

## THE WAR AND THE ROAD TO SERFDOM

Lecture by Mr. Horst Mendershausen  
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The great loss that befell us last Thursday made all of us feel helpless and small. The nation did not pause in the pursuit of the war; but nobody could avoid asking grave and anxious questions about the future.

We have to find our bearings on a new situation, a situation that has been revealed and aggravated by the death of the great president. We must patiently examine how we got to where we are today, so that we can understand the dangers and opportunities of the new situation.

For 15 years, the people of the world have lived in a state of war and civil war. The battlefield has moved from Manchuria to Madrid, then to London; from Stalingrad to Berlin; from Pearl Harbor to Tokio. Soon it may be back in Manchuria. The fronts have been manned by armies of all nationalities. It has been nothing less than a war of humanity with itself.

We know that this tragic experience has shaped our lives. It has presented us with formidable alternatives, and great decisions have been made by statesmen and by citizens. Equally great decisions are ahead.

When in the midst of this battle we are told that we are on the road to serfdom, we are inclined to receive the message with some indifference and a great deal of irritation; indifference, because prophecies of doom are cheap today; irritation, because we do not want to be on such a road, and we do not really believe that we are.

But the argument that leads to such a prophecy must be dealt with. There has been so much excitement in this country about Dr. Hayek's book. In England, where the book was written, people reacted rather coolly. But here, Mr. John Chamberlain, who as you know appreciates books for us on a big scale, praised it to high heavens. Fortune Magazine\* called it "assuredly one

\* January 1945, page 220.

of the greatest books of our time." And there is no end to the eulogies coming from certain quarters.

I could not resist to plan a review of this book; but I changed my mind. If I reviewed it point by point, I would have to talk about the strange reluctance of this social analyst to examine social forces; his low opinion of people's intelligence and the extraordinary hopes that he places on this same intelligence. I would have to talk about Hayek's devil theory of propaganda, about how he accuses the socialists of stealing the word freedom from the liberals in a big way, and then proceeds to take the word planning from the socialists, in a small way. All this would be out of place today.

In my opinion, Hayek's book is an elaborate hoax, or if you prefer, a serious contribution to our confusion. Sure, he is capable of severe logical reasoning; but what he reasons severely about are hobgoblins; and when he talks about practical things, he does not reason severely but just tries to please.\* As far as the chasing of hobgoblins is concerned, good social scientists make poor Don Quixotes. Their confusion is not enlightening.

Therefore I shall not review Hayek's book point by point. I shall review his subject. He says that we are imitating the Germans. Why then, have we been fighting the Germans? He suggests that we should go back to yesterday's utopia of the self-regulating market economy. It is more important to understand the path we have taken during these years of recovery and war, and to see whether we are in need of a desperate reaction.

Surely much more has been at stake in this war than the attempt of two nations, the Germans and Japanese, to conquer the world and move the centers of power from Washington, London, and Moscow to Berlin and Tokio. This attempt would have been nipped in the bud if it had not been powered by revolutionary forces of world-wide scope. Since the German-Japanese assault was powered by such forces, it took a world war of six years to defeat it. And since the defeat of the armies of these two nations does not necessarily eliminate the worldwide forces that propelled them, the battle even now has not reached its conclusion.

What was the origin of those revolutionary forces? The Nazi conquest of Europe grew out of the failure of the great experiment in liberal capitalism, an experiment that had pre-occupied the western world for about 150 years. The failure

\*See Alvin Hansen: "Crusade Against Planning", The News Republic, January 1, 1945.

became apparent in the early 1930's, when all the strategic institutions and harmonizing devices of liberal capitalism proved unable to cope with the Great Depression. Mass unemployment revealed the bankruptcy of the market system that had been relied upon to keep people employed. The parliamentary system failed to provide stable and effective governments. All the international stabilizers broke down, the League of Nations, the Gold Standard, the world capital market, the international organizations of labor.

