. can escape being "drawn into war" if it stops war trade and prohibits American vessels from going to belligerent ports.

We find difficulty in accepting this point of view. In our opinion the occasion for the entrance of the U.S. in the last war may have been the German submarine; but the underlying cause was the continuing stalemate in Europe and apprehension here as to the results of a German victory. The country threw its influence on the side of right as it then saw it. In any case, we do not believe that this country can keep out of war and protect its interests by a policy of abdicating its rights under international law. We are glad to see that in the amended Neutrality Act signed November 4, 1939, Congress moved away from this point of view. One of our members regrets that the arms embargo was repealed after war broke out. He believes that American interests will best be served by the maintenance of a strict form of impartial neutrality, without considering the effect on the fortune of any belligerent, until the country is prepared to decide that its interests demand active entry into the war.* The rest of us believe, however, that in view of the adverse consequences to the U.S. here envisaged, it is a matter of self-interest for this country to adopt that form of neutrality that at least will not increase the prospect of German success, and will postpone the prospect of our becoming involved as a belligerent. Moreover this government cannot exclude the possibility of shifting its position on neutral rights to meet new conditions arising out of sudden and unexpected shifts in the policies of belligerents. In any case the Round Table believes in anchoring U.S. policy to international law.

It is unwise to control foreign policy by legislative prohibitions.

UNDER international law neutrals have the right to travel on the open seas and carry on innocent commerce with all nations. No neutral other than the U.S. has ever disclaimed these rights, and we do not believe the U.S. as the strongest neutral should be the first to do so. Nor do we believe that tying the hands of the State Department and of the chief executive by sweeping legislative prohibitions is wise. Neutrality legislation should enunciate broad national policies without invading the discretionary powers of the chief executive and the State Department, so that as emergencies arise, they may quickly take the necessary steps to protect the country against the dangers of involvement.

A return to international law does not necessarily mean that American shipping or citizens should be permitted to enter war zones at will. In such a war as this, where intensive bombing and destruction of shipping by submarines, surface vessels, and aircraft is constantly going on, the President should have authority to keep shipping and citizens out of these danger zones, just as the wise sailor keeps his ship in port when a hurricane is raging outside. Apart from these obvious exceptions we believe that the welfare of the country and the position of the neutral democracies as a world force would be strengthened if the U.S. clearly informed the world that it does not abandon acknowledged rights under international law or acquiesce in acts of lawlessness. The opposite policy of retreat simply gives encouragement to aggression and strengthens the belief in the totalitarian countries that one of the greatest democracies is lacking in both courage and strength. For these reasons we cannot accept the philosophy that has dominated the neutrality legislation of the past four years.

To summarize, the Round Table does not believe that the interests of the U.S. would be advanced or the danger of war removed by a policy of trying to withdraw from the world, whether by acquiescing in Japanese pretensions in the Orient, by turning loose the Philippines, by adopting a policy of economic self-containment, or by abandoning neutral rights in time of war. Those who favor such policies would do well to study British foreign policy during the past few years. In an effort to escape war, Britain adopted a policy of steady and even humiliating retreat before the demands of the aggressor nations. But the policy did not succeed, and Britain is fighting for its existence today. A strong policy applied at the beginning might have maintained peace and kept aggressor demands within narrower bounds. The U.S. would do well to profit by this lesson.

*See Appendix for further observations.

VI. A great power's responsibility

HAVING eliminated the first two courses—viz., entrance into the war at this time or a policy of retreat—the Round Table turned to the remaining alternative, the possibility of adopting a constructive policy of protecting American interests during the course of the war and of aiding in world reconstruction when the war comes to an end.

The Round Table has indicated its belief that during the war period the U.S. should safeguard its position as a neutral by relying upon the principles of international law on the understanding that the President should control the movement of Americans in danger zones.

Second, we reiterate that the U.S. should maintain its position in the Orient in the hope of eventually bringing about a new Washington Conference.

Third, we believe that the effort to intensify trade relations with Latin America is sound. American exporters now have an opportunity to fill orders that formerly went to Europe, provided they carefully study Latin-American needs. No doubt the extension of certain financial credits would facilitate American export trade. At the same time it is obvious that if the U.S. is to increase its exports to Latin America and elsewhere it must be prepared to increase imports; otherwise financial credits may be largely wasted and the balance of payments thrown out of joint. Moreover, care should be taken to see to it that any new foreign credits should be for productive purposes. We believe that the State Department should utilize its powers under the Trade Agreements Act of 1934 so as to guard against undue price increases of imports and keep the balance of payments in the proper equilibrium.

