

## 1) Ackerman to Halle: (2/20/13)

Hi John,

Thanks for putting this together. It's an interesting debate, and I'm glad you pinged me on it. I am technically a diplomatic historian, so I figured I'd attempt a response. I'm going to be critical of Chomsky's position here, but I am and have always been a huge admirer of him; I've learned more from him over the years than from just about anyone.

Let me try to summarize the argument here as I read it. You say the PPS document "means what it says" -- i.e. that Kennan believed US policy should be geared towards preventing any significant reduction in the huge wealth gap between the US and the rest of the world; that to accomplish this the US needed to dispense with humanitarian illusions and deal in straight power concepts; and that this also reflected the general thrust of US policy at the time.

Perlstien says no, postwar US policy was pretty much about raising foreign living standards, based on a mix of hubris, abundance, and Cold War geopolitics. The result can be seen in Japan's eventual emergence as a rich and formidable competitor.

Noam thinks you got the better of the argument, but he stresses that this particular document was only one part of a larger framework of postwar policy planning. That framework was based on economic reconstruction of the industrial powers (Europe, Japan) in order to guarantee US export markets, which in turn required restoring triangular trade relations with poor areas. In fact, "that was the motivating factor for the Indochina wars, from 1950, after the 'loss of China.'"

There are other points of contention (such as "plans" vs actual outcomes, or whether the goal was to keep the US itself disproportionately rich or to serve the more cosmopolitan interests of multinational companies), but let's leave it there for now.

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So there are two main questions here: the meaning of a specific passage in a specific document, and the general question of US objectives in the postwar period.

On the question of US objectives, I think some parts of what Chomsky says are pretty uncontroversial, though not everyone would phrase things the way he does. The US did engage in elaborate postwar planning (most comprehensively documented, I think, in Patrick Hearden's book *Architects of Globalism*). This planning did include the economic reconstruction of Japan and Europe, and to that end the restoration of prewar triangular trade patterns was in fact envisaged.

However, there's a larger, deeper thrust to Chomsky's argument, beyond just reporting those widely accepted historical facts. He presents a picture, partly explicit and partly implicit, in which the postwar US-Asia relationship can be characterized by the following interlinked features:

(1) nationalist-progressive and Communist movements in Asia (and pretty much only those movements) sought to close the wealth gap with the rich countries by pursuing rapid economic development through state-led industrialization;

(2) this created the looming specter of a unilateral withdrawal from traditional "complementary" trade patterns;

(3) US officials saw this economic danger as the primary threat facing them in Asia, or at least one of the central threats;

(4) they therefore launched an all-out commitment, up to and including the use of force, ultimately designed to force those countries to stay trapped, against their will, in the traditional economic relationships;

(5) these were long-lasting and enduring principles of US strategy, not just a momentary phase of policy;

and

(6) much or most of the history of postwar US policy in Asia (and perhaps the world) can be explained in these terms.

Now, I'm going to criticize this view, which I don't think I'm summarizing unfairly. But first let me point out that it's this broader set of arguments that the Kennan quote is meant to illustrate. In the quoted passage, you argue, Kennan is supposedly explicitly admitting (in private) that maintaining the wealth disparity is the goal.

I think you're misreading this document. (By the way, just to make it clear, this is not considered some landmark document in diplomatic history like NSC-68 or the Long Telegram; if it's "famous," it's only famous because Chomsky has often quoted it.)

I'd suggest that you're reading the document more like an oppo researcher than a historian. Here's the full passage:

Furthermore, we have about 50% of the world's wealth but only 6.3% of its population. This disparity is particularly great as between ourselves and the peoples of Asia. In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security. To do so, we will have to dispense with all sentimentality and day-dreaming; and our attention will have to be concentrated everywhere on our immediate national objectives. We need not deceive ourselves that we can afford today the luxury of altruism and world-benefaction.

