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## PROBLEMS OF US FOREIGN POLICY AFTER MOSCOW

*Editors' Note: This lecture was delivered shortly after the Moscow Conference of Foreign Ministers, April 23–25, 1947. Reviewing the lecture more than forty years after delivering it, Kennan commented: "This paper gives a good idea of the way things looked to me at the very moment of the establishment of the Policy Planning Staff and on the eve of the work that Staff laid for the foundation of the Marshall Plan. The talk was delivered only one week after General Marshall had ordered me to leave the War College and to set up the Staff, one day after the Policy Planning Staff was established, and two and a half weeks before the Staff's recommendations were submitted to General Marshall." (Kennan also mentions this lecture specifically in Chapter 14 of his Memoirs 1925–1950.)*

**I**N THE REMARKS WHICH SECRETARY MARSHALL MADE TO THE public over the radio last Monday night, he pointed out that the Moscow Conference of Foreign Ministers "dealt with the very heart of the peace for which we are struggling." Those words, like all of General Marshall's words, were carefully chosen. The German question must be the center of any overall European peace settlement and of any future ordering of the world's affairs based even nominally upon wide international agreement. Without an agreement about Germany, no such general European settlement and no such ordering of the world's affairs are thinkable. All the parties to the Moscow discussions were well aware of this: the issue of their deliberations was a considerably greater one than that of the future of Germany itself.

In the face of this realization, the Soviet leaders exhibited no serious desire to reach agreement on the questions discussed at Moscow. Their demands were ones which called in effect for the assent of the Western powers to the establishment of unlimited Russian hegemony over Germany and Austria. If the Western powers had met these demands, the result would not have been an agreement; it would have been a capitulation. It would have indicated a readiness on the part of the Western powers not to *agree* with Russia on the German problem, but to turn Germany over to Russia and to permit Russia to decide Germany's fate unilaterally. The Russians knew that none of the Western powers had any intention of doing this; that none of the Western governments would even have been permitted by its own public opinion to do this. Yet they clung to this position.

There is only one conclusion that we can draw from these facts. The leaders of the Soviet Union did not consider the present time favorable for the conclusion of a general arrangement with the Western powers concerning the future of Europe.

The Soviet leaders *do* expect to meet us again in negotiation on these questions, and they expect that when that time comes they will be in a better bargaining position and we in a worse one than today. In other words, their analysis of the situation has led them to conclude that they stand to gain and we stand to lose by a further delay in the negotiation of a European settlement. That realization alone could explain the attitude they adopted at Moscow.

Now what has brought the Russians to this conclusion? In asking ourselves that question, we are fortunately able to reflect that it is not at all certain that the Kremlin is capable of viewing realistically the world beyond its borders. The Soviet leaders, like most fanatics, have taken so many liberties with objective truth, over so long a period, that it is entirely possible their capacity for objective judgment has been dulled and they have become the victims of their own propaganda.

Thus we need not assume that the Soviet analysis of the world situation is necessarily founded in reality. It represents what the heads of the Communist Party would wish reality to be—or what they would interpret it as being. And that, in the peculiar mental world of fanaticism, is apt to be decisive for their course of action.

Two factors loom uppermost in the Soviet appraisal of the non-Soviet world today. The first of these is the certainty—in Soviet eyes—of an economic crisis in this country. I cannot overrate the importance of this. It has provided the central theme of Soviet thought about the Western world ever since the latter phases of the recent war. It has been treated as a foregone conclusion in all Soviet literature. From it the Russians have been taught to expect not only a general weakening of our prestige and our bargaining position in world affairs, but also the rise of a domestic economic compulsion which will force our government to unload great quantities of American goods on the outside world at our expense and on anyone else's terms, in order to ameliorate the unemployment and overproduction which the economic crisis will have brought to this country. That situation, in the Soviet view, spells huge credits to Russia with no strings attached: no bothersome questions about the settlement of prior obligations or about capacity to pay, no boring clauses about justification of requirements or supervision of the spending of American money, and no irrelevant queries about Soviet participation in such things as international arrangements for civil aviation. This expectancy is the cornerstone of Soviet strategy today. No besieged garrison ever watched with more breathless eagerness for the first faint dust clouds of the relieving army on the horizon than the men in the Kremlin today watch for the first harbingers of that economic disaster in this country. Our economic crisis will constitute, they believe, the beginning of their final triumph.

