

# Book Reviews

## Antitrust and Economic Theory: An Uneasy Friendship

*The Antitrust Paradox: A Policy at War with Itself.* By Robert H. Bork. New York: Basic Books, Inc., 1978. Pp. xi, 438. \$18.00.

Reviewed by Donald Dewey†

### I

For quite a few years Professor Robert Bork has been warning all who would listen against the drift of antitrust policy in this country. He has argued with great fervor, ingenuity, and learning that the policy has been stood on its head. In Bork's view, antitrust was originally intended to promote consumer welfare by preserving and fostering competition; thanks to the naïveté of judges and the antibusiness malice of civil servants, however, the policy has been converted into a mass of restrictions on competition that allow protected interests to exploit consumers. Bork's message is the same in *The Antitrust Paradox*, though here it is developed more systematically and at greater length than ever before.

### II

At the outset Bork asserts without any qualifications whatever that the only legitimate goal of antitrust is the maximization of consumer welfare.<sup>1</sup> For him there is to be no nonsense about "social goals," such as trading off some amount of consumer welfare to preserve small business as a way of life. Although Bork does not stop to define terms, his consumer welfare seems to correspond exactly to the economic

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1. When Bork states his antitrust goals as the "maximization" of consumer welfare, his choice of words is somewhat misleading (though no more so than that of most economists who favor the phrase). His analysis is directed toward estimating the welfare effects of particular antitrust rules with no attention to macroeconomic problems. Bork's goal can be more accurately described as an increase in consumer welfare or simply as the promotion of consumer welfare.

welfare of the economic theory textbooks. His test for increasing consumer welfare seems to be the same as that applied by the theory texts to any proposed change: assuming no transaction costs, would those individuals who gain from the change be able to compensate fully those who lose from the change and still be better off themselves? So-called welfare economics does not require that compensation actually be paid if such a change is made, but only that it could be paid.<sup>2</sup> Since the effects of an economic change can never be known for certain before the event, Bork presumably believes that antitrust rules must be based on presumptions about the possibilities of compensation.

How are presumptions about the economic welfare effects of these rules to be determined? Bork's answer is that they are to be determined solely with the aid of conventional price theory, which "enables us to identify, with an acceptable degree of accuracy, those activities whose primary effect is output restricting, leading to the inference that all other activity is either efficiency creating or neutral."<sup>3</sup> Here it should be made clear that what Bork means by conventional price theory is the price theory taught at the University of Chicago thirty years ago.<sup>4</sup> It follows that Bork's achievement in this book must be judged by three tests: his defense of the choice of a single policy goal, the suitability of thirty-year-old Chicago theory as an instrument for estimating welfare effects, and the skill with which he uses this instrument.

### III

The most difficult issues raised by the book concern Bork's insistence that consumer welfare is the only legitimate goal of antitrust. We shall leave them until last. Fortunately for author and reader, traditional Chicago price theory, with its emphasis on price and output determination in the firm, is well suited to the analysis of antitrust issues. Indeed, it has only two serious limitations for this work: it has no systematic treatment of oligopoly and very little to say about production externalities.<sup>5</sup>

2. See, e.g., Hicks, *The Foundations of Welfare Economics*, 49 *ECON. J.* 696, 711-12 (1939).

3. R. BORK, *THE ANTITRUST PARADOX* 116 (1978) [hereinafter cited by page number only]. Although Bork occasionally cites the results of empirical research to criticize legal doctrine, he holds that "antitrust must avoid any standards that require direct measurement and quantification of either restriction of output or efficiency. Such tasks are impossible." P. 117.

4. Well-known examples are G. STIGLER, *THE THEORY OF PRICE* (1952), and M. FRIEDMAN, *PRICE THEORY: A PROVISIONAL TEXT* (1962).

5. A common textbook definition makes a production externality any activity of the producer that imposes a cost or confers a benefit on someone else, but for which the

The neglect of oligopoly derives from the strange notion held by the most influential Chicagoans years ago that all one needed in order to study market structures was a theory of perfect competition (partial equilibrium variety) and a theory of monopoly. If one theory did not work well, the other would. How this notion developed is not entirely clear. My own guess is that it represented a reaction against Edward Chamberlin's *Theory of Monopolistic Competition*, which, on the Midway, was seen as leading young economists down the wrong road both in economic theory and in policy.<sup>6</sup> The neglect of externalities in traditional Chicago theory is not so surprising, since thirty years ago, notwithstanding the work of A.C. Pigou,<sup>7</sup> they were neglected in nearly everybody's price theory. As we shall see, the limitations of Bork's method, especially for dealing with oligopoly, create difficulties for him.

Bork's use of traditional Chicago theory is consistently impressive and, in his comments on cases, often quite dazzling. He employs it without mercy to expose the fallacious arguments used to justify restrictions on vertical integration, tying agreements, exclusive dealing, boycotts and refusals to deal, and price discrimination. When he has finished, one is almost ready to agree that "modern antitrust has so decayed that the policy is no longer intellectually respectable."<sup>8</sup> Almost, but not quite.

No doubt Bork's avowal that his object is the reform of antitrust, not its destruction, is perfectly sincere. Nevertheless, destruction is what he achieves, and if Bork stops short of a total repudiation of the policy, it is because he fails to draw the conclusions implied by his assumptions. The truth is that a rigorous and consistent application to the issues of antitrust of a price theory that ignores externalities and assumes free entry and exit of firms can have only one result: the demonstration that any interference with freedom of contract will reduce consumer welfare.

Nor should this result surprise us. I believe that it is fair to say that in recent years the enthusiasm of economists for antitrust has tended to vary inversely with their knowledge of it. Moreover, we have it on

producer is not charged or compensated by the market. Although the number of such activities defies enumeration, only those traceable to the organization of firms and industries are relevant to antitrust. The most important externality issues in antitrust arise from the possibility that market structure affects the rate of technological progress and the political influence of producers.

6. For two Chicago objections to Chamberlin, see G. STIGLER, *FIVE LECTURES ON ECONOMIC PROBLEMS* (1949), and M. FRIEDMAN, *ESSAYS IN POSITIVE ECONOMICS* 38-39 (1953).

7. A. PIGOU, *THE ECONOMICS OF WELFARE* (4th ed. 1932).

8. P. 418.

Adam Smith's authority that the eighteenth-century equivalent of anti-trust—statutes prohibiting forestalling, engrossing, and regrating<sup>9</sup>—made no more sense than laws against witchcraft.<sup>10</sup> And, lest we forget, the passage of the Sherman Act in 1890 was received by most economists of that day with hostility or indifference. In their opinion it was merely one more regrettable, though possibly harmless, triumph for economically illiterate populists.<sup>11</sup>

The antitrust policy that would remain after Bork's reforms would be a pretty inconsequential thing. Only three functions would survive: (1) harassment of a few types of predatory behavior, (2) the blocking of some mergers in highly concentrated markets, and (3) the harassment of price-fixing and market-division agreements not redeemed by a sufficient contribution to economic efficiency.<sup>12</sup> A close reading of Bork, however, reveals that although he uses traditional Chicago theory to demolish most of existing antitrust, he does not use it to justify the three functions that are allowed to survive. His justifications are strictly ad hoc. This is most apparent in his treatment of mergers.

Bork correctly points out the error of assuming that a merger that reduces the number of firms in the market from, say, six to five will have any adverse effect on consumer welfare; he asserts, on the contrary, there must be a presumption that it will increase consumer welfare if free entry is assumed.<sup>13</sup> Bork goes further. Suppose that some years ago a firm gained complete possession of the market through mergers, but enjoys no legal protection against new entrants. Bork argues that in dealing with such a *fait accompli* the presumption must be against any court-imposed dissolution or divestiture. "The persistence of a market structure for years shows that it reflects the balance of market forces that best serves consumers."<sup>14</sup> Or again, "[a]nything market forces have not done to the merger in ten or fifteen years, the law ought not to do."<sup>15</sup>

9. According to one venerable statute (Forestallers Act, 1552, 5 & 6 Edw. 6, c. 14) forestalling was the buying of goods in a market or otherwise interfering with their entrance into the market; regrating was the purchase of goods in a market with intent to resell them in the same market or within four miles of the place of the market; and engrossing was the buying in large quantities with the object of raising market price.

10. A. SMITH, AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS 501 (Mod. Lib. ed. 1937) (originally published in 1776).

11. See Letwin, *Congress and the Sherman Antitrust Law: 1887-1890*, 23 U. CHI. L. REV. 221, 240 (1956) ("[N]early all the economists were convinced that any attempt to prohibit combinations would be either unnecessary or futile.")

12. P. 406.

13. Pp. 219-21.

14. P. 223.

15. *Id.*

Given his assumptions, Bork is correct. Nevertheless, he goes on to declare against mergers that give one firm more than seventy percent of the market—with suspicion of illegality beginning at forty percent—and against mergers that leave fewer than three significant rivals.<sup>16</sup> But as long as there are no barriers to entry, why be concerned about the number of firms? If we are dealing in presumptions, the presumption must be that if breaking up a firm with a 100% market share will injure consumers, so also will the denial of a merger creating a 100% market share. If the resulting firm can hold its position, the merger creating it was obviously justified on economic grounds. If its market share subsequently erodes, any issue of “monopoly” also erodes. Anyway, the only way to find the optimum size firm for a market is to allow experimentation with firms of different size.