A historian trying to figure out what Kennan meant about "maintaining the disparity" would try to do some "source critique." For example, if you're studying a 16<sup>th</sup> century French village and you find that the local priest is constantly denouncing fornication in his homilies, what should you surmise: that this village must have been a strict no-

fornication zone, or that, precisely to the contrary, there was probably a lot of fornication going on? I'd say the latter probably. In other words, you have to ask, "*why* is this person saying this, to *this* audience, at *this* moment"? What thoughts are driving him to make this point?

So in our Kennan case, one way to answer that question is to say: "Well, in Feb. 1948, George Kennan must have been very worried that the US would lose its enormous advantage in relative wealth to a rapidly developing Asia under leftist leadership." But does this make any sense at all? Go back and look at some random issues of the NY Times from Feb. 1948. You will not get the impression that the world is contemplating the specter of an Asia (or a world) thrust into breakneck economic growth – either in the immediate or the long term. You will find that Europe is an impoverished shambles, Japan is in ruins, much of Asia is in a state of total postwar chaos, violence and confusion. US policy is, as Chomsky himself points out, geared toward "reconstruction" of a destroyed world. Why the hell would George Kennan be worried about the US losing its dominant economic position, even in the long term?

This makes no sense. 1948 was not 1975 or 2005 – there were no Asian tigers, capitalist or Communist. The CCP was still widely perceived as a group of "agrarian populists," and even among those who viewed them as hardened Communists, few were expecting that a victorious peasant-led CCP would undertake Stalin-style industrialization. So it is just extremely difficult to credit your interpretation of this passage.

Here's how I would read the passage: "Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security." Kennan is saying, we are rich and they are poor. Poor people always hate and resent rich people ("we cannot fail to be the object of envy and resentment") and since there are billions of them and we're only 6% of the world's population, this presents us with all kinds of national security dangers. So, *given that this disparity exists* -- and it goes without saying that it will continue to exist -- we have to figure out how to protect ourselves from the inevitable vengeful mob. We can't be all sentimental and angelic about their plight. This is a *saive qui peut* situation, and it is one of the biggest problems we'll face.

Re-read the whole paragraph again. Doesn't this reading make lots more sense? See how this reading follows naturally from the previous sentence? Notice how in this particular document, he never uses the word "industrialization" or mentions any potential *opposition* to the restoration of colonial trade patterns (much less how to combat such opposition), which is something you might expect to see if the document were really about that subject?

My reading is also more in keeping with Kennan's personal and peculiarly old-fashioned racist view of the Third World, as a frightening but hopelessly chaotic and incompetent mob, rather than a dynamic or constructive force (either for good or evil).

Of course, if your reading still makes more sense to you, far be it from me to tell you you're wrong. This is a matter of interpretation after all, and I have no monopoly on interpretive ability. (Also, I might sound to you like a typical apologist for blood-stained imperialism. But please, don't blame me - I just do what the Democrats tell me to!)

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So let's go back to the larger question of US goals. There are two issues I want to raise – one is about the precise nature of Washington's fears regarding Communism in Asia, and the other is about the window of time Chomsky is talking about.

Chomsky says, or at least implies, that Washington feared Communist victories in places like China or Vietnam because Truman era policymakers believed Communist governments would extract themselves from traditional trade relations (exporting raw materials, importing manufactured goods), leaving Japan and/or Europe without traditional markets or materials. In fact, I believe the real concern of policymakers in this period was almost exactly the opposite. They were *not* afraid that Communist governments in SEA would extract themselves from peacetime trade with Japan; on the contrary, they feared precisely that Communist governments in SEA would *continue* to trade with Japan, and that this would lead to Japan's dependence on "Moscow-controlled" markets, leading to irresistible pressure within Japan for recognition and rapprochement with such governments – thus violating America's Cold War policy of isolation.

But that begs the question: why did the US want to isolate Communist governments in the first place? And the answer is *not* economic, but geopolitical. Chomsky praises William Borden's study of US foreign economic policy and the origins of the Indochina War (Pacific Alliance), but Borden himself concludes: "Balance of power considerations were paramount; the loss of Germany and Japan to the Soviets would irrevocably tip the balance in the Soviets' favor."