The second factor which looms large in Soviet strategy is the strong probability—as they see it—that we will not be able to muster,

as a nation. the leadership, the imagination, the political skill, the material resources, and above all the national self-discipline necessary to bring material stability, confidence, and hope for the future to those areas of Western Europe which have been brought low by the war. I am thinking here of Italy, France, Austria, Germany, and even England herself, and of course of the other small countries whose fate is bound up with that of the ones I have mentioned. The Russians consider that the economic problems of these countries cannot be solved without the aid of the resources of those areas of Eastern and Central Europe which they now control; and for this reason they feel that they have only to continue to deny those resources for a while longer in order to put themselves in a position where they will be able practically to name the political price on which they will make the resources available. They feel that the nations of Western Europe will eventually be forced to pay that price in order to obtain the food and the raw materials they need. They also feel that we will be willing to suffer that price to be paid, because there will simply be nothing else for us to do.

The Russians feel they have already woven an invisible network of economic dependence around those proud nations of the continent which still fancy themselves to be free; and they have only to await patiently the day when American failure to relieve the intolerable economic conditions of those areas will allow them to begin to draw tighter the cords of that invisible network and to bring the West of Europe into the shadows which have already enveloped the East. When that time comes, they feel we will have less to say at the next meeting of the Conference of Foreign Ministers.

These are the hopes upon which Soviet strategy is based; and we must admit that whatever the facts, the logic of this set of ideas is challengeable.

It seems to me, therefore, that it must be the task of American policymakers to chart a course, if possible, which would prevent these hopes from maturing.

I am not going to talk in detail about the avoidance of an economic crisis in this country—not because the fate of our internal economy is purely a domestic matter (it is *not* purely a domestic matter, and the sooner that is realized in our country the better it will be), but because it escapes the competence of those of us who deal with foreign affairs. In this question, we can only hope for the best; and my own best hope is that while we may indeed have some sort of

a recession, it will not be severe enough to be called a crisis and will not cause us to take steps in the field of foreign trade and finance which would be contrary to our own national interest. If this hope proves to be well-founded, then at least one of the assumptions of current Soviet strategy will have proven unsubstantial.

Now how about the other assumption? What is the situation with respect to Western Europe?

First of all—Italy. On the face of it, Italy's economic problems do not look too discouraging. The exchange situation is not so bad. Both imports and exports have been much lower than pre-war, but exports have been ahead. Industrial production has come back—to my mind—surprisingly fast, comprising now about 50 percent of pre-war levels and that is a good percentage, considering circumstances. But this has been accomplished at the cost of internal reconstruction; capital has not been available for new machines, new processes, new tools of trade within Italy. Public confidence has not been restored; and this has aggravated the dearth of capital. The result is that while the Italian Government has done relatively well at balancing its foreign exchanges, subsistence levels for the Italian population have remained critically low, and there is serious unemployment. What Italy apparently needs most in the economic field is, first, a normal long-term loan for the renovation of capital plant and equipment; and, second, stringent measures of financial discipline, designed to prevent inflation, to stop the flight of capital, and to provide jobs, if necessary through a public works program. That doesn't sound too formidable.

I can conceive that the loan might come, at least in part, from the Bank for Reconstruction and Development. In any case, the burden on our Government should not be inordinate. But the achievement of greater economic discipline is another problem. The Communist Party has over two million members in Italy and controls 19 percent of the seats in Parliament. In addition, it has substantial control of the key positions in the labor movement. From these strong positions, the Communist Party has the capacity to interfere seriously with any measures for stimulating confidence in a noncommunist future for Italy. For there are always effective demagogic slogans which can be invoked against any really constructive economic program; and communists everywhere are virtuoso in the selection and use of these slogans when they need to use them.

There are two ways in which we could try to offset this probable communist interference. One is by seeing to it that any financial aid given to Italy is conditioned on the undertaking of the Italian Government (and possibly of Italian labor as well) to carry out an effective economic program to ensure that the money will not be wasted. Since promises are a penny a dozen in this post-war world, the money loaned should be dished out only as needed, and the credit made revocable in case the undertakings of the Italian Government are not lived up to. Honest Italians might feel themselves obliged to squawk publicly at such harsh terms, in order not to be outdone by others. But it would stiffen their backs in dealing with the communists; and I think that, secretly, they would be grateful for this support.