Bork's justification for retaining a vestigial merger policy is that “[e]vidence supplied by antitrust cases reveals that . . . a large price drop occurs when even one firm appears to challenge an established monopolist.”<sup>17</sup> One would like to know more of this evidence. My suspicion is that it describes the expiration of monopolies originally protected by patents or a head start in technology, and not free-entry situations. But even if the evidence shows what Bork asserts, its use violates his chosen methodology. He has already argued convincingly that antitrust rules should be based upon presumptions derived from price theory and not upon statistical conjectures about what will happen in particular classes of cases.<sup>18</sup>

In his handling of mergers, Bork is ill-served by the old Chicagoan's disdain for oligopoly as a serious subject for study. Almost any variety of oligopoly theory can be used to demonstrate that, given free entry and fixed costs, an antitrust rule that preserves a fixed number of firms in a market by restricting mergers artificially will lead to a welfare loss through the creation of excess capacity. Assuming free entry, the alternative to artificially preserved oligopoly is not “monopoly” in the textbook sense but a single firm that practices limit pricing. Bork seems to take the petulant (and illogical) position that, because there are different variants of oligopoly theory, none is useful.<sup>19</sup>

16. Pp. 221-22.

17. P. 181.

18. See p. 1517 & note 3 *supra*.

19. Bork accepts the popular Chicago view that there is no theory that allows us to infer from the observed degree of concentration in a particular market whether or not price and output are competitive. P. 180. In fact, there is at least one such theory. Dewey, *Industrial Concentration and the Rate of Profit: Some Neglected Theory*, 19 J.L. & Econ. 67 (1976). And I see no serious obstacles to the construction of alternative theories. The task involves making minor changes in conventional models of oligopoly in order to

The book's defense of using antitrust to harass horizontal price-fixing agreements also turns out, when closely examined, to have no solid foundation in its price theory. Bork contends that "[t]he legal doctrine necessary to the correct treatment of price-fixing and market-division cases is already at hand in the concept of ancillary restraints"<sup>20</sup> that goes back to William Howard Taft's decision as a circuit court judge in *United States v. Addyston Pipe & Steel Co.*—possibly "the high-water mark of rational antitrust doctrine."<sup>21</sup>

Thus "[p]rice-fixing and market-division agreements (and any other horizontal agreements eliminating competition) should be illegal per se when they do not accompany a contract integration or are not capable of contributing to its efficiency."<sup>22</sup> And "[a] finding of ancillarity merely proclaims the presence of an economic integration that entitles the restraint to be judged on the same terms as horizontal mergers or internal growth, the reason being that the same need to weigh possible efficiencies against possible restriction of output is present."<sup>23</sup>

Here Bork can be chided for taking the absence of criticism by economists of the per se rule in cartel cases as approval.<sup>24</sup> The cartel theory of the textbooks really has little relevance to the price-fixing cases that come before the courts. The textbooks analyze situations where the cartel members operate behind a barrier to entry, but the courts generally deal with attempts at price fixing and information sharing by firms that have no such protection. The textbooks imply that without a barrier to entry there can be no effective cartel, and that if such a barrier is present the cartel can collect a monopoly rent.

In fact, cartels will be found in virtually all markets whenever they

calculate the profit rates consistent with equilibrium on the assumption that entry is free. There should be no presumption that even a highly concentrated industry is "monopolistic" unless it consistently earns a higher rate of profit than a reasonable oligopoly model incorporating free entry would lead us to expect.

20. P. 264.

21. P. 30 (discussing *United States v. Addyston Pipe & Steel Co.*, 85 F. 271 (6th Cir. 1898)).

22. P. 267.

23. *Id.*

24. For the record, the facts of *Addyston Pipe*, which Bork esteems so highly, do not support his case for a per se rule condemning price fixing by cartels. In that case a number of producers of cast-iron pipe cooperated to rig the bids on municipal contracts, and for some contracts they devised a private auction to see who would offer the biggest bonus for the right to submit the winning bid. This arrangement had the redeeming feature of channeling contracts to the firms that could fill them at the lowest cost. In any event, after Taft's decision, all six members of the cartel and five other firms merged to form the United States Cast Iron Pipe & Foundry Company, which controlled 75% of the national market. The new firm survived and therefore justified itself according to Bork's tests. 2 S. WHITNEY, *ANTITRUST POLICIES* 7 (1958).

are legal, irrespective of entry conditions. In addition, recent work by Joseph Seneca and Peter Asch has even produced the startling conclusion that firms prosecuted for price fixing actually earn *below* average rates of return on capital.<sup>25</sup> Most of the explanation of the Seneca-Asch result is, of course, the penchant of antitrust for prosecuting the blatant price-fixing agreements that only small firms in highly competitive industries are naive enough to negotiate. But we must allow for the possibility that such agreements are mainly designed to reduce risk (one measure of which is profit variance) by increasing information. If so, the presumption must be that price-fixing agreements serve to increase consumer welfare. If entry is free, a cartel cannot increase profit; and if a cartel's only effect is to reduce profit variance, it must thereby make the industry more attractive to potential entrants and thus actually reduce profit and increase output.

Once more the crucial consideration is the presence or absence of barriers to entry. Unless the existence of a barrier to entry can be shown, there can be no presumption from price theory that a horizontal price-fixing or market-division agreement reduces consumer welfare. The quality of the economic analysis used in antitrust cases would perhaps be improved if every antitrust specialist tacked up over his desk a sign to the effect: numbers are irrelevant, only entry conditions matter.

The *per se* rule in cartel cases has the advantages of clarity and simplicity and hence of administrative convenience. These merits are considerable. But, to repeat, no presumption can be deduced from Bork's price theory that the *per se* rule increases consumer welfare.

Predatory behavior in the marketplace does not impress Bork as a serious antitrust problem. Following the Chicago tradition, he argues that it does not pay a firm to wage a price war to destroy a rival unless it is possible after forcing him from the market to take over his market share and hold it for a time. But if this opportunity to monopolize is present, it would pay the firm to join with the rival in a merger or cartel and thus avoid the expense of a price war. Nevertheless, Bork believes that a policy against predation is needed for two reasons: a price war to secure monopoly may become rational as a second-best policy when a merger or cartel is illegal; and the abuse of governmental processes (unfounded patent infringement suits, "sham" litigation in the courts or before regulatory agencies, etc.) to harass or intimidate

25. Asch & Seneca, *Characteristics of Collusive Firms*, 23 J. INDUS. ECON. 223 (1975); Asch & Seneca, *Is Collusion Profitable?*, 58 REV. ECON. & STATISTICS 1 (1976).

prospective entrants to the market is a kind of predation that is anti-consumer.<sup>26</sup>

Although both reasons are valid, Bork believes that it is the second type of predation that is the most damaging to consumers and the most difficult to suppress because of the civil liberties issues raised. "Sham" litigation, especially before regulatory agencies, is a highly effective way of defeating or delaying the entry of rivals, and many of us would have no qualms about turning antitrust prosecutors loose with plenty of discretion to ferret out and punish it (as Bork recommends). Still, given that a frequent purpose and certain consequence of economic regulation is the restriction of competition, one can reasonably doubt whether such a project is worth the effort. My own first preference would be for using scarce political and emotional resources to attack the great villains: the regulatory statutes that permit and, indeed, positively encourage what Bork views as abuse of governmental processes.

### IV

Probably few economists and fewer lawyers would accept Bork's premise that the promotion of consumer welfare is the only proper goal of antitrust. But many able observers do believe that, on balance, what goes on in the name of antitrust has this benign result—F.M. Scherer and Donald Turner to go no further. Are they, as Bork implies, allowing their bias in favor of decentralization to subvert their price theory?

The answer ventured here is that those who defend antitrust on economic grounds have a perfectly respectable case, but usually do not present it very well. Specifically, they fail to recognize that a logically consistent case can be made only by introducing the externalities—both production and political—that Bork has ruled out. Thus it is possible to accept all of Bork's criticisms and still maintain that real-life antitrust promotes consumer welfare because it creates a better mix of externalities than would *laissez-faire* by, for example, raising the rate of technical progress through substitution of oligopoly for a single firm.<sup>27</sup> Admittedly, anyone using this line of argument to defend antitrust may appear somewhat woolly minded when debating a well-trained Chicagoan, but this cannot be helped. The costs of existing antitrust can readily be identified by anyone with a good grounding in price theory

26. Pp. 146, 159-60.

27. See F. SCHERER, *INDUSTRIAL MARKET STRUCTURE AND ECONOMIC PERFORMANCE* 363-78 (1970); Posner, *Natural Monopoly and Its Regulation*, 21 *STAN. L. REV.* 548, 582 (1969).

(which by definition includes all well-trained Chicagoans). The economic benefits of existing antitrust, though possibly substantial, are quite indeterminate.

In fairness to Bork, it should be noted that he does not ignore externalities or even discount their importance. His position is that they should be left to the legislative process and not allowed to complicate antitrust litigation.<sup>28</sup> I happen to agree but see no compelling reason why everybody else should.