This is the key point. There was a specific window of time – roughly 1947-1953 – that was perceived to be an extremely volatile emergency situation, in which there was a constant danger of Europe and/or Japan's collapse and capitulation to Moscow. That could happen either due to internal politics (e.g. Communist parties in France and Italy) or, for a brief period around 1949-50, due to a feared preemptive Soviet war. Resuscitating the European economy was considered absolutely key to combatting both perceived dangers. Also, there was another concern: this period was marked by a deep-seated fear that world war was imminent, and this was not yet the era of MAD: such a war was still assumed to be a protracted series of battles, like WWII was. And just as in WWII, strategic control of raw materials would be important during the war. So that was another consideration. But again, these were military considerations for wartime, not economic considerations concerning normal peacetime trade. Most of the documents Chomsky quotes come from this relatively brief postwar period and were directly or indirectly addressing this particular crisis when sudden war or collapse in Europe or Japan were considered imminent possibilities.

But this was a temporary crisis. By, say, 1958, nobody was seriously worried anymore about West European or Japanese capitulation due to starvation-driven turmoil or Soviet attack.

Now, in 1958 what *could* theoretically cause such capitulation, over the long term, was, in the case of Japan, dependence on trade with China. Thus, we find that it was *not* Communist China that refused to trade with Japan – on the contrary!!! It was the US that strictly forbade an eager Japan from trading with an eager China. In the early days after the CCP victory, Mao kept issuing requests to the US to let China export raw materials to Japan, but the US generally refused. And then after Korea, the US forced Japan to join the total embargo of China. For years afterwards, Japan kept trying to convince the US to let it trade with China, but the US always refused. This does not look like a country (China) desperately trying to escape from complementary trade relations with Japan but getting stymied by the US. It looks like two countries desperately trying to engage in complementary trade relations but getting stymied by the US for geopolitical reasons. And presumably the same thing would have happened in Vietnam if the Viet Minh had won in 1954 – the US would have refused to let Japan trade with a Communist Vietnam. I will freely make one important concession to Chomsky’s argument. In May 1950, Washington decided to support Britain and France’s colonial struggles in SEA because it believed a British defeat in Malaya and a French defeat in Vietnam would cripple those countries’ ability to contribute to NATO at a time of perceived military emergency. Britain would lose precious foreign exchange earned by its rubber-exporting Malayan colony, since an independent Malay would presumably withdraw from the sterling bloc. (In France’s case, the fear was that Vietnam was distracting Paris from European defense.) So yes: in the case of Malay, there actually was a fear that a Communist victory would result in a policy that would harm the economy of an industrialized country, and this was one important factor that contributed to one important policy decision, among many subsequent policy decisions (1954, 1959-60, 1963, 1965), that ultimately led to the Vietnam War.

But the whole subject had largely disappeared by the late 1950s. Certainly no one would argue that in 1965 LBJ was seriously worried about the pattern of raw materials trade in Southeast Asia anymore. In the famous 1965 McNaughton memo listing US aims, there’s nothing about triangular trade. The triangular trade issue was only important for a few years during the fragile phase of Europe/Japan’s early postwar reconstruction. Its importance stemmed from concerns that were ultimately geopolitical and military, not economic. And then it disappeared as an important issue in US foreign policy.

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Finally, Perlstein makes the point that Japan *did* in fact industrialize and close the wealth gap with the US. Chomsky says this is a distraction. Plans fail sometimes. Just because they fail doesn't mean they didn't happen.

Well that's fair enough, but the “failure” of the plan raises a lot of puzzling questions that bear on the nature of the plan itself, questions that Chomsky doesn’t really answer. First,

let's briefly take note of the sheer massiveness of the scale of the failure. Not just Japan, but also China, South Korea, Taiwan, Malaysia, Indonesia, etc., have all significantly, in some cases vastly, increased their per capita income relative to the US.