The excitement of this total breakdown of the old order appears in that desperate speech of Bernard Shaw, 12 years ago in the Metropolitan Opera, which I hope you noticed in the New York Times of April 12, 1933.\* Shaw said that western civilization faced utter ruin, and standing right beside Thomas W. Lamont of J. P. Morgan & Co. he called the financiers the nation's lunatics. It appeared then to this Fabian gradualist that nothing less than a scrapping of our Constitution, abolition of what he called "the rotten Congress", was needed to save America and to set an example to the world.

The Nazi conquest fed upon this total breakdown of the old order. It was carried by masses of desperate people, led by mad and madly clever leaders, and inspired by the visions of the Third Reich and the New Order. How desperate the people were! In February 1934, one year after Hitler's rise to power in Germany, the social-democratic workers of Vienna took up arms against the regime of Dollfus that was destroying their organizations. They proclaimed a general strike. Then a strange thing happened: Among the ~~men~~ that followed the call to arms, many did not observe the general strike. They feared to lose their jobs. During the day they went to work in the plants and thus helped to keep the government in power. At night they fought the government army on the barricades. To them, death was less fearful than unemployment.

The Japanese conquest of Eastern Asia was a response to the deadlock of white imperialism. It fed upon the rebellion of the Asiatic peoples against a rule that had compelled them to sacrifice their old way of life to the world market, that had kept them from checking and counterbalancing the capitalistic economy by democratic institutions, and that finally let the world market come crashing down on their heads. Japan's drive toward an "East-Asia Co-Prosperity Sphere" stood a chance of becoming the spearhead of the Asiatic national movements.

\*The New York Times of April 12, 1933 and April 12, 1941 were recommended reading for his lecture, for April 12, 1945, but was postponed to April 17.

*that was scheduled*

Both of these moves were of revolutionary nature. The Nazi's rise involved a fundamental reorientation of German society, new principles of leadership, education, and terror. The change was so deep and violent that even today, after we have proved ourselves able to comprehend the Nazi revolution in a military way, we find it very hard to comprehend its politics. When a few weeks ago, our armies on the Western front captured the one millionth German war prisoner, he was asked what he thought of the fact that he was the one millionth prisoner. He said: "I wish I had been the first." When asked what he thought we should do first when moving into a German town, he replied: "Hang two SS-men." If German soldiers talk that way, and many do, why is there no German surrender?

The Japanese conquest did not spring from an internal political revolution. For many years, the Japanese had been engaged in adjusting an old political order to a brand new industrial capitalism. The move to expand was part of this adjustment process. But the revolution was brewing in the rest of Asia, in Indo-China, Burma, Thailand, India and the Indies, and in China. Although they were wary of Japanese imperialism, the nationalist anti-imperialistic movements of these countries found in it a powerful ally and trailblazer. In Burma, the invading Japanese got the former legal premier, Dr. Ba Maw, out of a British jail, armed his party, and got their full support in driving the British out of the country. In conquered China, the Japanese found a top Kuomintang man and pupil of Sun Yat Sen, Wang Chingweih, to form the puppet government of Nanking--the puppets will go, together with the Japanese, and Asia's national revolutions will look for new allies. But for a while, in the past, they combined forces with the fascist revolution; and they were influenced by it politically, not always to the pleasure of the Japanese empire builders.

These two powerful revolutionary drives came close to success in 1941-42, when their armies were pushing toward Suez, the Urals, India, and Australia. Then they were fought to a standstill, turned back. Today, the Nazi armies are smashed, and Japanese power is doomed.

What was it that beat the fascist world revolution? A complex and labile world coalition arose against it and defeated it. This coalition had the most startling content and shape.

When we call this coalition the United Nations, we use a term that is too wide and too narrow at the same time. It is too wide because all of the countries on the United Nations list have harbored and still harbor in their midst men that accept or tolerate the fascist revolution. The imitators and allies of that revolution have cropped up everywhere. Some are known as traitors, former leftists like the Frenchman Doriot, or former rightists like Marshal Petain or Sir Oswald Mosley in England; some of the men described in Carlson's book

Under Cover, in this country; and also a Red Army general, by the name of Vlassov. But there are others that merely maintained neutrality in the battle, or did not grasp its meaning, not because they lacked the brains, but because this or that in the fascist revolution appeared to them as plausible, as a just punishment of the Jews, or the communists, or the British, or else as the spilling out of the political logic of the modern corporation.