## V

Finally, we come to Bork's insistence that the only legitimate goal of the antitrust laws is the maximization of consumer welfare—a goal that “can be derived as rigorously as any theorem in economics.”<sup>29</sup> Bork's effort at such a demonstration is determined, ingenious, and unconvincing. When the rhetoric is peeled away, his case for consumer welfare maximization as the only goal is revealed to rest on two assertions: the Congress of 1890 willed it so only to have its purpose thwarted by federal judges, and without this single goal judicial behavior in antitrust cases becomes unpredictable and inefficient to a degree that no right-thinking lawyer can approve.

There must surely be a canon of statutory construction holding that, other things being equal, courts should attribute to the legislature a policy intent which, because of the scope and nature of a body of law, makes that law effective in achieving its goals, renders the law internally consistent, and makes for ease of judicial administration.<sup>30</sup>

When Bork says that the single goal of maximizing consumer welfare can be inferred from the debates that led up to the Sherman Act, I respectfully decline to believe him. That many supporters of the legislation were uncertain about its aims and scope is, I would have thought, self-evident. As for judicial behavior, a reasonable man requires only reasonable predictability. If judges cannot be trusted to balance conflicting interests, who can? Anyway, Bork's principal grievance against existing antitrust is not that it is unpredictable but that its anticonsumer bias in its enforcement is all too predictable. Moreover, the tunnel vision of single standards rarely emerges from the

28. P. 115.

29. P. 51.

30. P. 69.

democratic process, or indeed from any political process. All economic programs of any magnitude are administered according to multiple criteria. Antitrust is no exception.

### VI

The goals of antitrust, as they can be inferred from what courts say and do, are wonderful in their variety.<sup>31</sup> Few are ignoble per se. The question is, of course, how much consumer welfare may properly be sacrificed to advance these other goals. Unfortunately, any effort to answer this question is complicated by the limitations of data and measurement technique. Nobody has any numbers or any very persuasive suggestions for generating them. Bork clearly believes that the loss of consumer welfare imposed by antitrust is great enough to make worthwhile his long campaign for change. I share his concern about the drift of antitrust, especially the explosion of private damage suits that reward the litigious and increase the cost of doing business. But so far the economic cost of antitrust has not seemed high enough to me to warrant throwing overboard all of its other goals.

A case in point is *du Pont-General Motors*.<sup>32</sup> Bork is absolutely on target when he demolishes the spurious legal and economic arguments used by the government to justify ending the tie between these corporate giants.<sup>33</sup> Still, a great many people (myself included) prefer that there be no such connection between the country's largest chemical company and its largest automobile producer. The economic cost of the court-imposed divorce was surely negligible: the loss too small to measure of a few economies of incomplete vertical integration.

For better or worse, economic policy has to accommodate—or appear to accommodate—the prejudices, hopes, fears, and crass self-interest of people who count in politics. For reasons that Bork may deplore, the “climate of opinion” that has existed for many years in this country makes a return to the legal environment of 1890 impossible in our lifetime. When, in the early years of the Sherman Act, the decision was made to cut loose from the simple certainties of *laissez-faire* as enshrined in the *Mogul Steamship*<sup>34</sup> decision, our political traditions gave us only

31. See, e.g., Brodley, *Potential Competition Mergers: A Structural Synthesis*, 87 YALE L.J. 1, 35 (“nonefficiency values” of antitrust policy include “the distrust of centralized power, the belief in individual initiative and responsibility, the desire to preserve economic opportunity, and the refusal to accept materialistic efficiency as the only goal of our economic system”).

32. *United States v. E.I. du Pont de Nemours & Co.*, 353 U.S. 586 (1957).

33. Pp. 222-24.

34. *Mogul Steamship Co. v. McGregor Gow & Co.*, [1892] A.C. 25.

three alternatives: public ownership, public utility type regulation, and antitrust. They are still the only choices that we have. I suspect that Bork and the other harsh critics of antitrust instinctively recognize this constraint when they hang back from repudiating the policy in its entirety. Is it not suggestive that, outside the socialist camp, only the most implacable—and some might say simple-minded—libertarians have taken this final step? With all due respect to the late Ludwig von Mises and his followers, this group has never been known for its political sophistication. Friends of the free market should know by now that it has far more dangerous enemies than judges who are not above giving hard-pressed small firms a break and civil servants who distrust great corporate size.

## Searching for Kennan's Grand Design

*The Cloud of Danger: Current Realities of American Foreign Policy.* By George F. Kennan. Boston: Little, Brown & Company, 1977. Pp. xiii, 234. \$8.95.

Reviewed by Eugene V. Rostow†

### I

George Kennan's career is divided into two more or less distinct periods. During the first, he was a conspicuous and rather controversial foreign service officer and then ambassador, and one of the State Department's leading intellectuals, especially as an expert on Russia and the Soviet Union. Since 1953, with short interludes back in harness, he has been a member of the Institute for Advanced Study at Princeton, a Visiting Professor at Oxford and Chicago, and a prolific writer and lecturer about foreign affairs.

Kennan is a grave person, what the French call *sérieux*, a man of character and sensibility absorbed in the quest for the ultimate. His books and articles have attracted a wide following, and have been crowned with many prizes. With felicitous sympathy, Kennan's writings express the yearnings and anxieties of his readers about the role of the United States in world politics. Now, in *The Cloud of Danger*,<sup>1</sup> he has written a testament of faith—a compendium of advice about what he thinks our foreign policy should be, and how we should seek to fulfill it.<sup>2</sup>

It is easy to dismiss the bulk of Kennan's work on foreign policy as confused, inconsistent, and detached from the most objective measures of reality, and many have done so.<sup>3</sup> In this respect, *The Cloud of*

† Sterling Professor of Law and Public Affairs, Yale University. I should add that I am also Chairman of the Executive Committee of the Committee on the Present Danger, whose policy positions are criticized at length and with care in *The Cloud of Danger*, especially at 156-62.

1. G. KENNAN, *THE CLOUD OF DANGER* (1977) [hereinafter cited by page number only].

2. P. ix.

3. See Acheson, *The Illusion of Disengagement*, 36 *FOREIGN AFF.* 371 (1958); Coffey, *The Political Realism of George F. Kennan*, 47 *THOUGHT* 295 (1972); Luttwak, *The Strange Case of George F. Kennan*, *COMMENTARY*, Nov. 1977, at 30; Simpson, *New Trends in Foreign Policy: A Criticism of the "Kennan Thesis"*, 27 *WORLD AFF. Q.* 327 (1957); Ullman, *The "Realities" of George F. Kennan*, *FOREIGN POL'Y*, Fall 1977, at 139; Whelan, *George Kennan and His Influence in American Foreign Policy*, 35 *VA. Q. REV.* 196 (1959); Marshall, *Book Review*, 14 *STAN. L. REV.* 206 (1961) (reviewing G. KENNAN, *RUSSIA AND THE WEST UNDER LENIN AND STALIN* (1961)).

*Danger* is not an exception. The book is elusive. And its counsel of American neutrality and isolation is addressed to the world as it was before 1914, when the Concert of Europe maintained a generally stable system of world politics, and the British fleet stood between the United States and the risks of catastrophic change in the world balance of power.

Within their limits, academic criticisms of Kennan's work along these lines are justified. But they miss its most significant quality. Kennan is an impressionist, a poet, not an earthling. His mind has never moved along mathematical lines, and never will. A careful reader can parse only one of his major papers—his celebrated article, "The Sources of Soviet Conduct," published in 1947 in *Foreign Affairs* under the signature X.<sup>4</sup> During the intervening thirty years, Kennan has frequently explained that he did not mean what the article by X so plainly said.<sup>5</sup>

Despite the casualness and ambiguity of Kennan's methods—or perhaps because of them<sup>6</sup>—he is one of our most important and influential writers about foreign policy. His books, articles, and lectures are persuasive and convincing, not in mapping new theories about reality or in outlining new strategies for policy, but in articulating states of feeling that were parts of the national consciousness at the time he wrote. Thus some of his best work has expressed the widespread sympathy of the American people for the aims of the Russian Revolution.<sup>7</sup> And in 1947, Kennan gave voice to the sense that we

4. 25 FOREIGN AFF. 566 (1947), reprinted in G. KENNAN, AMERICAN DIPLOMACY, 1900-1950, at 107 (1951).

5. See G. KENNAN, MEMOIRS 1925-50, at 357-67 (1967). In a recent speech, A Current Assessment of Soviet-American Relations (November 22, 1977) (delivered at meeting of Council on Foreign Relations, Washington, D.C.), reprinted in ENCOUNTER, March 1978, at 7 [hereinafter cited as Current Assessment], Kennan remarks that the article "attained a certain melancholy notoriety and has dogged my footsteps ever since, like a faithful but unwanted and somewhat embarrassing animal." *Id.* at 7.

The problem of the "plain meaning" of the famous article is considered in Gaddis, *Containment: A Reassessment*, 55 FOREIGN AFF. 873 (1977), and Mark, *The Question of Containment: A Reply to John Lewis Gaddis*, 56 FOREIGN AFF. 430 (1978), with a response by Professor Gaddis, at 440.

6. In his great treatise on the art of persuasion, MICROCOSMOGRAPHIA ACADEMICA 24 (4th ed. 1949), F.M. Cornford addresses the young academic politician who rejects his counsel thus:

my heart is full of pity for you, because you will not believe a word that I have said. You will mistake sincerity for cynicism, and half the truth for exaggeration. You will think the other half of the truth, which I have not told, is the whole. You will take your own way, make yourself dreadfully disagreeable, tread on innumerable toes, butt your head against stone walls, neglect prejudice and fear, appeal to reason instead of appealing to bugbears. Your bread shall be bitterness, and your drink tears.