If the plan was to keep Asia relatively poor and exporting raw materials, then we can say that the historic failure of postwar US foreign policy is probably the most important fact about the global economy today. Yet for some reason, the US powers that be don't seem so glum about the global economy. Remember the 90's? Tom Friedman, Davos, Bill Clinton, globalization, etc? Weren't they always praising what was going on in Asia? It just begs some kind of explanation: how could the world-historical failure of US foreign policy result in all this Establishment cheerleading?

So, for example, is it *still* US policy to keep Asia poor and non-industrialized (or just producing knick-knacks)? Is US policy *still* failing? Presumably not -- in which case, when exactly did they abandon the plan and switch it to something else? Chomsky says, "the failure came long before Japan's rise in the 70s. The major 'loss' was of course the famous 'loss of China' by 1949." So is 1949 when they gave up trying to keep Asia from industrializing? Apparently not, because he also says that "from 1950," keeping SEA an economic colony of Japan was "the motivating factor for the Indochina wars."

I don't want to nitpick – this was an email, not a treatise. But when you look at the Asian regimes that were ultimately *most* successful in defying Kennan's supposed dictum that Asian countries must be kept poor raw materials producers, those successful regimes were consistently *supported* by US policy, which is puzzling from the standpoint of Chomsky's argument. Park Chung-hee in the 1960s and 70s, Taiwan in the same period, Deng in China. All these regimes were absolutely overturning the doctrine of "complementary trade." Park's Korea launched the Heavy-Chemical Industrialization drive in the 1970s. Why didn't the hammer come down from Washington?

Of course, various trade officials were always upset about the loss of markets resulting from these successes. And clearly *if all other things were equal*, presumably US officials would *always* want foreign countries to run their economic policies in perfect accordance with US interests – they would want US firms always to prevail over foreign competitors, to enjoy every advantage, fair or unfair. And it's on that basis that they carry out US commercial and foreign policies. So, for example, today, when the Business Roundtable complains that China is "stealing" technology from US MNCs – which is one reason China is getting rich -- obviously the State Department pursues the issue with Beijing. That sort of "customer service" for domestic business interests is a core part of any country's commercial diplomacy.

But all things are not equal. There are many countervailing considerations. Showing that the US *ceteris paribus* *prefers* complementary trade, or prefers Japan producing knick-knacks, is quite different from claiming that such issues are the central focus US foreign policy at a given moment, or that the US would be willing to send in the Marines over such an issue. Showing that the State Department cares about an issue is not the same thing as showing it's a fundamental issue in policy. Maybe it is, maybe it isn't.

I know Noam would disagree, but I would argue, along with most diplomatic historians, that the most fundamental consideration in the postwar era was the perceived balance of politico-military power vis-à-vis the Soviets.

## **2) Halle to Ackerman: (2/20/13)**

Dear Seth,

I hope you'll indulge my responding somewhat obliquely to your contribution to the discussion on PPS 23. I'll start by mentioning the obvious which is that, while like Noam I'm not a credentialed historian, unlike Noam I do not spend very much time doing the kind of work historians do, e.g. sifting through documents, reading mainstream work in the field, or publishing articles which deals with central historical questions.

I do, as you have noticed, on occasion write pieces (musical works or articles) which have some overlap with what certain historians do which is to say I find some set of facts or texts which appear to be transparently at variance with what conventional wisdom appears to be on some question and then I simply register, as best I can, this inconsistency.

This, as you know, does not require much heavy lifting. Thus, for example, as you say, the mainstream conventional wisdom holds that with respect to U.S. foreign policy "the most fundamental consideration in the postwar era was the perceived balance of politico-military power vis-à-vis the Soviets." All that is necessary to contradict it, then, is, for example, to peruse Steven Kinzer's book *Forbidden Fruit* to discover that "the perceived balance of politico-military power vis-à-vis the Soviets" has virtually nothing to do with U.S./CIA destabilization of the Arbenz government in Guatemala. Rather, as documents reveal, the expropriation of foreign corporate lands was almost certainly what dictated the decision to intervene. More specifically, there was considerable interlock, as Kinzer shows, between the main figures responsible for the coup and United Fruit Company with various administration officials going through the revolving door ending up on UFC's board. Or, to take another notorious example, turning further south, similar nationalizations planned by the Allende of the telecom and copper industries are what precipitated that bloody episode in the long history of U.S. sponsored terror. Indeed, John McCone was a walking interlock between the precise national security and corporate establishments in play: a former CIA director and, at the time of the destabilization, President of ITT which had a 70% share of the Chilean telecommunications market. And so on.