The other line of approach would be to weaken communist influence. I can give you no sure prescription for how this can be done. We have to watch for the openings. I might mention, as an example of the possibilities, that the question of the Italian colonies is still open. I think our Government, before adopting a final position on this question, should do some sound and unsentimental thinking on the strategic realities and the political possibilities of this situation, designed to make sure that Uncle Sam cashes in politically on at least this small item of the spoils of war. He has not cashed in on very many; and the days have passed when he can afford to indulge in further gestures of political largesse.

We come next to France. The task of gauging France's economic needs is simplified by the fact that France alone of the countries we are dealing with has an overall economic program: a four-year plan known as the Monnet plan, around which she is endeavoring to orient her economy. This plan is designed to put France by the end of 1950 in a position where she will no longer require any special sort of assistance from the outside world. The plan centers around certain production goals for basic items in the French economy—namely coal, electric power, steel, cement, agricultural machinery, and transport. It is based on the calculation that when these goals are reached, France will be able to look after herself. The plan involves outside financial assistance to the amount of about one billion, five hundred million dollars, of which some five hundred and fifty million are already available or promised. The rest could conceivably be made up partly by the International Bank. The existence of this program simplifies the problem of making these

further funds available, for it presents a concrete and satisfactory goal to shoot at, and gives assurance against the necessity of further financial demands once this goal has been reached.

But here again, the completion of the program is by no means dependent on foreign financial assistance alone. It involves a number of other important prerequisites, including increased coal imports from Germany; an increase and redistribution of the labor force, which again probably involves Germany and Italy; an increasing investment in plant and equipment; and—what is probably most important of all—a system for financing the investment program which will prevent inflation.

The period covered by the Monnet plan began with the present calendar year. Thus far, the results have not been impressive. Coal imports, for example, have been some 20 percent below plan. The index of industrial production was about 90 percent of the 1938 level as against the 100–105 percent which the plan had envisaged. And the danger of inflation has been so acute that the government has apparently not dared to make available for the investment program the funds earmarked for this purpose.

If all important factions in French political life were unanimous and unshakeable in their determination to see this program succeed in the end, this slow beginning would not be a serious cause for concern. It is not vitally important whether the French economy is brought into balance by 1950 or 1952. But again, the real question is the French Communist Party. The situation is similar to that which we have just seen in the case of Italy. With 28.5 percent of the votes and with control of the French labor movement, the French Communists, whether in the government or out of it, probably have a decisive capacity to influence the fulfillment of the Monnet plan. Will they throw that influence behind the plan's completion, even if this should contribute to the stability of a Western Europe independent of Russia? Or will they sabotage its fulfillment?

The communists have to be very circumspect in such questions. After all, they have been competing for political power in Western Europe. The French people want better economic conditions, and they want them urgently. The communists cannot afford to put themselves openly in the position of opposing economic rehabilitation of France; that is their weakness. Up to this time, they have indicated a readiness to support a governmental program designed to hold the line against inflation. But important events in the past few days have

thrown doubt on their willingness to continue to give this support. It looks as though the communists are now more concerned about currying favor among the most radical sectors of the French labor movement for obscure purposes of their own, than they are concerned about preserving their general parliamentary position in France. This is a very important development. Bear it in mind; for we are going to return to it later.

Again, in the case of France, we see that financial assistance is not enough. Unless the line is held against inflation, the coffers of the French Government may prove to be a rathole. And again, a strategic position in the battle against inflation is held by the communists; and the communists are unreliable. What is the moral for us? It is the same as in the case of Italy. Any assistance extended to France by us, directly or indirectly, must be anchored in some sort of undertaking which will bind at least the French Government, if not French labor as well, to see that there is no dirty work at the crossroads. But better than that would be a reduction of communist influence in France to a point where it no longer had the capability of impeding economic rehabilitation. And to that, too, we will return later.

We come now to the western zones of occupation in Germany and Austria. Let us take Austria first. Before we can assess the dimensions of the problem of restoring decent economic conditions in Austria, we should logically know whether we are talking about Austria as a whole or only about the western zones. Now the Austrian treaty is still a subject of negotiation between the Russians and the Western Powers. A special commission is meeting in Vienna in a few days to discuss the question further. It might initially seem better to await the outcome of those negotiations before trying to face the problem of Austria's rehabilitation at all, but I am not sure that that procedure would be sound. We have been, in effect, waiting for the last two years. It has not helped us much. It has certainly not helped the Austrians. I am not particularly optimistic about the forthcoming meeting of the special commission. Of course, anything is possible. It may be fairly stated, as a working rule for dealing with the Russians, that the only people able to get along with them are those who have proven their ability to get along without them. It would not be misplaced effort if we were to plan now for the rehabilitation of the three western zones alone, leaving out the Soviet zone. I cannot find much thinking being done along these lines in our government. This approach undoubtedly presents greater problems



than planning for Austria as a whole. But the problems do not appear insuperable to me. The cost of such a program of rehabilitation ought to be well under the half-billion dollar mark which does not seem exorbitant. The day may come when the price of a firm position in Central Europe will run much higher.