7. G. KENNAN, SOVIET-AMERICAN RELATIONS, 1917-20 (Vol. 1: RUSSIA LEAVES THE WAR (1956); Vol. 2: THE DECISION TO INTERVENE (1958)).

## Kennan's Grand Design

should somehow "contain" Soviet expansion, after Western public opinion had come to realize that our ardent hopes for post-war political cooperation with the Soviet Union were unrequited. Kennan's article signed *X* was part of the background for the most creative period in the modern history of our foreign policy—the period of the Marshall Plan and other measures for speeding the economic recovery of the industrialized democracies and the formation of Europe and later of OECD; the Point Four policy of assistance to the developing nations; the Baruch Plan for the international control of atomic energy; and the Truman Doctrine, NATO, the Korean War and other steps for consolidating a system of peace based on a stable balance of power, and the proposition that peace on our small, interdependent, and dangerous planet is "indivisible."

Kennan's sad new book perfectly portrays a fashionable post-Vietnam mood about foreign affairs. Exhausted, disillusioned, and nearly without hope, Kennan says "Good-bye to All That." He comes perilously close to preaching that we don't really need a foreign and defense policy at all. In essence, Kennan argues that we should disarm unilaterally, save for our conventional forces in Europe.<sup>8</sup> He seems to believe that our strategic commitments and deployments exceed the sphere of our interests, and favors an American withdrawal from many regions of the world.<sup>9</sup> In dealing with the Soviet Union, Kennan would have us apply diplomatic persuasion and the power of a good example rather than deterrent military strength. The goal of our efforts, he urges, should be to coax that country away from paranoid fears of encirclement, and from any lingering traces of imperial and ideological ambition it may be conceded to harbor.<sup>10</sup> Given the nature of the Russian and Soviet culture, Kennan insists, Soviet policy—at least since Stalin's death—cannot be aggressive. It is planned and carried out by elderly, conservative bureaucrats, who are primarily concerned, he says, with the preservation of their power in the Soviet Union and Eastern Europe. He finds them defensive, cautious, prudent, suspicious, and difficult, but not aggressive elsewhere.<sup>11</sup> In urging this view of Soviet conduct, Kennan ignores or dismisses the evidence about Soviet behavior since 1972 inconsistent with his thesis: Soviet support for the breach of the 1973 agreements for peace in Indochina; for India's attack on Pakistan in 1972; for the Arab

8. Pp. 203-05, 208-09.

9. *E.g.*, Pp. 67 (Latin America), 68-70 (Africa), 80-91 (Middle East), 92-93 (Southern Asia), 112-13 (Korea), 116-19 (Greece and Turkey), 229-33 (generally).

10. Pp. 202, 204, 210-12, 232-33.

11. Pp. 180-89. *See* pp. 165-67, 178, 193.

aggression against Israel in 1973; and for the long cycle of aggressive warfare now being waged in many parts of Africa.

I say that Kennan comes perilously close to advising his countrymen to pursue a foreign policy of benign passivity, because that is the thrust of eighty percent of his text. But the book includes a number of what Dean Rusk calls "Pearl Harbor passages"—precautionary caveats to protect the writer against the charge of having misread the portents if events should take an unpleasant turn. In these passages, Kennan admits that Soviet policy may turn hostile and expansionist after all—especially if we offer irresistible temptation through weakness and confusion, or goad the Russians into aggression by "destabilizing" actions like improving our weapons systems.<sup>12</sup> And he clearly believes that beyond repelling invaders the United States does have national security interests in world politics worth protecting by the use of military force if necessary. According to Kennan's analysis, these interests are not numerous, but there are a few: the protection of the industrial parts of North-Western Europe, for example,<sup>13</sup> and perhaps of Japan;<sup>14</sup> and, most surprisingly, the maintenance of an overall strategic and conventional force balance vis-à-vis the Soviet Union.<sup>15</sup> Kennan thinks we should sympathize with Israel, but never use force to save it from destruction.<sup>16</sup>

As for the rest of the agenda of foreign affairs, Kennan's policy is old-fashioned nineteenth-century isolationism, diluted occasionally by flashes of nineteenth-century irritation, and a nineteenth-century impulse to command the respect of lesser breeds by sending the gun boats.<sup>17</sup> We should leave the struggling nations of the Third World to their melancholy and incurable fate, he urges, and let the Chinese and the Soviets fight it out, if they are so inclined, without running any risks to prevent a Sino-Soviet War, or to influence its outcome.<sup>18</sup>

Contradictions of this kind have always been characteristic of Kennan's work. As readers of his *Memoirs* will recall, he has suffered throughout his life from conflicts he has been unable to resolve—conflicts about himself, his dream world, his work, his goals, and his relationship to the American nation and culture.<sup>19</sup> Like Brooks Adams and James Fenimore Cooper, George Kennan is a member of the

12. Pp. 87-91, 167, 177-78, 202, 206-08.

13. Pp. 124-27, 208.

14. Pp. 107-11.

15. Pp. 171, 206-08.

16. Pp. 80-81, 84-86.

17. Pp. 16-17.

18. See note 9 *supra* & pp. 106-07.

19. G. KENNAN, *MEMOIRS 1925-50*, at 4-17 (1967).

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worthy tribe of nay-sayers who are as necessary to a healthy society as yeast is to bread, or sand to pearls. Like Adams and Cooper, Kennan is preoccupied with the American culture, but deeply ambivalent about it—drawn and repelled at the same time, and quite unable to ignore it, or indeed to accept it as it is.

Brought up in a modest middle-class home in Milwaukee, the young Kennan went to Princeton in 1921—the cheerful, Philistine, country club Princeton of Scott Fitzgerald's time. There he felt alien and isolated—clubless, an outsider. Entering the foreign service in 1926, Kennan was soon drawn into an imaginative program for training specialists in Soviet affairs, and spent a number of years in Riga and other posts far from the mainstream of the service during that period, basically a research student rather than an active participant in the life of the Department. When we established diplomatic relations with the Soviet Union in 1933, Kennan and his fellow Russian experts in the service—Thompson, Bohlen, and Kohler—became marked men and moved to the center of the stage.

Early in his career, Puritan lineaments alien to the Princeton model emerged as dominant in Kennan's personality. He saw himself as part of the intellectual and moral Puritan aristocracy of Hawthorne's imagination. Kennan has a high specific gravity, and the assurance of a man anointed. He speaks *ex cathedra*, often severely, and sometimes he excommunicates.

From his Puritan vantage point, Kennan has excoriated what he regards as the vulgarity, materialism, and bad taste of the American culture; its deplorably simplistic and irrational politics; its affinity for demagogues and mountebanks; and its increasing alienation from the true sources of moral purity—the life of small agricultural communities, where men were self-reliant and worked hard, in constant contact with the earth and with animals, and women did the laundry together at the village pump, or on the banks of a stream.<sup>20</sup> In developing these favorite themes, Kennan can never fall back on the satire, ridicule, humor, and gusto of other famous American nay-sayers like Mark Twain, H.L. Mencken, or Sinclair Lewis. These gifts are not in his armory.

## II

*The Cloud of Danger* is framed by a gloomy and characteristic first chapter, explaining why the United States is incapable of a rational

20. Pp. 20-24, 33-39.

and effective foreign policy and perhaps beyond redemption in any event. The themes of the first chapter permeate the book.

First, Kennan argues, our Constitution makes it impossible for the United States to carry out a wide-ranging, great-power foreign policy.<sup>21</sup> The Constitution works well enough to permit a united nation to protect its own shores against invasion; it is too cumbersome and diffuse, however, to allow us to carry out more complex policies.

To Kennan's way of thinking, the conduct of foreign affairs is a technical matter that should be left to the experts—that is, to the professionals. They know best. The President can be allowed some supervisory jurisdiction, but not much. And Congress should be kept in its place altogether. Our Constitution and its doctrine of the separation of powers, Kennan writes, deny our government “the privacy, the flexibility, and the promptness and incisiveness of decision and action, which have marked the great imperial powers of the past and which are generally considered necessary to the conduct of an effective world policy by the rulers of a great state.”<sup>22</sup>

Our posture in this regard, he thinks, has become worse in recent years. The increasing size of the nation and the diversity of its government make the conduct of foreign policy by a small band of foreign service officers inconceivable. And Vietnam and Watergate have encouraged Congress to bid for power at the expense of the Presidency. Kennan argues that this state of affairs has the disadvantage of reducing the influence of the professionals, whom he portrays in idealized terms as the embodiment of insight, experience, scholarship, and flair.<sup>23</sup> At the same time, Kennan argues, the post-Nixon trends of congressional assertion enhance the influence of the politicians, many of whom play hob with our foreign policy by their crude enthusiasm for “ethnic” causes.<sup>24</sup>

Second, Kennan contends, the weight of what he calls the military-industrial complex in our affairs is disastrous to the possibility of having a wise and farsighted foreign policy.<sup>25</sup> The military are wasteful in their habits, even when they are honest. In a phrase that reveals much about Kennan's blindness to the military element in history, he comments that the soldiers' habit of playing with “expensive toys”

21. Pp. 3-9.

22. P. 4.

23. Pp. 5-6. Kennan's nostalgic loyalty to his erstwhile colleagues in the foreign service is not without ironic implications, since he was a famous battler against prevailing orthodoxies in his day.