The term United Nations is too narrow because the anti-axis coalition includes people of all nations of the world, even those that are not represented by governments on the United Nations' list, such as the Chinese communists, the reforming societies of Bulgaria, Rumania, Albania, Hungary, Italy, the non-government Poles and the non-government Greeks. It includes Spanish republicans, German and Austrian anti-fascists, Indians, Koreans, Manchurians, and Japanese; industrial workers and peasants, intellectuals and business men. These people have sabotaged and harassed the armies of the fascist revolution. Brief, the anti-fascist coalition is world wide. It cuts across nations, classes, and individuals.

Did this coalition produce a central leadership, and a political program? It certainly did not have a central leadership. At the top of it there were the Big Three. They did not form an executive body. They were a conference of executives. Stalin and Churchill are powerful state leaders. So was President Roosevelt, who enjoyed the widest popularity and personal prestige of the three. But none of them is or ever was the leader of the world coalition. The coalition had a leadership only when the Big Three met and agreed. That is why their meetings were truly great events.

It is very hard to detect a political program of a fundamental sort. Of course, programs of specific actions have been announced at Moscow, Teheran, Yalta, Cairo, and Quebec. It is fascinating to search these declarations and the Atlantic Charter for expressions of a basic program. But for the purpose of this talk I prefer a rough and ready test. What have been the generally accepted banner words of the coalition? What do they say?

They do not proclaim innovation, as the "New Order" or "Asiatic Co-Prosperity" do. Nor do they proclaim return to the status quo ante. They do not emphasize forms of political organization, neither a "world safe for democracy", nor "the Soviets everywhere." It goes without saying that all of these intents and slogans are put up by some people within the great coalition. But they do not find general allegiance. The true banner words of the coalition are liberation and freedom.

These words strike a deep response everywhere. However differently they are applied by different people, whether they

stand for liberation from the invader, liberation from imperial rule, freedom from want, or free enterprise, they carry a distinct message of historical and present-day significance. Historically, they link the present struggle to the great Western liberation movements of the past, the battles with alien oppressors and parasitical ruling classes. What do the words mean today, or better what meaning do they have in common when spoken by the Yugoslav partisan and the American business man, the Chinese peasant and the Russian worker? They express rejection of the fascist revolution.

The worldwide anti-fascist coalition taken as a whole, has a negative program. Let us not belittle it on account of its negativity. This program forms the link between the heroes of all lands, the language in which they explain to each other why there is sense in what they are doing--in spite of everything.

But beside this link, within this uniformity, there is tremendous diversity. What are the forces within the world-wide coalition? What are they driving at?

Within the coalition we can distinguish a force that denies revolution in our time, the fascist revolution or any other. As soon as we look more closely at this force, we discover two very different elements in it: Reaction and Conservation.

Along the line of Reaction, you find the unreformed rulers and the apologists of the old regime busy to create a super-1920's or a super-1890's. To them, freedom is the freedom of privilege. It implies allegiance to authority that has ceased to be authority. This force tries to push back the Asiatic independence movements, to resume the "white man's burden" of governing his little brown and yellow brothers, those perennial children that never grow up; and it applies the same recipe to the factory workers and the Negro at home.

In practice, Reaction played with fascism as long as fascism seemed to reinforce or tolerate the old rule. Reaction turned anti-fascist when fascism attacked the industrial or imperial power of the old set. I don't know whether you noticed that small item in the New York Times of 12 years ago about Alfred Hugenberg, the German reactionary leader who had seized power together with Hitler, in January 1933. The marriage had not lasted longer than 75 days, and Hugenberg was already pleading that the revolution be stopped, that it was going too far. He was sadly disappointed, as you know, and so was Prime Minister Joseph Chamberlain in a similar situation, six years later.

*Reville*  
Reaction denies revolution in the sense that it demands a counter-revolution. In spite of all his emphasis on realism and practicality, the man of Reaction is as utopian as the most fervent Trotskyite.