I can't imagine that you doubt any of this-or the general principle which is that politically connected elites played a dominant role in dictating U.S. foreign policy when it comes to Latin America throughout most of the cold war period. Now of course mainstream historians and commentators either ignored these facts or made the claim that despite all appearances to the contrary "politico-military power vis-à-vis the Soviets" was really at stake in Latin America. For that they needed to claim that the indigenous liberation

movements in Latin America were not independent but puppets of the Soviets pulling the string behind the scenes-and indeed they routinely did so. I well recall a public forum when I first arrived at U.C. Berkeley in 1979 where a CIA official named Cleto de Giovanni said precisely that with respect to the Sandinistas. But the story didn't pass the laugh test and I mean that literally-he was laughed off the stage, as he deserved to be. And so the mainstream view, certainly with respect to Latin America was exposed for the absurdity it was.

The alternative, so-called revisionist view is, rather than insist on their absence, to note the presence of dominant economic elites in positions which implement foreign policy decisions-and to assume that while there are always complications (including popular pressures, electoral campaigns, personal animus and/or affinities etc) in the main these are the interests which are likely being served within the matrix of foreign policy decisions.

As for any reasonably robust theory, this is true even when appearances seem to indicate otherwise. So, for example, with respect to the Marshall Plan, it might seem to be the case that domestic economic elites would have little interest in rebuilding Europe. Why would U.S. industrialists subsidize their competition? But the superficial impression is misleading in that, as industrialists were surely aware, the post war domestic market would be insufficient to maintain war time levels of production- with the likely result a return to depression conditions. And so developing European markets by rebuilding their industrial capacity (as well as maintaining high levels of defense spending) were crucial elements in heading this off. I'm not sure whether you agree with this but it certainly doesn't seem outrageous to posit it-and, insofar as I understand the documentary record (including PPS-23) there is pretty good evidence that these sorts of calculations were explicitly invoked within the emerging elite consensus on the Marshall Plan.

Now, when it comes to PPS-23, again, at least superficially, there are reasons for believing that the document, and the philosophies implicit within it, were not particularly influential. Though as an aside, it's worth noting that, say, a Laotian peasant, would find Kennan's recommendation for our foreign policy "to deal in straight power concepts" to be fairly consistent with his experience during the late 1960s and 70s. Or, for that matter, an Indonesian trade unionist's family probably wouldn't dispute that the U.S. (in reality as opposed to rhetoric) is uninterested in achieving "unreal objectives such as human rights". But even assuming that these represent a tendentious reading of the document, it is not so obvious that the underlying objectives were that significantly traduced as events transpired.

So turning to the seemingly unmaterialized "planning directives" you make note of, if U.S. financial and corporate elites were concerned with rebuilding Japanese industrial capacity, why did they forbid trade with China? I'm not going to claim that I have that much familiarity with this but the explanation seems pretty transparent: the imposition of a de facto (or de jure?) embargo against China was designed to insure the failure of a non-market based economy, its perception as having failed being seen as essential least the dominos in Asia begin to fall (as was, uncontroversially, I take it, the case for Cuba.)

So while you're right that this isn't consistent with the plan as laid out by Kennan, once China was lost, the policy to isolate China seems consistent with the broader spirit of Kennan's recommendations. As for the question raised by the success of the Asian Tigers, again, I don't think it is such a mystery. By the 80s and 90s we are dealing with a fully globalized economy in which dominant U.S. industries had begun to write off domestic production. Furthermore, it was the beginning of the financialization of the major segments of the U.S. economy as Panitch and Gindin's book discusses, in which U.S. investment banks and financial services were major pillars and were heavily reliant on international trade. Development of global industrial capacity was crucial to this proceeding apace. And, not surprisingly, the dominant figures in the Clinton White House, Rubin, Summers, Sperling, Tyson, Daley, had/have ties to finance more so than to industry as had been the case within previous administrations.