24. Pp. 6-7.

25. Pp. 9-14.

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in peacetime is an addiction,<sup>26</sup> so that it is nearly impossible to distinguish "the real needs of national defense"<sup>27</sup> from the addictive ones. Kennan has never accepted the Roman maxim "si vis pacem, pare bellum."

Third, our increasing dependence on the developing countries for oil and other raw materials is a growing handicap to the nation as an ambitious actor on the world scene.<sup>28</sup> Kennan regards it as "shameful"<sup>29</sup> that we are unwilling to take firm measures against OPEC and comparable cartels to assure respect for ourselves and our interests. Since such policies seem beyond our psychological reach, he argues strongly for programs to assure our independence in energy and raw materials, whatever their cost.

Fourth, Kennan contends that the nation is weakened in its foreign relations by what he regards as its social and moral disintegration at home. Like most other middle-class members of the intellectual elite, Kennan feels bitterly threatened by recent developments with regard to crime, sex, pornography, drugs, and manners. He protests vehemently against inflation, strikes, the weakening of educational standards, the decline of the work ethic, the rise of the welfare state, television dominated by advertisers, inadequate systems of public transportation, environmental deterioration, and other familiar grievances. To restore the moral fiber of the nation, Kennan believes, will require an enormous, expensive, far-reaching effort, which should include steps to reverse some aspects of the industrial revolution, shifts from factory to handicraft production, and the removal of people from cities to the countryside.<sup>30</sup>

This is an odd way to start a book about foreign policy, but its importance to George Kennan's mode of thought cannot be exaggerated. An academic book about foreign policy normally would begin with a geopolitical analysis of our national interest in the changing realm of world politics. *The Cloud of Danger* contains no such analysis, and its premises in this regard have to be isolated by nearly archeological procedures, which I shall attempt to apply later in this review.<sup>31</sup> Instead, Kennan's overture is a proclamation that we are nearly doomed by our selfishness, materialism, and vulgarity, and so encumbered by our excessively democratic Constitution that it will probably

26. P. 12.

27. P. 14.

28. Pp. 14-18, 82-83.

29. P. 17.

30. Pp. 19-25.

31. See pp. 1537-44 *infra*.

be impossible for our civilized natural aristocracy to save the nation in any event. To recall Brooks Adams again, Kennan perceives an accelerating process of degradation at work in democracy. In Great Britain, democratic excess has already brought about an alarming condition, in his view,<sup>32</sup> and the United States is not far behind. Confronting what he feels to be a rush toward the abyss, problems of foreign policy appear to be secondary, and nearly unmanageable.

Kennan outdoes the Prophets. However sharply they scolded the ancient Israelites for their sins and other shortcomings, not even Jeremiah despaired of their survival.

Two themes in Kennan's preliminary chorus of grievances require special attention in the perspective of foreign policy: his claims (1) that the influence of "the military-industrial complex" prevents us from taking advantage of diplomatic opportunities "to break out of the straitjacket of military rivalry and to strike through to a more constructive and hopeful vision of America's future and the world's,"<sup>33</sup> and (2) that the constitutional role of Congress makes it impossible for the United States to function effectively as a great power.

I disagree strongly with Kennan on both these points, which are fundamental to his argument. Kennan's first thesis is an invocation of fashionable bogeymen. The supposed influence of the military-industrial complex has not prevented a considerable and unilateral disarmament of the United States since 1969. Kennan contends, however, that if we exclude the military element from the Soviet-American relationship diplomacy alone would induce the Soviet Union to accept a balanced, businesslike, and peaceful way of life with the United States. The best answer to Kennan's claim is to be found in some of his earlier writings, where he denies that the serious and principled men who direct the Communist movement and the Soviet Union can be induced to reach agreement through new formulae, one-sided gestures of confidence and generosity, or new approaches divorced from the problem of military deterrence. Given the nature of Russian culture and the Soviet system, Kennan has argued elsewhere, there is no possibility of a stable and constructive political understanding between the United States and the Soviet Union except one that is based on an assured balance of military power.<sup>34</sup>

32. P. 135.

33. P. ix.

34. G. KENNAN, *AMERICAN DIPLOMACY, 1900-1950*, at 95 (1951), where he repeats his well-known view that we should eschew the "legalistic-moralistic approach to international problems," which in his opinion has fatally dominated American foreign policy in the past, and protect our national interests with a firm sense of reality. In his *MEMOIRS 1925-*

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Kennan's second, constitutional argument should not be left unanswered. This argument derives, I should contend, from a superficial view of the American Constitution and of the standards it establishes for the political process. The American Constitution is a robust and strenuous affair, and so is the democratic political process it attempts to govern. Of course we are going through a period of congressional assertiveness at the moment, in the aftermath of Nixon. But that fact does not make the United States ungovernable. The constitutional system that permitted the nation to survive slavery and the Civil War is as strong and as adequate as ever.

Our constitutional system for developing and carrying out our foreign policy rightly requires the cooperation of the President and of Congress, and the full understanding of the people. To my way of thinking, no nation, and surely no democratic nation, can carry out a sustained policy of any importance, especially one that may involve the catastrophe of war, unless public opinion understands and accepts it. In any event, that should be our rule. It is our nature to abhor secret and unknown policies, carried out by stealth and manipulation. This is not to deny or to belittle the proper role of secrecy and privacy in negotiation. Diplomacy must often be discreet. But foreign policy is a

1950, at 562-63 (1967), he suggests as two of ten rules for dealing with the Russians, drawn from an earlier, unpublished work:

D. *Make no requests of the Russians unless we are prepared to make them feel our displeasure in a practical way in case the request is not granted.*

We should be prepared as a matter of principle to accompany every expression of our wishes by some action on our part proving that Russian interests suffer if our wishes are not observed. This requires imagination, firmness, and coordination of policy. If we cannot find these qualities in our foreign affairs, then we should begin to prepare for serious trouble.

....

G. *Do not be afraid to use heavy weapons for what seem to us to be minor matters.*

This is likewise a very important point, and one which many Americans will receive with skepticism. In general, it may be bad practice to take a sledgehammer to swat a fly. With the Russians it is sometimes necessary. Russians will pursue a flexible policy of piecemeal presumption and encroachment on other people's interests, hoping that no single action will appear important enough to produce a strong reaction on the part of their opponents, and that in this way they may gradually bring about a major improvement in their position before the other fellow knows what's up. In this way, they have a stubborn tendency to push every question right up to what they believe to be the breaking point of the patience of those with whom they deal. If they know that their opponent means business, that the line of his patience is firmly established and that he will not hesitate to take serious measures if this line is violated even in small ways and at isolated points, they will be careful and considerate. They do not like a showdown unless they have a great preponderance of strength. But they are quick to sense and take advantage of indecision or good-natured tolerance. Whoever deals with them must therefore be sure to maintain at all times an attitude of decisiveness and alertness in the defense of his own interests.

different matter. Like all other policy, it should be subject to democratic control.<sup>35</sup>

For twenty years, between 1947 and 1967—the period dominated by the Truman-Acheson foreign policy George Kennan helped to formulate—the United States had an effective and far-reaching foreign policy fully supported by an articulate and well-informed public opinion. What Kennan regards as our excessively democratic Constitution did not prevent the fulfillment of that policy. On the contrary, it made its success possible.

No branch of policy, however technical, is beyond the reach of the informed good sense of the American people. In my experience and study, the recent failures of American foreign policy were caused not by an excess of democracy, as Kennan contends, but by two quite different factors: by defects in our educational system, which result in a shaky and confused outlook about the purposes of foreign policy, and by widespread lapses from standards of responsibility. During the last decade, many who participated in the development of public opinion breached the basic rules of democratic ethics in failing to insist on the unpopular truth in their explanations of policy. When high officials are afraid to tell the American people the unvarnished truth, as they confront it in their daily work; when they tell the people untruths, or half-truths, hoping to soothe and manipulate opinion, and slip by at the next election; when they struggle to survive, rather than to do their duty; and when those who write and speak on these subjects follow their example, the constitutional process becomes diseased. Under these circumstances, it cannot produce sound policy.

In my view, the problems of democratic policymaking in the realm of foreign affairs are not structural. They cannot be cured by procedural changes, or by a shift of authority between Congress and the President, but only by more general adherence to the principles of discipline and candor in the process through which public opinion is

35. I have spent a good deal of my life working with the professionals of the Foreign Service, the State Department, the Defense Department, the Treasury, the C.I.A., and the other components of the government actively concerned with foreign policy. Like Kennan, I have a high regard for their ability and devotion to the cause of the nation. They are useful—and indeed indispensable—to effective government. But they are hardly infallible. And their professional formation tends to leave many of them weak in certain areas where politicians and political appointees tend to be strong. I should never dream of suggesting that our professionals are more devoted or indeed more knowledgeable than Congress or the public at large. Experts are specialists. They are not trained to view problems in the full perspective of political reality and of policy as a whole. As someone has remarked, experts should be on tap, not on top. Their views should always be subjected to the ultimate test of what makes sense. If the President and the executive branch cannot persuade Congress and the public that a policy is wise, it should not be pursued.

crystallized from public debate. When debate is corrupted by fear, ignorance, or intellectual confusion, and when leaders are afraid to lead, policy is doomed to failure.<sup>36</sup>

### III

As I have suggested, it is only fair to appreciate Kennan's reflections on foreign policy as poetry. But they are also contributions of prestige and influence to the ongoing national debate that is shaping and reshaping our foreign policy. As such, they must be judged by the prosaic standards of ordinary reason: What assumptions is Kennan making? What set of propositions about the goals of our foreign policy is he using as the basis for his analysis? What is the relationship between the evidence and the deductions he draws from the propositions he treats as axiomatic? Despite the disjointed character of the book, the effort must be made, because Kennan is important.