Now for Germany. We carried the war to completion and accepted the unconditional surrender of Germany in accordance with a set of arrangements which left us with sole responsibility for a section of Germany which had never been economically self-supporting in modern times. The zone's capability for self-support had been catastrophically reduced by the war and the German defeat. When we accepted that responsibility, we had no program for the rehabilitation of the economy of our zone, preferring to leave all that to later settlement by international agreement. We also had no agreement with our Allies on any program of rehabilitation of the German economy on a national or even regional scale. In our own minds we were not even clear whether we wanted the German economy rehabilitated. Sometimes we thought we did; sometimes we thought we didn't. Sometimes we just agreed to disagree among ourselves.

In these circumstances we let the economic situation slide for 2 years, refraining from drawing up any real program for the rehabilitation of our zone. By "real program," I mean one that had a visible, definite goal connected with the interests of this country. We gave precedence in our occupational policy to a political program designed to accomplish the denazification and democratization of German public life. Since we were unwilling to let people starve entirely, we made up from the pockets of our own taxpayers the very considerable costs of keeping the Germans in our zone barely alive. But in the absence of international agreement with the Russians, we made no serious effort to restore the German economy to a point where it could play any appreciable role in solving the general economic problems of Western Europe and removing from our shoulders any important part of the burden of keeping life going in those areas.

Today we find ourselves recognizing that the economic rehabilitation of Western Europe is of urgent and primary importance; that the restoration of German productivity, if only in a part of Germany, is essential to that rehabilitation; and that we cannot wait for Russian agreement to achieve that restoration. For this reason, we may now suppose that the decks are cleared for an intensive program

to restore a high level of productivity as far as possible throughout the west of Germany. For the first time we now have indications that even the French might go along with us on such a matter. We have indeed taken certain steps in that direction. The chief step has been agreement in principle with the British on the economic unification of our two zones. The joint development should make both zones no longer the object of charity from the Big Three within two or three years.

I still have not seen convincing evidence that we have yet allotted to this program the priorities which it needs to have any chance of cutting through the obstacles in its path. Many of these obstacles are found in the political concepts with which we have been working in Germany. I do not see that any of the political considerations has been substantially modified in deference to the needs of the economic program.

The press reports that General Clay has worked out some new directive for our military government which seems to deal exclusively with political, not economic, questions. I note that not much seems to be happening with respect to the revival of foreign trade between the western zones of Germany and other countries in Western Europe. I know that certain beginning steps have been taken in this direction; but there has hardly been any evidence of enthusiasm on the part of our military government authorities in Germany for the revival of these exchanges. Finally, while we have agreement with the British in principle on the economic unification of our two zones, we appear to be deadlocked in disagreement with them at the moment over the channels whereby that program should be implemented.

I do not blame any of our people in Berlin for this failure to agree. I hope I will never be one of those who assume that whenever an American fails to agree with somebody else, it is the American who is wrong. But in this case, an economic program of crucial urgency is at stake: a program which tens of millions of people are awaiting as a matter almost of life and death, a program which may prove decisive for the balance of power in Europe. The achievement of agreement with the British on this issue deserves the highest attention of our Government. If such agreement cannot be achieved promptly by the best goodwill and the broadest view on our part of the factors involved, then it is high time we drew some far-reaching and very unpleasant conclusions for the future of our whole occupation of Germany and of our policies in Western Europe.

In my opinion, it is imperatively urgent today that the improvement of economic conditions and the revival of productive capacity in the west of Germany be made the primary object of our policy in that area and be given top priority in all our occupation policies. This principle should be adopted as a general line of procedure of this Government, binding on all of its departments and agencies.

If this policy is followed, the economic problem before us is not insoluble. Although the task is harder than any other we have discussed, the figures still do not run into impossible dimensions. But unless it is done, we must inevitably continue to founder, and our chances of proving the Russians wrong in their calculations about Western Europe will be very much diminished.