Then there is Conservation. Conservation is concerned with the safeguarding of human life and cultural substance that are inevitably and tragically endangered by any revolution. It is not focused on the perfection or restitution of empty privilege, but on the avoidance of a general state of lawlessness, freedom from terror. This force denies revolution in the sense that it demands gradual change, continuity. Where it meets revolution it tries to slow down and to compromise. Sometimes it has the virtue of moderation, sometimes it stifles enterprise and renewal.

There is another force in the great coalition that does not deny revolution. It rejects the fascist revolution because of its substance; but it drives at a fundamental transformation of society. Here freedom is the banner word of an alternative revolution.

This alternative revolution I will call socialist, although I have misgivings about the name. Anywhere outside the United States I would think that the connotations of the word fit fairly well the thing I am talking about. In the United States, however, socialism means to many people a European reaction to a European problem; and there is a lot of truth in this if you look at the history of socialist thought. American forces that are in line with foreign socialism, today define themselves in terms of "liberalism", the "common man",--and even "free enterprise", particularly in the sense of freedom to choose one's job. Behind this semantic puzzle you can find one of the most fascinating problems of American history, namely how, during the 19th century, expansion and democracy kept the self-regulating market system from becoming a full reality, postponed its socially disruptive effects, and thus anticipated the socialist critique.\* That is not what I want to talk about. Speaking of a world-wide phenomenon, I think that it is less confusing to call modern American liberalism socialism, than it would be to call foreign socialism liberalism.

What is this alternative revolution? Like fascism it was born during the great depression. That is to say, it appeared then as a powerful and effective social drive. Before that time, it was foreshadowed by socialist theories, Marxian, Fabian, Henry Georgian and others; but even when these theories were endorsed by broad popular movements, trade unions and parties, they did not provoke deep changes in the ways of society. The socialist movements fitted themselves into the economic and parliamentary system, as in England, or reenacted the familiar Jacobin revolution of 1792 with some new actors, as in Russia, 1917. With the Great Depression, the socialist

\* See Karl Polanyi, *The Great Transformation*, New York, 1944.

drive became an effective force, whether it was symbolized by old-time socialists like Stalin, or by people of entirely different outlook like Lord Keynes or Franklin D. Roosevelt.

The economic manifestations of the socialist revolution appeared in Russia's turn to Five-Year Plans and collective agriculture, in Britain's transition toward a controlled economy, in our New Deal. In politics, it led to the appearance of stable governments, the undisputed rule of Stalin, the indefatigable National Government in England, the precedent shattering four terms for Franklin D. Roosevelt, with New Dealers appearing in both parties. An important feature of these governments is that they foster and depend upon the collaboration and political activation of the working class, whether that means British labor ministers, the growth of the CIO into a social and political institution, or the staffing of Russia's hierarchy with workers and peasants and their sons and daughters.

It is interesting that in all these appearances, the forces of socialist revolution have been intertwined with forces of conservation. The New Deal can be understood as the salvation of man and law from the ruin that Bernard Shaw was talking about. Stalin's Socialism in One Country became the saviour of the Russian nation. In order to achieve these feats of conservation, both the Roosevelt and Stalin regimes had to set a new revolutionary course. At the same time, it is true that in order to create innovation, both innovators had to fight the dominant innovation dogmas of their respective countries: reliance on the automatism of business here, reliance on the proletarian world revolution there--Hoover's "American Way of Life", and Trotsky's "Permanent Revolution."

Few will deny that the course of the alternative revolution distinguished it from liberal capitalism. Does the stock market under the thumb of the SEC resemble its namesake of 1929 any more than a Russian collective farm resembles a prerevolutionary estate? The Russians have been more conscious of the great change than we; and that has made a difference in matters of speed and even direction. But in both nations, the change has been fundamental, quick, and I believe irreversible. There can be no doubt, we have a revolution with respect to liberal capitalism.