*The Cloud of Danger*, its author tells us, is his first attempt to pull together his views on different aspects of American foreign policy and "to distill out of them something resembling a grand design of American foreign policy."<sup>37</sup> Unfortunately, the book does not contain anything resembling a clear and systematic exposition of the goals and methods of American foreign policy—a statement of what it is for. Instead, one is left to piece together Kennan's presuppositions by examining scattered fragments.

*The Cloud of Danger* consists in the main of a travelogue—a series of comments, some casual, some sophisticated, about one region of the world after another. Those comments presuppose a definition of the national interest. But no definition is ever put forward as an analytical tool. Kennan's method gives the book a static quality. It is rare for Kennan to call his readers' attention to the fact that the political and strategic significance of many regions depends entirely on context, and that none can be excluded a priori from the purview of our concern. A few great centers of power are of obvious geopolitical importance in themselves: a shift of Western Europe, Japan, or China to Soviet control would totally alter the problem of American security. The fate of most other countries may or may not affect the national interests of the United States, depending upon circumstance. In terms of Kennan's

36. See 5 Commission on the Organization of the Government for the Conduct of Foreign Policy, Appendices 32-36 (June 1975), reprinted in Symposium, *Organizing the Government to Conduct Foreign Policy: The Constitutional Questions*, 61 VA. L. REV. 747, 797 (1975) (Rostow response).

37. P. ix.

analysis, for example, the withdrawal of Britain from Aden would be a matter of little concern to the United States; that would hardly be the case, however, even in Kennan's view, if Aden became a base for hostile operations against oil supplies for the Western Allies and Japan.

Kennan treats our interest in Japan and in Western Europe as of critical strategic importance to the security of the United States. He writes of Japan:

There can be no question but that the cornerstone of American policy in the Far East should be Japan.

....  
Japan . . . is *the* great industrial workshop of the Far East. Nothing else now in existence there compares with it. It is the only place where all the sinews of modern armed strength, from the most elementary to the most sophisticated, can be produced, if necessary, on short order. Should this potential come under the control of, or into close association with, one of the two great Communist landpowers, there is no predicting what uses might be made of it, and no certainty at all that these would be ones conducive to our security. So long as there prevails a relationship of mutual confidence, of community of aims, and of loyal collaboration between the Japanese and ourselves, we can be sure that this great hive of industrial and commercial activity will be a force for peace. Left to themselves, the Japanese, to avoid total isolation, would have to give a wholly different value to their relations with their great mainland neighbors; and we could never be sure where these new relationships would find their ending.<sup>38</sup>

Does this passage mean that Kennan regards our security interest in Japan as what he would call "vital"—that is, worth fighting for in the event that the independence of Japan were threatened either by China or by the Soviet Union? He never uses the talismanic word. In Kennan's earlier mood of political realism, the answer would certainly be "Yes." But when Kennan is in the mood that dominates a

38. P. 107-08 (emphasis in original). Kennan also suggests another reason, which he describes as "geographic" or "geo-political":

Japan bears a relation to the mainland of Asia similar to that of the British Isles to the mainland of Europe. Like Britain, and like ourselves, Japan is a great overseas and trading power. It shares, in this respect, many of our own interests. Like ourselves, it is concerned to see a reasonable balance of power preserved on the Asiatic mainland. It is taking care not to involve itself in the conflict between the two great Communist powers of the mainland, and is concerned, as we should be, to do what it can to prevent that conflict's taking military form. It shares the concern for the security of the Northern Pacific Ocean which is our greatest strategic interest in that area.

*Id.*

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large part of *The Cloud of Danger*, his answer to the question remains uncertain.<sup>39</sup>

For example, Kennan recommends the withdrawal of our forces from South Korea and, implicitly, the termination of our security treaty with that country. Kennan contrasts the present situation in the Far East with that in 1950, when he argues that we were right to intervene.<sup>40</sup> Now, he thinks, we could withdraw without creating the risk of crisis and trouble "in the surrounding region"<sup>41</sup>—that is, in Japan, Taiwan, China, the Soviet Union, the other nations of the area, and the relations of all those countries with each other and with the United States.<sup>42</sup> But a few pages earlier, Kennan wrote with force that we should defend our relationship with Japan because it would alter the balance of power if Japan fell under the control of either China or the Soviet Union—and then we could not tell what might happen.<sup>43</sup> Kennan never explains how Japan could be protected if South Korea should be taken over by North Korea with Soviet help. Nor does he comment on what would happen to the political stability of the world, which depends upon the deterrent influence of American treaties and other commitments, if we should tear up a security treaty because the situation in the treaty area has become ominous. The other parties to such treaties can be forgiven for assuming that the treaties were adopted primarily to prevent war in ominous situations.

Kennan's analysis of the American security interest in Western

39. Kennan does suggest that the United States has a "moral obligation" to the Japanese as a result of the American victory in the Second World War and our subsequent involvement in the restructuring of Japanese society. Pp. 108-10. We are left to wonder whether a "moral obligation" requires that we defend Japan from military attack.

40. Pp. 111-12.

41. Pp. 112-13.

42. Kennan would have us consult "carefully and attentively" with Japan before deciding on such a step, since "[i]t means more to them than it does to us." P. 112. And, in a passage typical of the ambiguity of his book, Kennan adds:

But it would also be well to keep in touch, in this connection, with both Peking and Moscow. Both of those powers have, as noted above, an interest in seeing to it that the situation in Korea develops peacefully and does not provoke unnecessary crises and troubles in the surrounding region. *It is not to be excluded* that if we effect our withdrawal in a manner reasonably acceptable, and for reasons well explained and comprehensible, to both of those powers, their influence *may* be helpful in seeing to it that the change is effected peacefully and without disturbance to the stability of the region.

Pp. 112-13 (emphasis added). Since China and Japan are opposed to American withdrawal from South Korea, because of their concern about Soviet policy, and the Soviet Union strongly favors American withdrawal, for obvious reasons, it is difficult to see what substance there may be in Kennan's final sentence. "It is not to be excluded," he argues, that withdrawal might be accomplished without disaster. That is not much of a reason for repudiating a security treaty of the United States, and abandoning South Korea, which a great coalition fought long and hard to protect against conquest between 1950 and 1954.

43. P. 108.

Europe parallels his analysis of our relationship with Japan, but differs in method. With regard to Europe, Kennan is not concerned with the geopolitical balance of power, but with nearly pure sentimentality. He would drop Turkey, Greece, and Italy from NATO, but reaffirm the Treaty for the nations that he identifies as "our Western European friends." For all the friction between us and Western Europe, Kennan argues:

[T]hese people are, for the most part, our best friends, almost our only friends—not in the sense that they like us, individually or collectively, but in the sense that they know us well, after so many mutual involvements; that they are aware, as are few others in this world, of their stake in the existence and the prospering (spiritually as well as economically) of our society; that they are conscious, in other words, of the community of fate that binds us all together and makes inconceivable, or difficult of conception, a promising future of the one without the other.<sup>44</sup>

Of course, he says, the Western Europeans have a neurotic and childish fear that the Soviet Union would invade Western Europe unless strong NATO forces backed by the strategic and conventional power of the United States are on guard. European anxiety on this score, Kennan says, is a phantom, but

we have no choice but to indulge it. In this respect, we have to treat our European friends as a species of psychiatric patient with hallucinations. . . .

This means, of course, that the American military presence in Western Europe cannot be diminished. On the contrary, it should, in its conventional aspects, be increased, unless some real progress can be made in the Mutual and Balanced Force Reduction talks.<sup>45</sup>

Here again, the contradictions and nonsequiturs in Kennan's reasoning are breathtaking. If there is no danger of a Soviet attack on Western Europe,<sup>46</sup> as he argues, and no significance in the Soviet belief that visible military superiority would enable the Soviet Union to determine the course of world political development, then why should the NATO powers increase their forces in and near Europe?<sup>47</sup>

44. Pp. 126-27.

45. P. 125.

46. Pp. 124, 193.

47. Here, Kennan retreats once more into a maze of sibylline sentences and double negatives:

To say this is not to suggest that Soviet military strength and intentions present no problem at all—or that they call for no reaction at all from the Western side. It is

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Save by implication, the book contains no answer to these questions. Kennan never considers the question how Western Europe could be defended once we had withdrawn from the Mediterranean, the Near East, Greece, Turkey, and Africa, as he recommends. Nor does he set out the reasons why he supports a broad general policy of maintaining a position of deterrent military parity with the Soviet Union, both in strategic and in conventional forces.<sup>48</sup> If he really believed that the foreign policy of the Soviet Union is defensive and pacific; that there is no danger of a Soviet invasion of Western Europe or even of Yugoslavia;<sup>49</sup> and that we can have no interests worth worrying about in other parts of the world, including Greece, Italy, Turkey, and Israel, why does he say that our relations with the Soviet Union are the most important problem of our foreign policy,<sup>50</sup> and that it is necessary for us to maintain a general position of military equality with that country? And why does he say, with regard to Japan, that we dare not allow Japan to fall under the control of China or the Soviet Union?