Obviously there is a lot more to say about this, but I'll mention in closing that, in writing all this up, I was continually aware that almost everything I mention above you almost certainly know a lot better than I do. So it feels odd to bring up these examples in response to what I take to be your essential perspective here which is, as you say, "consistent with that of most diplomatic historians." As you point out, this places you necessarily in opposition to the revisionist perspective which Noam and others inside and outside the field are associated with. Now it could be the case that the field has changed so that the kinds of absurd premises which on which the textbooks I read were based are no longer routinely paraded as objective truth by the mainstream-most notably that the cold war should be seen through the prism of mutual U.S.-Soviet antagonisms and suspicions without granting the possibility that much of significant U.S. foreign policy involved the attempt to extinguish unaligned, indigenous independence movements, serving the interests of economic elites. But recent events have made me doubtful. As I mentioned in the FB posting where I pinged you and the others, I was going to drop the discussion., I'm revisiting it because of the reviews by Wilentz and Wineburg which to my mind don't aim so much to rebut the revisionist perspective but to obliterate it-in some case on fairly dishonest grounds. I don't know where you stand on these, but I would be pretty alarmed if you were to align yourself with them.

But alas, I can't say I would be entirely surprised. A lot of my older friends are pretty shocked to find Wilentz having ended up where he is now-angling for the position of Arthur Schlesinger in the impending Hillary Clinton White House. Blech.

Best,

John

### **3) Ackerman to Halle**

OK, so you wonder whether today's diplomatic history writing is based on the "absurd premise" that

the cold war should be seen through the prism of mutual U.S.-Soviet antagonisms and suspicions without granting the possibility that much of significant U.S. foreign policy involved the attempt to extinguish unaligned, indigenous independence movements, serving the interests of economic elites.

Let me ask a question: why couldn't it be true that the cold war is best viewed through the "prism of mutual U.S.-Soviet antagonisms" *and also* that "much of significant U.S. foreign policy involved the attempt to extinguish unaligned, indigenous independence movements"? Is there really any contradiction in this formulation?

As for the final clause -- "serving the interests of economic elites" -- one thing is clear: nobody has ever claimed that the goal of US foreign policy was to *combat* the interests of US economic elites. That would be silly, obviously. But does that therefore mean the goal was therefore to "serve" the interests of those elites?

What I would suggest is that while *in theory* it sounds very logical to say that US policy would naturally be geared toward serving elite economic interests, in practice it is much, much more difficult to define what "elite economic interests" actually are in a given foreign policy situation.

For example - quick! What policy in Afghanistan do you think would most benefit the profits of Google? How about Pfizer? Not only do I have no idea, but I would wager that the executives of Google and Pfizer have no idea either.

Now, you might counter - OK, maybe that doesn't work easily in the case of Google in Afghanistan. But surely ITT knew damn well what its interests were in Chile, and United Fruit knew its interests in Guatemala. And you'd of course be right.

But let's put that in today's terms. Today, it's also true that General Electric is very clear about its interests regarding China's policy of forced technology transfer in its Chinese factories. So if GE wants to put a stop to forced technology transfer, what US policy should it dictate with regard to, say, the China-Japan quarrel over the disputed islands? Do you have any idea? I have no idea. Maybe the US should take Japan's side as a way of pressuring China to reverse its technology policy. Or maybe doing that would provoke exactly the wrong reaction - causing China to crack down even harder on US multinationals, when otherwise it might have taken a pragmatic let's-talk-about-this attitude in its commercial diplomacy. It's not all as obvious as you think.

So let me go back to Latin America. Right at the same time that Allende's Chile was expropriating US companies without prompt compensation, a leftist military government in Peru was doing exactly the same thing -- and yet the US did not try to overthrow the government. In fact, the Nixon administration even made strenuous efforts to avoid imposing sanctions, as required by US law (the Hickenlooper amendment).