But if that is so, what makes this revolution differ from the fascist revolution? This is a vital question, and not an easy one to answer. You don't find the answer in the dictionary. Just think of it! The German Nazis never accepted the name fascists for themselves. They call themselves socialists, today more loudly than ever. A few days ago, they baptized their new underground and terror cadres the "freedom movement." On the other hand, various socialist planners, technocrats and Communist politicians have turned fascist. Here is enough to confuse the most sophisticated social scientist. If you have looked at the



2-page cartoon story of Look Magazine,\* you have seen how inevitably you get from the WPB to the concentration camp. It is all one night and all the cats look grey. Sure enough, the fascist and socialist revolutions have something in common. They both are responses to the breakdown of liberal capitalism. Both wrestle with the problem of reintegrating society, of developing a new family, a new local community, a new nation, region, world. As revolutionary moves, both are frankly concerned with power, very government-conscious. Since they are alike on all these counts, you can give them one name: totalitarianism. Having given them one name, you can commit the choice fallacy of identifying them altogether. You can do that naively, or with all the sophistication of a Friedrich Hayek. In either case, you lock the door to an understanding of our time.

Both revolutionary moves are out to find a new relation between individual man and complex society, a relation that is compatible with the ambivalent powers of our modern technology; but in their philosophical core as well as in the full picture of their achievements they differ as much as life and death. The fascist recipe for the new relation begins with technology, and ends with individual man; the socialist alternative begins with individual man and ends with technology. The synthesis of fascism shapes society in the image of the machine, and man in the image of machine society. This synthesis is degenerative because in achieving it, fascism destroys first the individual, then society, and its technology is blown to bits in the process. The synthesis of socialism shapes society in the image of individual man, moral but fallible, given to the collectivity but also very much concerned about his own welfare--and it makes technology subservient to human society. I call this the viable synthesis, the drive that permits survival.

Now, all this sounds too easy--however strongly you may believe in it. Let's try to get at the distinction empirically. The destructive and self-destructive nature of Fascism becomes clear when we look at Germany, the debasement of the individual, the transformation of society into a hollow shell, braced by scientific terror and confusion, the perdition of the stricken people in the flames of war. It is equally clear in the Nazi's glorification of death and their low regard for life and human labor.

I found a strange expression of this in a book by a man of the Polish underground, Story of a Secret State by Jan Karski.\*\* He watches a gruesome scene in one of the Nazi death camps for

\* "A Pictorial Review of the Provocative Book by F. A. Hayek." - February 6, 1945, page 28.

\*\* Boston, 1944.

Jews. The quick-lime train has pulled up beside the camp. Before being driven into it by the gunfire of the SS guards, the Jews hear an SS man shout: "All the Jews will board the train to be taken to a place where work awaits them."

Why did the henchman speak of work instead of death? I believe he wanted to express his contempt for this mob of naked, crazed animals facing him. So before drawing his gun and firing it into the first man's face, he shouted the more contemptible word: "It's work that awaits you!"

It is easier to define death than to define life. The great personal freedom and productivity in our changing society; the peaceful prosperity of New Zealand and Sweden; the industrialization and military prowess of Soviet Russia; the de-Balkanization of the Balkans by the partisans; the formation of a new society in Northwestern China; they all mean to me great proofs of life. No doubt, their survival is not guaranteed by their past performance. But it is made possible. It now depends on our hopes and our efforts.

Here a word about Dr. Hayek may be in order. He says he was twice witness of a nation marching off toward serfdom, first in Austria then in England. I wish he had paid more attention to the difference in the two countries' development. The Austrian liberalists, of whom he was a prominent member--and his teacher, Ludwig von Mises, the spiritual guide--were so deeply absorbed in blocking social-democratic reform legislation and in denouncing the trade unions that they did not resist the advent of Austrian fascism. They did supply the Austro-fascist government of Dollfus with a liberal minister of economics. They did their full share in blocking Austria's road to socialism so that in the crisis only fascism could win. Fascism won and blasted reform legislation, trade unions, the workers, and then the liberals. Then Hitler took over.