The *New York Times* correspondent in Berlin, who opposes giving top priority to economic subjects at this time, had the following to say in this morning's *Times* on this subject.

Despite all charges to the contrary, Americans at the top level here are apparently not placing economic recovery for the Germans ahead of world peace and security and refuse to go along with the British theory that an important objective is to "get the Germans on their feet."

I don't know what the *Times* correspondent means by "world peace and security" as an objective separate from the revival of economic life in Western Europe at this time. But whatever he means, if it is allowed to continue to take precedence in his mind and in the minds of other people who are handling our affairs there, I would hazard the prediction that in a short time they will have a chance to reflect on that somewhere in the Atlantic Ocean and not amid the ruins of Berlin.

Now in any scheme for economic rehabilitation in Western Europe, there is one very important condition. The problems of Western Europe should be approached as a whole and the maximum degree of economic collaboration and exchange should be assured among the various countries. As in the case of Germany, collaboration applies in no less degree to France, to Italy, to Austria, and to the Low Countries. Unless a high degree of division of labor and of international trade can be developed within the Western European area, I question whether any amount of capital expenditure on our part can be effective. I reiterate: we have not shown much concern

about this in the past. The fact, for example, that there is practically no trade between Austria and the western zones of Germany seems still to be of relatively little importance to us compared to the political benefits which we conceive ourselves to be reaping from this stagnation. Yet the amount which our military authorities in Austria would like to import, if they could, from Germany are such that, if actually imported, would bring about a sizable reduction in the amount of aid Austria will require from the US Government to finance Austrian rehabilitation.

For the other countries of Western Europe, we are doing the best we can along traditional lines with our proposals for free trade and tariff reduction. I am not prepared to say we could do any more but I think we could reexamine our ideas about foreign trade very carefully from the standpoint of the immediate problem we face in Western Europe. Perhaps the concept of regionalism should find some place in our economic thinking. And perhaps some of the forms of trade we have been opposing so stoutly might be better than a sequence of events which would finally remove the respective countries from our sphere of international trade entirely.

In the light of all this, we must question whether any financial assistance we may extend to these countries should not have, in addition to the other anchors I mentioned above, another anchor in the form of an accepted overall plan for economic, financial, and manpower exchanges among the countries of Western Europe. This presents a really ticklish problem of foreign policy planning. We cannot cram such a plan down the throats of Western Europeans. Nor is our public apt to support it unless it bears the sanction of some international approval. We like to do things in company with other people, not alone. If such a plan for Western European collaboration could be cleared through the UN, we would feel much more comfortable about it. The machinery for this happens to exist. The European Economic Commission established in March by the Economic and Social Council is now convening in Geneva. It is beginning to absorb several of the ad hoc organizations for dealing with various phases of European economic problems. In some of the ad hoc organizations the Russians participated; in most of them they did not. If they had similarly refrained from participating in the new overall European Commission, there might have been a relatively good chance of clearing through it such a plan for general Western European collaboration. Perhaps it was for precisely this very reason that the

Russians surprised everyone by showing up unannounced at the last moment with a delegation of 23 members when the session began. We will probably never know why, but in any case the Russians are there and we have to reckon with them. Any proposals for the ordering of the economic life of Western Europe will have to undergo their minute and suspicious scrutiny. I do not think they can afford to blackball outright any effective and promising scheme if people understand that the economic future of Western Europe depends on that scheme. They may try to worm themselves in on the administration of the scheme, and then they will drag their feet so that the thing will never work at all unless it works to their benefit.

What does all this indicate in the line of a program for American policy in the forthcoming period? As far as the purely economic problem is involved, it is not difficult to chart out a likely line of procedure. I could imagine that it would run something like this:

- We decide to our own satisfaction here that questions of further aid to Western Europe be considered by us on a comprehensive, regional basis and not on a country-by-country basis.

- We then begin by drawing up a rough blueprint of general Western European rehabilitation designed to ensure that all the countries of that area, including our zones of occupation, render their maximum contribution to such a program and make up the maximum amount of the costs from their own resources.

- We then calculate roughly how much in the way of remaining capital investment will still be required from outside resources and how much of this could conceivably be supplied by sources other than the US Treasury.

- Having thus ascertained the residue of what we might be required to meet directly, we explain the problem fully to representatives of the legislative branch of our Government and try to obtain some reasonable assurance—I realize that no definite assurance can be given—that such a program would have their support.