What emerges from reading *The Cloud of Danger* is the realization that its recommendations are drawn from two incompatible theories about the nature of modern international politics, theories that he never attempts either to articulate or to reconcile.

The first theory is explicit, or nearly explicit, and is the source for the most clearly stated aspects of Kennan's book. It is the nineteenth-century view that the United States can protect its political independence, territorial integrity, and prosperity by remaining neutral and apart, unless great convulsions should occur. The necessary predicate for this policy is the belief that the system itself will maintain minimal conditions of world public order. Thus, he urges, we should withdraw from Latin America, Africa, South Eastern Asia, and the Mediterranean basin without concern because we know that the system will maintain its equilibrium as it did in the nineteenth century, when world stability was organized by the European imperial system, and

simply to say that this particular vision: of the Soviet Union confronting Western Europe with overwhelming and wholly unchallengeable force, which the West could never hope successfully to oppose with conventional weaponry, and being deterred only by the American nuclear capability from employing this force either for an attack on Western Europe or for its political intimidation—this is one of those dreadful stereotypes, built of over-simplification and exaggerated apprehension, which so easily come to command the outlooks of large bodies of people. It bears only a faint reality [sic] to the problem presented by the real phenomenon of Soviet power.

P. 124.

48. Pp. 171, 203-04, 206, 229.

49. P. 143.

50. P. 150.

the Concert of Europe minimized the frictions of world politics. Those who believe that the Soviet Union is determined to enlarge its sphere of influence indefinitely by taking over the imperial positions of Great Britain and France are childish victims of paranoid nightmares, Kennan says, who know nothing of modern history, the Russian culture, or the nature of Soviet Communism.<sup>51</sup>

The second theory on which Kennan's book is founded is exactly the opposite. We must at all times balance the military power of the Soviet Union because we cannot be sure what it would do if it achieved military superiority and began to change the balance of power in its favor. It is of course difficult to determine what the real military needs of the United States are. But such "real" needs do exist. And whatever they turn out to be, they must be met.<sup>52</sup> However benign the intentions of the present generation of Soviet leaders may be, the essential lesson of all history is that the security of a nation depends on the maintenance of a balance of power, so that a potential adversary will not be tempted to strike for hegemony when he thinks circumstances are favorable.<sup>53</sup>

Kennan uses two versions of classic balance of power theory in his analysis. The first is an extremely narrow definition of the true national interests of the United States in world society, based on the conviction that our genuinely vital interests should be defended by siege or fortress military methods, like those of the ill-fated Maginot Line. In Kennan's opinion, our safety as a nation requires us to maintain only the independence and political alignment of Northwestern Europe and Japan. Kennan is convinced that this goal can be achieved by withdrawing our presence and active concern from all other areas of the world, and relying on a much smaller military force to deter and if necessary defeat possible attacks directed against those interests. Military force capable of these missions is required, he believes, despite the fact that he also believes the Soviet Union is incapable of aggression and arms only for defense.

Kennan's second version of his attempt to define the American national interest in balance of power terms appears in *The Cloud of Danger* almost as a conditioned reflex. It is never explained. The lack of exposition is regrettable, for the concept is basic to his recommendation for maintaining a global military balance with the Soviet Union, and to other important passages in the book, notably his ideas about the Sino-Soviet conflict.<sup>54</sup> In this perspective—that of classical balance

51. Pp. 166-70, 173-80.

52. Pp. 14, 206-08, 229.

53. Pp. 171, 176, 208. See notes 13-15 *supra*.

54. Pp. 106-07, 111-12, 192-94, 231.

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of power analysis—Kennan would have to acknowledge that no area of the world can be considered to be outside the range of our interests, since any area of the world may become part of a process involving fundamental change in the balance of power. South Korea, Taiwan, or the Philippines may be used as stages in a campaign to gain control of China or Japan, as Africa and the Middle East may be invested to outflank Western Europe, and bring it under hegemonic control. Kennan advances this kind of reasoning to justify Western intervention in 1950 to protect South Korea against aggression, although he says that conditions have now changed so much that the United States can safely withdraw.<sup>55</sup>

Kennan does not approach the problem as he did in *American Diplomacy, 1900-1950*,<sup>56</sup> and in other early books and articles. In *American Diplomacy*, for example, he called attention to the deficiencies of America's understanding of her own relationship to the rest of the globe.<sup>57</sup>

[W]e can understand that we have had a stake in the prosperity and independence of the peripheral powers of Europe and Asia: those countries whose gazes were oriented outward, across the seas, rather than inward to the conquest of power on land.

Now we see these things, or think we see them. But they were scarcely yet visible to the Americans of 1898, for those Americans had forgotten a great deal that had been known to their forefathers of a hundred years before. They had become so accustomed to their security that they had forgotten that it had any foundations at all

55. Pp. 111-13.

56. G. KENNAN, *AMERICAN DIPLOMACY, 1900-1950* (1951).

57. Those deficiencies, he contended, are rooted in the historical experience of our isolation between 1815 and 1914, which formed the national consciousness of these problems. Kennan's book reviewed the transformations in the system of world politics since 1914 that have changed the position of the United States from one of security within a stable world order to one of danger within a fluid and anarchic collectivity of states—a collectivity no longer governed by accepted rules. The old states' system was controlled by the Concert of Europe, but is now drifting in patterns that could be profoundly threatening to the United States unless we take the lead in helping to establish a new system, based on generally accepted rules of state conduct, especially with regard to the international use of force. *Id.* at 3-7, 74-84.

Even when propounding this concept of world order for the states' system, it is interesting to note, Kennan would not allow international law to play any role. *Id.* at 95-103. In his frequent (and hostile) references to international law as an element of the world order and of American and other foreign policy, Kennan has persistently revealed his failure to understand the role of law in the life of societies, and more particularly the multifaceted relationship between international law and international politics, notably with regard to the international use of force. My own views on that problem are developed in E. ROSTOW, *THE IDEAL IN LAW* 261-95 (1978); E. ROSTOW, *LAW, POWER, AND THE PURSUIT OF PEACE* 1-35 (1968); E. ROSTOW, *PEACE IN THE BALANCE* 283-317 (1972). See also H. BULL, *THE ANARCHICAL SOCIETY* (1977); J. STONE, *CONFLICT THROUGH CONSENSUS* (1977). As Charles Burton Marshall points out, Marshall, *supra* note 3, at 207, Kennan has described politics as "a practical exercise and not a moral one," but government as an activity affecting the "deeper convictions of men."

outside our continent. They mistook our sheltered position behind the British fleet and British Continental diplomacy for the results of superior American wisdom and virtue in refraining from interfering in the sordid differences of the Old World. And they were oblivious to the first portents of the changes that were destined to shatter that pattern of security in the course of the ensuing half-century.<sup>58</sup>

Save by remote implication, there is no trace of this view in *The Cloud of Danger*, although it is the basis for what I have identified here as the second of the theories of the national interest that animate Kennan's book, and indeed of the first as well.

The effort to isolate the essence of Kennan's thought, then, results in a series of unresolved contradictions. If one considers his arguments as dialectic exercises, they contain theses and antitheses, but no syntheses. The Soviet Union is and is not the most important problem we face in our foreign policy. It is expansionist, imperialist, and aggressive; it is defensive, cautious, and concerned only with its borders and their marches. The Cold War started with the Bolshevik Revolution, and never changes;<sup>59</sup> the "détente" policy of Nixon and Kissinger, while oversold, did accomplish something, although Kennan never tells us what it was.<sup>60</sup> The atoms of world politics constitute a system stable enough to function without our help, so that we can safely abstain from an active role in world affairs; as a result of two world wars and the rise of the Soviet Union, the world order of the nineteenth century is gone, and no new order based on rules acceptable to us can be brought into being unless we and our allies play a vigorous and sustained role in creating it.

#### IV

The result of all these contradictions, and of the underlying ambiguity that gives rise to them, is that Kennan fails to give sufficient weight to the single greatest danger facing the United States today—the ever-increasing military power of the Soviet Union. As the Committee on the Present Danger has pointed out, the Soviet Union has been arming more rapidly than the United States and its allies.<sup>61</sup> If

58. G. KENNAN, *supra* note 56, at 4-5.

59. Pp. 176-79. See G. KENNAN, *supra* note 56, at 114-19; G. KENNAN, MEMOIRS 1925-50, at 560-65 (1967).

60. Pp. 151-52. Similarly, Brezhnev is "a man of peace," according to a recent speech of Kennan's. Kennan, Current Assessment, *supra* note 5, at 8. Three years ago, Mr. Kennan described the Soviet regime as having "more blood on its hands than any regime in the world today." Weiss, *Mr. Kennan Should Clarify Views On Soviet Policy*, Wall St. J., Jan. 27, 1978, at 8, col. 6.