Fourth, we believe that during the present world crisis the U.S. must be strong. For strength on the part of a neutral is about all that a belligerent will respect. Many of us believe that had the U.S. had a stronger navy in 1916-17, Germany would not have dared resort to unrestricted submarine war. The strengthening of the army, navy, and air force may aid materially in keeping the country from participating in the present war.

At the same time we realize that such an establishment must be paid for. The U.S. cannot be strong if it continues to have unsound finances. Consequently we believe that constant attention should be given to the reorganization of the tax structure, and that unless tax yields increase sufficiently to balance expenditures as a result of returning prosperity, new taxes should be levied by the federal government to meet increasing military burdens.

Fifth, in our opinion a new attack on domestic problems should be made. The first effect of the world crisis has been to make many Americans forget the existence of unsolved domestic problems. In our view, this is unfortunate. The U.S. yet has about 9,000,000 men unemployed and a federal deficit for the current year of probably four billion dollars at least. The country still must find answers to many questions in the field of industrial, labor, agricultural, and fiscal policy. The best defense against alien propaganda is a healthy democracy and a smoothly functioning economy. Despite its virtues, the U.S. has far to go before realizing this goal. The present world crisis makes it imperative that the U.S. put forth successful efforts to meet its domestic problems.

Finally, we come to what is probably the most important question of all—the part this country should try to play in the organization for peace.

During the past quarter of a century the position of the U.S. has been radically transformed. It has become one of the world's greatest powers. Few Americans have any conception of the vast influence that this country today could wield if it chose to do so. We are of the opinion that the U.S. can if it wishes be of decisive importance in determining the shape of the world of tomorrow.

Sooner or later the time will come when this war will end and a new peace will be negotiated. Sooner or later the belligerents will reach the stage where they will give heed to the views of a powerful and just neutral. When such a time comes, the U.S. will have the opportunity of furthering a constructive world settlement, if meantime it has evolved a program that it is willing to support.

As yet most Americans are afraid of world responsibilities. The experience of the World War and the nationalistic quarrels of the reconstruction period left a bad taste in their mouths. Americans sense the vast complication of world problems and the difficulty of finding any solutions that can do justice to the many conflicting interests. Many citizens would like to drift along, doing business as usual, oblivious to what is taking place in the rest of the world.

Under present conditions, however, this policy of indifference is alien to the whole make-up of the American people. As a result of the radio and press, the U.S. is the best-informed country in the world. The American people have a strong sense of justice, the expression of which cannot be prohibited. This is one of the few great countries where international issues today can be discussed with complete freedom and where the terms of the next peace can be critically analyzed in an atmosphere of any detachment.

Apart from this, the U.S. has already assumed—almost imperceptibly—vast unilateral commitments, involving a heavy burden as well as considerable risks. In certain respects these commitments are about as large as those the British Government assumed when it tried to limit its obligations to the defense of the empire and Western Europe, only to find that such commitments were inadequate to prevent war. The U.S. cannot throw off its present commitments any more than could Britain; the chief question is whether it will have to enlarge them. The choice before the U.S. is either to travel a solitary, independent road possibly ending up in both war and imperialism, or to use its vast powers to assist in establishing some realistic form of organization, starting with the democratic peoples. A solution of this sort would reduce its commitments by dividing them and would satisfactorily solve the troublesome problem of a "belligerent" Canada guarded against aggression by a "neutral" U.S. In an international organization, led by free peoples, the interests of these two American democracies would be parallel to those of democracies elsewhere.

It is to the interest of the U.S. to contribute to long-term organization of peace.

THE Round Table believes that in view of the adverse effect that future world developments may have upon the economic and political interests of the U.S.—including its security—this country should endeavor to exercise a constructive influence upon the terms of the next peace treaties, or at least upon the long-term organization of peace after such treaties are made. It may be true that the extent or nature of this influence will depend on whether the United States has made a definite contribution to the winning of the war. None of us, however, favor participation for this reason alone, hoping that this country can exercise a more beneficial influence in respect to the future world order by remaining in the position of a detached neutral.