- We then take the program to some of our recent Allies in Western Europe, advise them that this is the sort of thing we would probably be inclined to support, and suggest that some such program (we have no pride of authorship) be submitted by them to the European Economic Commission. I think it better that the initiative come from a European power than from us.

In the discussions in the commission, we would stipulate the following as requirements of American support: first of all, that the European governments concerned undertake firmly to back up the program by their domestic policies; and secondly, that the program's administration be so ordered that execution of it would not be impeded or distorted by any outside party.

If the program found acceptance in the European Commission on these terms, then the Commission could proceed to sponsor it as a United Nations project and the United Nations could approach this Government for the required financial support in a formal way. In this way we could avoid the allegation that we were bypassing the United Nations.

But what if such a program could not be cleared in the European Commission? What if the Russians "spiked" it by bringing in a plethora of extraneous questions or by trying to link it to Russian participation in the administration of the Ruhr or to put themselves in other ways in a position where they could control the execution of the program and exploit it for their own political purposes? What do we do then?

In that case, I think we can only say "no" to the whole business as pleasantly and as firmly as we know how, and proceed to deal with the countries individually or severally outside the United Nations, laying down essentially the same requirements as we laid down in the European Commission.

If they were not willing to meet those requirements—if communist influence within those countries was strong enough to cause them to hold back—if they were not willing, in other words, to guarantee that our money would be spent carefully and economically to achieve the purposes for which it was granted, then there would be no use in our giving it at all. If the peoples of Western Europe were to reject American aid on those terms, then that in itself would be equivalent to a final vote for Russian domination. And then there would be nothing more that we could do except to make crystal clear precisely where the responsibility lay for the hardships which still lay ahead.

If, on the other hand, we could reach agreement to such a program among the Western allies, find support and understanding for it throughout all levels of our Government, civil and military, and put it into execution, then we would refute the second foundation of current Soviet strategy and have placed ourselves in an advantageous position

to meet the Russians again at the council table for the discussion of the future of Europe.

But the question of whether European countries would agree to such a program is not going to be an economic one. It is going to be a political one. And it is going to be fought out on political grounds. Unless the communists get key positions in the administration of such a program, they will fight it everywhere, tooth and nail. They will portray it as a sinister effort to fasten American hegemony on the peoples of Western Europe. The only thing which can silence them and force them to acquiesce in the program's acceptance will be public opinion—enlightened public opinion, a public opinion which understands that this is the only way Western Europe can be saved from disaster.

Will such public opinion be in existence? I do not see any reason to hope too strongly for that. Why should there be? In Paris today there is not, as far as I know, a single newspaper in the French language which defends the American point of view. There are a number which defend the point of view of the Soviet Union. There are three thousand communist reading rooms scattered over the face of France. How many of ours are there you can imagine yourself. In the face of that, the intent of the House of Representatives seems to be to silence the "Voice of America" and our entire informational program. Normally, I think that in matters of foreign policy, it is a wise principle to let bygones be bygones. But in this case, a decision to cut off the funds for American informational work flies in the face of the sober and considered advice of practically every figure of outstanding experience and knowledge in the field of foreign affairs in our country. The reasons why this program should be maintained have been carefully and patiently explained from very high levels on numerous occasions. In these circumstances, I hope that the American people, when the course of events some day causes them to reflect on the decisions of this period, will judge fairly but severely the wisdom of those who insisted on depriving American diplomacy of its tools of trade at a highly critical moment in world affairs.

Now we have dealt here with the means for plugging the holes which the Russians expect will develop in our own armor. We have talked only about how we can correct these possible weaknesses. But what about Russian weaknesses? Should we exploit them? Do they not exist? Or does the Kremlin think that it has effectively concealed them from our observation?

Russia's own position contains many weaknesses and many dangers. Her internal economic position is a serious one; but other things being equal, I think she should be able eventually to ride out her difficulties. It will just take a good deal longer than was hoped and expected in Moscow. At any rate, there is little we can do to exploit these difficulties, and I am not sure that we would wish to do so if we could, for the burden would fall more on the Russian people than on the Kremlin. On the other hand, I see no reason why we should rush forward to assist the Kremlin, which bears responsibility for these difficulties.