In England, during the 1930's and 1940's, economic liberalism went out, with many of the old liberalists repenting and reforming. Keynesian heresy, Beveridge's social security triumphed, and the trade unions and labor party became a permanent part of government. To Hayek this may be all the same; but I don't think that either the people of Britain, or of Austria, or we for that matter have any reason to fall for his colorblindness.

We must return now to the great anti-fascist coalition. How could so divergent forces ever combine and pull together? The answer is simple. The fascist revolution was a deadly threat to the status quo ante - or the mirage of it - and to the socialist revolution. The threat of fascism cemented the alliance and set its course.

The great advantage of our battle against fascism has been that it gave us a chance to pursue the better integration of our society without terror and death philosophy. Fascism became the outlaw. By presenting itself as a foreign enemy, it pushed our revolution in the alternative, socialist direction. That enabled us to proceed without a violent rejection of our traditions. It

encouraged us to see in our modern transformation a new combination of traditional elements, Jacksonian and Hamiltonian, populist and industrialist elements. As a result, many of the control features of our economy grew out of traditional moves to "regulate commerce" and shape our economic life according to the ambitions of the American people. Similarly we were induced to develop strong administrative agencies without destroying popular control of the administrators. Beside the old channels of control, such as the vote, the press and voluntary association, new channels came into existence. I am thinking of the decentralization of administration, exemplified by the draft boards, the rationing boards, and the many panels of farmers, business men, consumers, citizens. Thus the transition toward a controlled economy did not entail autocracy, and the identification of the two was left to the imagination of people who oppose all control except that which is exercised through the dollar bill.

Similarly, the political behavior and philosophy of our opponent provided the common target for us and for those foreign nations that were able or compelled to seek freedom and a new unity in the socialist direction. It furthered the growth of a great-power combination, able to organize a peace of painstaking, step for step negotiations, able to organize economic intercourse between self-dependent nations, unobstructed by the obsession of total free-trade and the erratic world market; a power combination that showed signs of turning imperialism into regionalism. And for the small countries, this outlook contained a measure of freedom, freedom from the great danger of being torn to pieces in a war between the giants, freedom to develop democratic governments, agrarian reforms, and controlled economies.

These are the tendencies that make us look back on our record of change in the 1930's and 40's with the feeling that we made headway. They make us feel that we can now turn to the continuation of the great change with fuller awareness of our course. The prophets of doom mistook the fierce struggle toward a new state of health for the convulsions of death. May we never get closer to the road to serfdom than we did during the last 12 years!

But the matter cannot rest here. Our hopes of yesterday, and their partial fulfillment do not guarantee the future. Since yesterday, new conditions have begun to take shape. When I say yesterday, I speak of two different points of time. One is the battle of Stalingrad in the winter of 1942-43 that stopped the Germans. The other is the death of President Roosevelt last Thursday.

Since the battle of Stalingrad, the military defeat of the fascist enemy has turned from probability into certainty. Today, the threat of the common enemy is gone. That means that the old coalition has lost its reason for existence.

You remember that even when the enemy armies were still quite strong, the coalition showed severe strains, at home and abroad. Again and again there was an outburst of talk about the future war with Russia. Here at home, when peace and reconversion were talked about in Washington, the factions began to fight violently,

small business against big business, old business against new business, the companies against the unions, the unions against each other. Only last week the National Association of Manufacturers accused Eric Johnston's Chamber of Commerce of getting too close to labor.

Before last Thursday, the approaching end of the official war in Europe found the Allies in a state of tenuous agreement. The shaping of the political face of Europe, of Poland, Czechoslovakia, Austria, and Germany, the economic arrangements between the Allies were difficult and largely unsettled issues. The outlook on the San Francisco Conference was sobering. In Asia, the winding up of the Japanese war did not promise great military surprises; but it offered very complex problems for the great powers and powers-to-be, the place of England in India and China, the outcome of the civil war in China, Russia's interest in Manchuria and Korea. At home, major political battles were shaping up about full employment policies and the fate of the veterans. The virtual destruction of the enemy had brought the coalition to the brink of dissolution.