Thousands of Americans today are groping for some alternative to passive isolation as well as to war. They instinctively feel that as a matter of self-interest as well as for humanitarian reasons the great strength of the U.S. should be lent to some constructive effort to organize at least part of the world to prevent recurrence of war. The U.S. has been the leading exponent of the federal principle of organization. The experiment of uniting the thirteen original sovereign states into the federal union was one of the great achievements in history. We do not know whether this idea can be projected to cover a further part of the world but we believe that this and other ideas should be thoroughly explored.

The Round Table does not believe in entangling alliances or participation of the U.S. in European boundary disputes. We do believe that the interests of this country will be definitely served by the establishment of some realistic form of organization, led by free peoples having substantially the same sense of values.

One of the most important tasks confronting the next peace will be to organize the economic resources of the world so as to make possible a return to the system of free enterprise in every country, and provide adequate economic opportunities to the so-called "have-not" powers. The purpose of every economic system should be to achieve a wide distribution of goods and services to people; but in every country restrictive practices have arisen that hold back production and prevent the full utilization of resources. The Fourth FORTUNE Round Table pointed out that unemployment existed in the U.S. largely because of various "deterrents" unconsciously erected by various groups to advance limited interests at the expense of the country as a whole. We believe that the existence of similar deterrents on an international scale, such as colossal trade barriers, helps to explain the growth of tensions that have finally plunged a large part of the world into war. Both domestically and internationally, the goal of every economic group and government should be expanding production and abundance, involving constantly lowered prices and increased living standards. The final

attainment of this goal must be among the first problems to be attacked by any new international organization.

Although this Round Table has not been charged with the task of formulating any plan for the organization of peace, we believe that no time should be lost by the leaders of American opinion in organizing a national discussion of such problems. It is only when the American people come to realize that their interests are bound up with the world situation and only when they agree to act accordingly that the American government can go forward and adopt a constructive foreign policy. No good, however, would be done if the American public enunciated programs and ideas for other peoples to adopt, unless they were willing to have the U.S. contribute to their success. One reason why the world is in chaos today is that the American public, although having strong views as to the kind of world it would like to have, has been unwilling to assume any real responsibility for bringing such a world into existence. The U.S. is justified in advancing views as to the organization for peace only if at the same time it expresses a willingness to undertake both political and economic responsibilities to make such a peace a success.

If the U.S. exercises its strength wisely, it can protect its own institutions and develop here what will probably be the greatest civilization the world has yet seen. If the U.S., however, exercises its vast powers blindly or not at all, totalitarianism as a world force is likely to grow, to the injury of U.S. institutions and security. The U.S. has vast power to influence the nature of the world tomorrow. We believe it is in the interests of the American people to exercise this power.

During the nineteenth century Britain was the leading empire in the world. Its vast strength rested upon naval supremacy, and was accompanied by a policy of free trade and foreign lending. Britain profited from its position, but at the same time maintained a spirit congenial to democracy in a large part of the world. Regardless of the outcome of the present war, new competitors have arisen to reduce Britain's world position. The question of the future is whether the influence of Britain will be shared with the totalitarian powers and their anti-Western doctrines so injurious to the free spirit, or whether it will be shared with such exponents of liberal institutions as the U.S.

Appendix

ASSISTANCE TO THE ALLIES *by Mr. Sinsabaugh*

I FIND myself largely in agreement with the findings of the Round Table except as to the emphasis of one point, and this exception strikes so deeply to the fundamentals that I feel justified in giving it expression.

The Round Table agrees, and rightly so, that democracy and the institutions that are part of it must be defended from all attacks. The U.S. has attained one of the highest standards of living for its people in the world, and this attainment has been made under the political philosophy that gives the right to the individual to act, to speak, and to think as his judgment dictates. If democracy of political thought and democracy of economic action are as valuable to the well-being of the American people as they are dear to their hearts, are not

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they valuable enough for us to be willing to strive for their survival? I think they are.

Our democracy today is being threatened on two fronts—the domestic and the foreign. The Fourth FORTUNE Round Table examined the domestic threat to our institutions and found that this threat came not only from the government but from numerous economic groups. It is not necessary to sigh for the old order for one to work for the salvation of democracy and its institutions. Capitalism of the twentieth century can be as different from that of the nineteenth as the capitalistic structure of the nineteenth century was from that of the eighteenth. If, however, we are unwilling to meet the domestic threat that was so carefully examined by the Fourth FORTUNE Round Table Conference, the structure itself will be much more susceptible to those threats from without that have been examined by the Fifth Round Table. One method, therefore, of assuring the survival of democratic institutions under the influence of today's tendency toward totalitarianism is to recognize their weaknesses and remedy them so that the institutions themselves may be sufficiently strong to withstand attacks from without.