In the Russian-occupied areas—the satellite areas of Eastern and Central Europe—there are also dangers and weaknesses for the Soviet position. But alone, I doubt that they are critical, from the Soviet standpoint. And here again, there is not much we can usefully do, except to reiterate our position and to continue our public pressure for removal of Russian forces and for greater concessions to national independence and popular government.

But in the position of the communist parties in countries beyond the shadow of the power of the Red Army—in other words, in Western Europe—we have a different sort of picture. Here we have the weakest and the most vulnerable points in the Kremlin armor. These communist parties do not yet have behind them the bayonets of the Soviet secret police power or any of the other supports of the totalitarian state. They stand or fall on the political developments of a relatively free world. Their fate may still be influenced by the electorates of those countries or by the governments there in power, or by the actions of other free governments such as our own.

For the last few years, these communist parties have been carrying water on both shoulders: trying to retain the advantages of militant conspiratorial groups prepared to seize power by the violent overthrow of existing authority, and at the same time trying to exploit to the full the normal parliamentary advantages granted to any serious political faction in a modern liberal democracy. This had led to a strange duality not only in the personality of the communist parties as political bodies, but also in the character of their membership. It has resulted in a situation where we have in some of them two kinds of communists who are quite different—a hard core of violent, fanatical extremists and a wide circle around them of muddled, discontented, embittered liberals. The Kremlin has not wanted to be forced to choose between these two groups; because to do so would weaken the



communist parties as entities and force Moscow to forfeit the advantage of one or the other of the two approaches—and the Kremlin always likes to have alternatives. It never likes to be forced to get down to its last card.

In France, it looks as though circumstances were now forcing Moscow to make this choice and as though the choice had fallen upon the hard core of extremists and against the liberal parliamentarians. We had an interesting forewarning of this development only a short time ago, when the Moscow *Pravda* stressed the great current significance (that is, it said there *is* a great present-day significance) of the so-called April thesis—namely, of what Lenin said to the Russian workers of St. Petersburg in 1917 when he came back on the sealed train through Germany from Switzerland. At the time the February Revolution had occurred, Russia for the first time had something like a free parliamentary regime, in which the communists were really able to function with no restrictions at all on their activities. That had confused them; and some of them were saying, “Why should we continue to be a revolutionary party? The lid is now off. The road to political success lies ahead of us. We only have to make a bid for a majority. Like everybody else, we will work our way up, we will become the majority party and take over the government.” Lenin said no. He urged them at that time not to be misled by the parliamentary freedoms which they enjoyed under the Kerensky Government—to remember that their future lay not in becoming a majority party in a bourgeois parliament but in penetrating and capturing the local councils of peasants, soldiers, and workers’ deputies, the original soviets (little non-governmental bodies which had sprung up around the country) and using them to overthrow the existing government entirely. Remember: *Pravda* fished this out of the past a few days ago and said it had great current significance. Today there is no doubt but that the labor movement has taken the place in communist thought which the early soviets occupied at the time of the Revolution. What we are witnessing today in France, and possibly in Italy too, may therefore mean that the communists, having failed to seize all governmental positions by parliamentary means, are about to apply their enormous influence in the labor movement to disrupt progress under the existing regimes, to throw life into chaos, and eventually to effect the actual overthrow of existing authority and the establishment of workers’ governments.

If so, then we are facing the most precarious moment of the postwar era. But it will be precarious for Moscow as well as for us. If

this is what is really coming, it is not because Moscow willed it that way. It is because Moscow's hand was forced, not by ourselves but by circumstances—perhaps by the inability to hold together any longer the conflicting interests and aims of these two types of communists—and because the Kremlin was no longer able to continue the policy it would have wished to follow.

I think that there is a moral to this. If the cards in the Kremlin's hand are so tightly arranged that even circumstances can force a discard, we should examine very carefully the possibility of a calculated "squeeze" play on our part. If the Kremlin has really been forced to stake the future of its position in Western Europe on violent action through the labor elements in opposition to parliamentary government, then it is playing a very powerful and very dangerous card, but one of its last ones. This move would admittedly present great dangers to the peoples of Western Europe and to us; but they would be the dangers which threaten in reality from an animal at bay. And if these dangers could be withstood, then international communism in Western Europe would be brought far closer to failure, would be brought into a far more vulnerable position, than we have recently been able to hope. For this reason, we should give most careful scrutiny to this situation. And we should see to it that no action of this Government in the field of foreign affairs is taken without attention to the effect it might have upon this situation within the international communist movement.