I just looked up some of the relevant documents. Here was the State Department's explanation of the stakes when Peru nationalized the International Petroleum Corporation, a US company -- this is from a Jan. 1969 memo for Kissinger (<http://history.state.gov/historicaldocuments/frus1969-76ve10/d576>):

Consequences for US Relations.

Up to now we have apprised the GOP [Government of Peru] quietly but forcefully of the existence in US law of the Hickenlooper amendments. We have sought to avoid confrontations so far, so as to give the Government room to maneuver and

find a graceful way out. Unfortunately, the GOP's reaction to our approaches has been truculent rejection of the sanctions as an intrusion in internal affairs.

What has made the situation so tragic is the mandatory requirement of the US law. Were it not for that, the US would have more flexibility, more options, and greater time to handle the problem, and without the need to appear to "punish" which makes the present confrontation so serious.

Aside from the expectable consequences already noted, application of US sanctions will surely precipitate widespread and vehement criticism of the US throughout Latin America. The larger Latin American countries especially would view such action as "intervention", and would see the power to sanction in this way as threatening to themselves. In short, it would almost surely provide impetus toward unifying the now fractionated anti-US sentiment that exists in the region. Given even the best relationship which could be salvaged from the IPC impasse, the popular and political mood in Peru will surely require, over the next year or so, an increasing demonstration of independence from the US. It is thus likely, in any case, that coolness will characterize our relationships and the traditional friendship between us will bear an ugly scar for some time to come.

We must now face the questions of a) how far we can and will go in order to induce some sort of settlement among the two parties; and b) whether, in the absence of such flexibility, we can or should avoid a direct confrontation.

Ambassador Jones has been asked to return to Washington for consultations the early part of February in order to provide State with first-hand appraisals and analyses of the situation and probable future developments, and generally to review with State what the next steps might be. It would be useful for him to brief the President personally, if this is possible, given the potential serious consequences of this problem for our entire Latin American policy.

Eventually, the US quietly forced IPC to accept a shitty negotiated compensation deal -- exactly the same type of compensation deal Allende was offering to ITT and Kendicott Copper. In a phone conversation with Nixon, Kissinger said "IPC has been a lousy company." Tell me John: in what precise way was Kissinger "serving the interests of US elites"?

So why did the US overthrow Allende's government but not Peru's? This area is not my specialty, but I do know that for Kissinger the most important threat that Chile posed was in serving as a positive example for the Italian Communist Party. After 1968, the PCI had gone Eurocommunist, renouncing fealty to Moscow and declaring that there was an electoral road to socialism. It was politically on the ascendent in the early 70s, and Kissinger was terrified that if Communists came to power in Italy -- even though it would be through elections -- NATO would dissolve. Not so much because the PCI would withdraw, but because, as he said in a 1977 speech:

The character of the Alliance would become confused to the American people. The signatories of the North Atlantic Treaty pledged in 1949 that "they are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of

law." If Communists entered governments in allied countries, the engagement to help maintain the military balance in Europe would lack the moral base on which it has stood for a generation. The American people would be asked to maintain their alliance commitment on the basis of two highly uncertain, untested assumptions: that there is a new trend of Communism which will in time split from Moscow, and that the West will be able to manipulate the new divisions to its advantage.

If you cut through the moral rhetoric, what he's saying is that in an era of balance of payment deficits, when Congress was already constantly trying to force a withdrawal of US troops from Europe (the Mansfield Amendment), there was no way in hell the White House could convince Congress to keep the troops there if we were there to defend a bunch of Communists. Kissinger said this in public and in private.

The eyes of the whole world were on Allende because the Italian Communists were holding him up as an example of what they could do in Italy. ("See, we're not scary Stalinist revolutionaries, we're just trying to do what nice Professor Allende is doing in Chile!") That's why Kissinger was desperate to get rid of Allende. The point was to defend NATO and hence the European military balance.

Notice that none of this means Henry Kissinger is not a ghoul. It just means US foreign policy is not simple.