I do not think that the death of President Roosevelt weakened the old coalition. On the contrary, the immediate effect was a strengthening of that coalition under the impact of the worldwide mourning. But this will not create a new lasting bond. We lost the man whom we had trusted in the task of creating a new combination of domestic and worldwide forces. We trusted his ability to give a new political meaning to the great coalition, once it was not held together any longer by the German-Japanese threat. His power and popularity, his ability to achieve conservation through innovation were so well suited to perform this supreme task of statesmanship. Now the task of finding the new objectives, symbols, and institutions of peacetime co-operation comes to rest on new men. They deserve our good will and the best of our efforts.

It would be futile to try and solve in words the staggering problem that is opening up before our eyes. The best one can do today is to see the world political forces in their new setting.

In the new setting, reaction and conservation will be hard to reconcile. They will become irreconcilable in Hong Kong, as well as in Atlanta, Detroit and Washington. The political emancipation of the Asiatic peoples will demand a new alignment of international forces, and that of the Negro, a new blending of domestic forces, under the threat of foreign and racial war. To preserve peace, to conserve man and law, will require a redistribution of power and responsibility.

Reaction will oppose this. Reaction will tell us that for the sake of national unity we must stop reform, obliterate reform, that we must freeze labor and management--and the races--in a functional set-up. It will demand a clarification of responsibilities and eulogize the neat "organization chart", only to create de facto irresponsibility and disorganization. Reaction will emphasize the form of peace and thus create the substance of war. Such moves would deprive us of the freedom of improvisation that has been essential in making our transition to a new society gradual and smooth. One of the great tasks of the conservative

will be to reject the notion of returning to a normalcy that is out of line with the norm of the last 12 years.

In the international field we will see attempts to create unity through the imposition of rigid norms of good behavior. International norms are worth a great deal of thought and effort; but should we ever become more concerned about them than about the day-to-day collaboration of the chief executives of the great powers, the peace would be lost. The rigid code of world law would furnish the pretexts for actual non-co-operation. The British or the Russians will reject or break some rules. Therefore, it will be said, we cannot work with them. Out of the scheming for a well-behaved and unified world would grow the new isolationism, the new imperialism.

In the new setting, the forces of conservatism and socialist revolution need fresh conceptions of their purpose. The socialists show signs of overcoming their property phobia, the conservatives show signs of getting over their phobia of the masses. The socialists are learning that in the western world we are beyond the point where social control of industry presupposes the expropriation of property certificates. The conservatives discover that when a people turns into a shapeless multitude, the masses, the thing to do is to turn the masses back into a people--by giving them not only status but power. Along both of these roads, more rapid progress is needed, unless we let the art of finding solutions to these problems become a Russian monopoly. If that should happen, most of Europe and Asia would fall into the Russian orbit.

The other day, people were dancing in the streets of Vienna. They were dancing Viennese waltzes. The music came from Red Army sound trucks. Red Army field kitchens were distributing food in the streets. This is good news; but it also is a warning. The Russians seem to have a positive policy for a new Austria, a "slavic orientation" and industrial co-operation with the Balkans. Will we come to accept a social-democratic Germany before the Russians present us with a communist Germany? And on the other side of the globe, will we ally ourselves with the Chinese communists before the Russians get busy there, or will we get stuck with Chiang Kai Chek?

Here at home, American liberalism is in search of a new substance and a new leadership. In the labor movement, there is a tendency to exchange the emphasis on pressure group competition against an emphasis on industrial and national policy making. Conservatives will do well to accept this tendency. Walther Reuther's line is better than that of John L. Lewis, and less conducive to class war.

This brings me to the conclusion. The threat of fascism may arise once more. It will, if we fail in taming the power of the machine over our lives, if social innovation is blocked, and if the common people are divorced from power. But fascism can threaten us only if we misread our recent history and destroy the progress that we have made. This progress has led us from the despair of depression to the achievement of victory. The words with which President Roosevelt opened this road of progress, on March 4, 1933, have a new meaning today. He said: "We need not shrink from

honestly facing conditions in our country today. This great nation will endure as it has endured, will revive and will prosper... Let me assert my firm belief that the only thing we have to fear is fear itself."