There gentlemen, you have a rough picture of some of the international political problems of the immediate future in the Western European area, and perhaps a hint or two as to a possible approach. This is, of course, not the only approach which could be discussed, or which could be advocated. But I can assure you that any program which is going to be effective will have one important thing in common with that which I have outlined to you today: it will call for far greater coordination and consistency of action within the Executive branch of this Government than anything we have been able to muster since the termination of hostilities, and for a considerably higher level of understanding and confidence in our policies outside the Executive branch. Unless these things are forthcoming, I am afraid that history, examining the calculations of the Soviet leaders in the Spring of 1947 and measuring them against the subsequent course of events, will declare that these Soviet leaders were wise and realistic men.

Russia's own position contains many weaknesses and many dangers. Her internal economic position is a serious one; but other things being equal, I think she should be able eventually to ride out her difficulties. It will just take a good deal longer than was hoped and expected in Moscow. At any rate, there is little we can do to exploit these difficulties, and I am not sure that we would wish to do so if we could, for the burden would fall more on the Russian people than on the Kremlin. On the other hand, I see no reason why we should rush forward to assist the Kremlin, which bears responsibility for these difficulties.

In the Russian-occupied areas—the satellite areas of Eastern and Central Europe—there are also dangers and weaknesses for the Soviet position. But alone, I doubt that they are critical, from the Soviet standpoint. And here again, there is not much we can usefully do, except to reiterate our position and to continue our public pressure for removal of Russian forces and for greater concessions to national independence and popular government.

But in the position of the communist parties in countries beyond the shadow of the power of the Red Army—in other words, in Western Europe—we have a different sort of picture. Here we have the weakest and the most vulnerable points in the Kremlin armor. These communist parties do not yet have behind them the bayonets of the Soviet secret police power or any of the other supports of the totalitarian state. They stand or fall on the political developments of a relatively free world. Their fate may still be influenced by the electorates of those countries or by the governments there in power, or by the actions of other free governments such as our own.

For the last few years, these communist parties have been carrying water on both shoulders: trying to retain the advantages of militant conspiratorial groups prepared to seize power by the violent overthrow of existing authority, and at the same time trying to exploit to the full the normal parliamentary advantages granted to any serious political faction in a modern liberal democracy. This had led to a strange duality not only in the personality of the communist parties as political bodies, but also in the character of their membership. It has resulted in a situation where we have in some of them two kinds of communists who are quite different—a hard core of violent, fanatical extremists and a wide circle around them of muddled, discontented, embittered liberals. The Kremlin has not wanted to be forced to choose between these two groups; because to do so would weaken the

communist parties as entities and force Moscow to forfeit the advantage of one or the other of the two approaches—and the Kremlin always likes to have alternatives. It never likes to be forced to get down to its last card.

In France, it looks as though circumstances were now forcing Moscow to make this choice and as though the choice had fallen upon the hard core of extremists and against the liberal parliamentarians. We had an interesting forewarning of this development only a short time ago, when the Moscow *Pravda* stressed the great current significance (that is, it said there *is* a great present-day significance) of the so-called April thesis—namely, of what Lenin said to the Russian workers of St. Petersburg in 1917 when he came back on the sealed train through Germany from Switzerland. At the time the February Revolution had occurred, Russia for the first time had something like a free parliamentary regime, in which the communists were really able to function with no restrictions at all on their activities. That had confused them; and some of them were saying, “Why should we continue to be a revolutionary party? The lid is now off. The road to political success lies ahead of us. We only have to make a bid for a majority. Like everybody else, we will work our way up, we will become the majority party and take over the government.” Lenin said no. He urged them at that time not to be misled by the parliamentary freedoms which they enjoyed under the Kerensky Government—to remember that their future lay not in becoming a majority party in a bourgeois parliament but in penetrating and capturing the local councils of peasants, soldiers, and workers’ deputies, the original soviets (little non-governmental bodies which had sprung up around the country) and using them to overthrow the existing government entirely. Remember: *Pravda* fished this out of the past a few days ago and said it had great current significance. Today there is no doubt but that the labor movement has taken the place in communist thought which the early soviets occupied at the time of the Revolution. What we are witnessing today in France, and possibly in Italy too, may therefore mean that the communists, having failed to seize all governmental positions by parliamentary means, are about to apply their enormous influence in the labor movement to disrupt progress under the existing regimes, to throw life into chaos, and eventually to effect the actual overthrow of existing authority and the establishment of workers’ governments.

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