61. COMMITTEE ON THE PRESENT DANGER, COMMON SENSE AND THE COMMON DANGER (1976).

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present trends continue, we shall soon be in a position of strategic and conventional force inferiority, and therefore exposed not only to war but also to political coercion based on the credible threat of war.

Kennan does not tell us why the Soviet Union is arming so rapidly, and seeking to consolidate positions of strategic importance formerly occupied as imperial outposts by Great Britain, France, and Portugal. In a speech delivered since *The Cloud of Danger* was published—a speech that complements and clarifies some aspects of the book—Kennan argues that in order to make policy rationally we must examine the data about internal developments within the Soviet Union without regard to its military strength or its imperial policies.<sup>62</sup> Kennan's proposal for a reasoned and courteous dialogue about the realities of Soviet policy is welcome, and important. But his astonishing suggestion—that the military aspects of the problem be, in effect, kept off the agenda—represents a considerable change from the position taken in *The Cloud of Danger*. In that book he seeks to explain and justify the Soviet military buildup as defensive, and to interpret the statistics in various reassuring patterns.<sup>63</sup> But he does not challenge the fundamental thesis of those whose argument he is contesting—that the extraordinary and continuing increase of Soviet military strength during the last fifteen years, coupled with its policies of world-wide political expansion based on that military buildup, constitutes a threat to the security of the United States, a “present danger,” in the phrase used by The Committee on the Present Danger, whose statements Kennan debates in his book.<sup>64</sup> In *The Cloud of Danger*, Kennan says that the Committee is wrong in accepting exaggerated estimates of Soviet strength, and taking an alarmist view of Soviet intentions, but he basically agrees that the problem is real, and must be faced.<sup>65</sup>

62. Kennan, Current Assessment, *supra* note 5, at 12 (emphasis in original):

And here there are, as I see it, two requirements. First of all, I would propose that we lay aside completely, at least for the moment and for purposes of this exercise, the whole question of the military relationship and all the arguments about *who* could conceivably do *what* to *whom* if their intentions were of the nastiest; and that we elevate our vision, at least for the time being, to the question of the real nature and situation of the particular foreign power we are dealing with.

63. Pp. 156-62.

64. *Id.*

65. P. 158:

What is one to say to this bombardment of alarming statistics?

Some of them are convincing so far as they go, provided the estimates of Soviet strength on which they rest are sound.

Others are in part sound (assuming, again, that the estimates are correct) but in part misleading. . . .

Some of the figures, finally, are of such intrinsic unsoundness, and so highly misleading, that one is surprised to find them emanating from responsible circles.

P. 171:

[This] does not mean that no improvement or strengthening is in order anywhere in the American defense posture. Just as certain adjustments no doubt need to be

It is difficult to conclude that the proposal made in Kennan's recent speech—put the problem of military balance aside—represents a fundamental change of view. The whole corpus of Kennan's work is based on a perspective that fully accepts the importance of power in world politics—sometimes reluctantly, but nonetheless firmly. One might interpret his suggestion, therefore, as representing a rather desperate hope for a miracle, a *deus ex machina*—the hope that economic troubles, demographic trends, or political change within the Soviet Union will bring about a reversal of the ominous trends measured by the statistics about the growth of Soviet military power, both strategic and conventional, and by the record of its recent behavior in Asia, Africa, and the Near East.

Kennan's argument on this point is central to his book. And it is profoundly wrong. American policy today, Kennan contends, faces a choice between two policies—one of peace, the other of war. The road to peace is the road of agreement with the Soviet Union. The road to war is the road of military buildup. If we move to maintain the military balance with the Soviet Union, enlarging our own military in order to keep up with the Soviet military programs, the result will surely be “a total militarization of policy and an ultimate showdown on the basis of armed strength.”<sup>66</sup> With great eloquence, Kennan therefore advocates agreements with the Soviets *without regard to the military balance*.

It has suddenly become fashionable in the United States, and in high circles of the government, to view the future course of American policy as Kennan does—as a simple choice between peace and war. But there is no such choice. Agreement with the Soviet Union and military equilibrium are not contradictory purposes, or alternative goals of policy. On the contrary, the obvious lesson of our whole experience with the Soviet Union is that there is no chance for a political agreement unless it is firmly based on deterrent military power. Kennan has always resisted and occasionally denied the political influence of

made in the composition and deployment of American naval strength, so it is entirely possible, even probable, that there is need for changes in the ground force dispositions of NATO in Europe, as is being argued from certain elements on the military side, with a view to reducing their vulnerability to sudden attack, improving their logistical support, and so on. It is perfectly possible that a proper posture for these NATO conventional forces would require further strengthening in one way or another; and the considerations set forth above are not intended as an argument against anything of that sort, where the situation really warrants it. Obviously, the NATO aerial and ground force establishment in Western Europe plays a stabilizing political role; it should not be unilaterally dismantled or seriously weakened; and where strengthening is really needed to assure its suitability to the role it is asked to play, that strengthening should be given.

66. P. ix. See pp. 202, 206, 232-33.

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military power. But it would be utopian, especially with regard to the Soviet Union, to pretend that military power is not an essential component of the process of history. Statements from the highest and most authoritative Soviet spokesmen in recent years leave no room for doubt of the linkage between the Soviet Union's military buildup and the goal of "visible superiority," which in their view will determine the future course of international politics. Soviet behavior corresponds to that view of their policy.

No matter how conservatively those figures are evaluated, it is becoming more and more apparent that the pattern described by The Committee on the Present Danger is basically correct: the Soviet Union is increasing its military power in all categories far more rapidly than the United States; if present trends continue, the United States *will* confront the pressures of Soviet policy from a position of military inferiority. Given the expansionist pattern of Soviet policy, that would be a decidedly uncomfortable position, to put it mildly, and we ought to exert ourselves quickly to restore our deterrent capacities. Both the Brookings Institute<sup>67</sup> and *Foreign Affairs*<sup>68</sup> appear to have reached the same conclusion.

In effect, Kennan is asking the United States to ignore what the Soviet Union is doing, and the explanations for that policy offered by its highest and most responsible leaders, and to base our policy on his assurance that Mr. Brezhnev is a man of peace. That is an imprudent footing for national policy. If it should turn out that Mr. Kennan is in error, as The Committee on the Present Danger has said, "our alliances will weaken, [and] our promising rapprochement with China could be reversed. Then we could find ourselves isolated in a hostile world, facing the unremitting pressures of Soviet policy backed by an overwhelming preponderance of power. Our national survival itself would be in peril, and we should face, one after another, bitter choices between war and acquiescence under pressure."<sup>69</sup>

## V

Reflecting on the factors that have brought British power to an end, Correlli Barnett asks

*why* such a particular stamp of men as Baldwin and MacDonald, Chamberlain, Simon and Halifax, Henderson and Eden, held sway in British politics between the wars; *why* British public

67. B. BLECHMAN, *THE SOVIET MILITARY BUILDUP AND U.S. DEFENSE SPENDING* 54 (1977).

68. See 56 *FOREIGN AFF.* 445 (1978) (commenting on *ARMS, MEN AND MILITARY BUDGETS: ISSUES FOR FISCAL YEAR 1978* (F. Hoeber & W. Schneider eds. 1978)).

69. COMMITTEE ON THE PRESENT DANGER, *supra* note 61, at 4-5.

opinion was so pacifistic and internationalist; *why* 'appeasement' was so widely congenial and re-armament so repugnant; *why* British governments handled international crises in the feeble and nerveless way they did; *why* the British permitted the catastrophic decline of their industrial power; *why* the Empire was allowed to remain a source of strategic weakness and danger.<sup>70</sup>

Barnett comments that something in the British character, and in the educational system and the political atmosphere of Britain, then and now, kept that country from facing the facts, and dealing with them in time. Because Britain failed to pursue the resolute and clear-sighted policy that might have prevented the two World Wars of this century, it has ceased to be a major influence in world politics, despite its heroism on the battlefield. The theme of the final volume of Churchill's memoir of the Second World War is "How the Great Democracies Triumphed, and so Were able to Resume the Follies Which Had so Nearly Cost Them Their Life."<sup>71</sup>

At incalculable cost, the world has endured two convulsive World Wars that wise and vigorous British statesmanship could have prevented. In my view, the wars could never have occurred if, in 1905, the British had entered into a full and visible military alliance with France, and adopted conscription, or if Britain and France had occupied the Rhineland in 1936, or even if they had reacted firmly to the German takeover of the Sudetenland in 1938.

The two World Wars transformed the world. They permitted Communist parties to seize power in Russia and China while those countries suffered the anarchy of defeat. They released the terrible demons in the human spirit that made Mussolini and Hitler possible, and so many other tyrants, too. And they forced us at last to emerge from the cocoon of our nineteenth-century isolation and neutrality.

We share many of the impulses and yearnings of the British view of world politics, as *The Cloud of Danger* attests. But we are not as well off as Britain was in 1913 or 1938. No matter how badly Britain conducted its affairs, the American giant always loomed in the wings, able to protect Britain against the ultimate consequences of its folly. There is no sleeping giant to save us from our folly, if we persist in the course Mr. Kennan defends with such passion in *The Cloud of Danger*.

70. C. BARNETT, *THE COLLAPSE OF BRITISH POWER* 19 (1972) (emphasis in original).

71. W. CHURCHILL, *THE SECOND WORLD WAR: TRIUMPH AND TRAGEDY* ix (1953).