I could go on and on about this whole subject, but let me instead just point your attention to the fact that Stephen Kinzer's book on Guatemala is completely out of date. By all accounts it has been vastly superseded by the work of the historian Piero Gleijeses. Gleijeses is extremely and openly sympathetic to Cuban foreign policy, and the Latin American far left in general -- but he is also universally recognized as a brilliant scholar. I've attached a review of his book on Guatemala, which is the best source on the subject. I really urge you to read it.

#### **4) Halle to Ackerman**

Seth,

You are, of course right that it would be absurd to claim that USFP combats the interests of economic elites. Now, it might seem to follow that because it is absurd that's why no one is saying this. But this is clearly not the reason. For consider another claim along similar lines: USFP serves the interests of U.S. people, broadly defined. It seems to me that there are lots who are making this claim. In fact, it would be heretical in most mainstream circles to suggest otherwise.

But of course, I don't need to tell you that it's an absurd claim: Our three trillion dollar plus venture in Iraq-which killed 5,000 and maimed 17 times that number was a

grotesque waste of lives and revenue which might have been devoted to the single thing which could have saved the planet-the conversion to a renewable energy economy. So it's pretty obvious that whoever's interest USFP acts in, it is not serving those of the population at large.

That is the fundamental fact to keep one's eye on and while I appreciate your pointing these out, its important not to let the complexities of which elites (if any) are benefitting from a given foreign policy, to obscure this basic underlying bottom line.

By way of analogy, consider the following: while I have no idea of which corporations and plutocrats successfully lobbied for which tax breaks, I'm fairly confident that the deliberations of the Senate Ways and Means committee on tax policy will almost certainly benefit elites, more precisely, the major donors to the campaigns of the committee members (as luridly demonstrated by Bartlett and Steele). So too will the Senate Foreign Relations committee and the National Security Council or State Department show itself to be equally solicitous to those who are, among other things, able to contribute substantially to campaigns, (though their influence is not limited to this channel). Just as there are many corporations clamoring for lots of different tax breaks and the ultimate legislative result a complex stew of compromises, so too will the same chaotic situation operating within relatively narrow constraints be visible in foreign policy outcomes.

That's what the examples you cite seem to indicate: no one may be able to lay out the chain linking influence to action. There are occasional clear cases, but these will be the exception. Incidentally, among these, there is one which did stick out which is that while I have no idea what Google's interest in Afghanistan that seems to me a misleading question: there is another sector of the economy which is likely to have substantial interest in Afghanistan and the Middle East, namely, the fossil fuel/extractive industries. I haven't read Steve Coll's book on the subject, but I did read some reviews which indicated that Coll's basic point is that while the oil companies will not necessarily always get exactly what they want, they are pretty certain never to get what they don't want. In this case, what they don't want would be certain forms of radical nationalism which they find untenable.

Again, how this works out in detail is, I am sure, enormously complex, but we shouldn't allow the complexity to obscure the broad outlines and the field of possible outcomes which is narrowly constrained by patterns of elite influence. In short, to return to a well worn example, would we have invaded Iraq if its chief export were turnips? Almost certainly not. But it does not follow from this that anyone can show precisely why we did so. Nor should the fact that it's hard to do so be taken as an indication that economic motives, specifically, the concerns of economic elites, are not primary factors in foreign policy decisions. To return to the Ways and Means committee, just because we can't show how a particular favor in the tax code came into being doesn't mean that the system isn't set up to, on balance, reward elites and punish the majority-as it almost always does in the absence of serious popular mobilization exerting pressure.

One final point: it doesn't follow that we shouldn't make every effort to connect the dots and, insofar as I sympathize with your (apparent) rejection of the revisionist cold war critique, it is on the grounds that left scholarship has not always done a good enough job in this regard. As I mentioned in my FB note to Rick, unfortunately, I agree with some of Wilentz's critique of Zinn and Stone and Kuznick along those lines. But it's a big (reactionary) step to go from criticizing how the job has been done by the left to writing off the critique itself. That's what Wilentz is doing and I hope you're not doing it too.

John