The Fifth Round Table clearly recognizes that a totalitarian Europe would be a severe threat to our political and economic institutions. As the Round Table declares, we can easily be in a most vulnerable position, politically, economically, and militarily. The question therefore presents itself—can we afford to adopt so passive an attitude as herein suggested? Are we not so vitally interested in the outcome of the present war from all points of view that we dare not run the risks involved in a long war resulting in either a German victory or social revolution? Must we not, from our own best interests, adopt a more realistic attitude? If it is so vital to us to have a peaceful world and at the same time one that is not dominated by totalitarian philosophies, should we not take steps to influence the results and make certain that the future structure of the world is one in which the philosophy of free institutions so dear to the hearts of the American people can operate successfully? It may very well be that the price that would need to be paid would be low in comparison with the risks involved.

Since I believe that the dangers to our institutions of a totalitarian victory are so great and since I believe that it is by far to the best interests of the U.S. that the totalitarian powers do not have the opportunity to reconstruct the postwar world, I believe that the wisest course would be to give more assistance to the Allies than is contemplated in the report as now written. If the U.S. is interested in influencing the future peace and in reconstructing a world in which it will be possible for U.S. institutions to survive and prosper, her influence will be much greater if, at the same time, she has had some influence on the course of events.

This does not mean that I favor entering the present war. In my opinion the U.S. became involved in the last war, not because of economic interests or even of logical analysis, but because of emotions that had been aroused by incidents entirely extraneous to our national well-being, or by the birth of a psychosis of fear. Whether we become involved in the present war will not depend upon the deliberate extension of positive economic aid to the Allies; but upon emotion and the development of new fears as to the consequences of prolonged hostilities. Since it is the sense of the Round Table that it is to the interests of the U.S. that this war end with an Allied victory, logic demands therefore that we contribute to the Allied cause by measures short of actual participation in the war ourselves.

IMPARTIAL NEUTRALITY *by a member of the Round Table**

AS I read it, the opinion of the Round Table is that Britain and France are fighting for the continued maintenance of free institutions; that their victory is essential to the maintenance of such institutions in the U.S.; and that the U.S. should extend assistance short of war, in the expectation of ensuring a prompt victory.

I cannot agree with this analysis. The hope of a short war seems to discount Germany's record in holding out for four years between 1914-18. But, more importantly, any thought of a short war, if the struggle continues, seems to overlook the part that Soviet Russia plays in the present war. Can it be believed that the U.S.S.R.'s role is not to see that the war is continued, without victory for either side, until both are bled white and exhausted—economically and physically—and thus ripe for the spread of the communistic philosophy of government?

The U.S.S.R. also adopts the policy of extending "every assistance short of war," but, in its case, to Germany. The objective of this policy seems pretty clearly to be only to prolong the war. If the U.S. assists Britain and France to prolong the war, it is simply playing the Russians' own game. Any assistance extended by us to Britain and France can only be expected to be counterbalanced by increased Russian assistance to Germany, plus increased Russian co-operation with Japan, to induce that power to extend its aggressive activities in the East; and to result in spreading and prolonging the war, to the very great satisfaction and exclusive benefit of Soviet Russia.

My own conclusion is that because of Soviet Russia's role, the only way to shorten this war is to persuade the belligerents—all of them—that they can save their own necks only by composing their differences by negotiation on a realistic basis. Since a prolonged war will lead to the spread of communism in Europe, with corresponding threats to free institutions here, the real interests of this country should be either (1) to use all its moral and economic force to induce the belligerents to stop the present suicidal struggle, or (2) to remain completely aloof and prepare itself alone to meet the debacle that will result from the war's continuance. Either of the two courses demands that this country take and continue a completely impartial neutral position. In my opinion "civilization" is not at stake, for the world will continue on its course regardless of the outcome of this war; but certainly free democratic institutions, as we know them, are at stake. Unless we are prepared to see them supplanted, it behooves us to let our reason and not our emotion direct our policies and our actions.

**For particular reasons this member prefers to remain anonymous.*