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Shaping a New World Order: The Council's Blueprint for World Hegemony, 1939-1975

Near the end of the Second World War, two of the Council's senior directors wrote that the CFR had "served an increasingly useful function in the period of the twenties and thirties; but it was only on the outbreak of World War II that it was proved to have come of age."¹ They were referring to the Council's successful efforts, through its special War and Peace Studies Project, to plan out a new global order for the postwar world, an order in which the United States would be the dominant power. The War and Peace Studies groups, in collaboration with the American government, worked out an imperialistic conception of the national interest and war aims of the United States. The imperialism involved a conscious attempt to organize and control a global empire. The ultimate success of this attempt made the United States for a time the number one world power, exercising domination over large sections of the world—the American empire.

The process of planning a new international system was decision-making of the most important kind. Such blueprinting was by its very nature determining the "national interest" of the United States. Those having this crucial

function were the most powerful of the society. The Council and government planners began with certain assumptions, excluding other alternatives. These assumptions became intentions and were ultimately implemented by government actions.

Unlike other private groups, which focused with restricted scope and vision on local, regional, and national domestic problems, the Council saw the purpose of postwar planning as the creation of an international economic and political order dominated by the United States. In its planning the Council had the cooperation and assistance of President Roosevelt, the Department of State, and numerous Council members in the government.

The main issue for consideration was whether America could be self-sufficient and do without the markets and raw materials of the British Empire, Western hemisphere, and Asia. The Council thought that the answer was no and that, therefore, the United States had to enter the war and organize a new world order satisfactory to the United States. This chapter will trace how the Council saw the problem, the government's acceptance of its imperialistic perspective, and the resulting new international structure which was developed from this planning.

The War and Peace Studies Project

The fast-paced events of the first two years of the Second World War set the context for the early period of postwar planning. With the outbreak of war in September 1939, Council leaders immediately began considering the need for advanced planning to deal with the difficulties which the United States would face during the war and the eventual peace. Council director Isaiah Bowman, who had been a key figure in the

“Inquiry”—the postwar planning done during the First World War—was particularly adamant about the need for adequate preparation this time, so that previous mistakes would not be repeated.² Council leaders believed that blueprints for a new world order were necessary and, furthermore, that this was exactly the kind of activity the Council had been created to undertake.

Less than two weeks after the outbreak of the war, Hamilton Fish Armstrong, editor of *Foreign Affairs*, and Walter H. Mallory, the executive director of the Council, traveled to Washington, D.C., meeting with assistant secretary of state and Council member George S. Messersmith on September 12, 1939. They outlined a long-range planning project which would assure close Council-Department of State collaboration in the critical period which had just begun. The Council would form several study groups of experts to focus on the long-term problems of the war and to plan for the peace. Research and discussion would result in recommendations to the department and President Franklin D. Roosevelt, and would not be made public.³ Messersmith approved of the Armstrong-Mallory suggestions and met with Secretary of State Cordell Hull and undersecretary and Council member Sumner Welles later that same day to outline the Council’s proposition. Both Hull and Welles expressed interest. Council president Norman H. Davis, Hull’s close friend and adviser, spoke with the secretary soon afterward, receiving verbal approval for the proposal and securing Hull’s agreement to have “representative people” from the department meet regularly with Council leaders.⁴ Welles and Messersmith concurred, and communicated their positive feelings to Joseph H. Willets of the Rockefeller Foundation, to which the Council had applied for funding. On December 6, 1939, the Foundation granted the Council \$44,500 to finance the War and Peace Studies Project for the following year.⁵

By mid-December 1939, details of the organization, purpose, scope, and procedure of the Council project had been worked out. A meeting between representatives of the Council and the department was held at Messersmith's home to bring these plans to completion. It was agreed that the Council would set up several special groups to "engage in a continuous study of the course of the war, to ascertain how the hostilities affect the United States and to elaborate concrete proposals designed to safeguard American interests in the settlement which will be undertaken when hostilities cease."⁶ A central Steering Committee was established to unify and guide the work of the groups. Norman H. Davis, President Roosevelt's ambassador-at-large, was chairman of this committee, with Armstrong as vice-chairman, Mallory as secretary, and Alvin H. Hansen, Jacob Viner, Whitney H. Shepardson, Allen W. Dulles, Hanson W. Baldwin, and Bowman as the other members. These last six men, together with vice-chairman Armstrong, headed the five study groups which were established—Economic and Financial, Political, Armaments, Territorial, and Peace Aims. Hansen, professor of political economy at Harvard University, and Viner, professor of economics at the University of Chicago, led the Economic and Financial Group. Shepardson, a corporate executive who had been secretary to Edward M. House in 1919 at the Versailles Peace Conference, did the same for the Political Group. Dulles, an international corporate lawyer who had worked closely with Davis in disarmament negotiations during the 1930s, was co-rapporteur of the Armaments Group along with Baldwin, military correspondent for the *New York Times*. The Territorial Group's leader was Bowman, America's leading geographer and president of Johns Hopkins University. Armstrong later headed the Peace Aims Group, established in 1941.⁷ The Steering Committee was to meet only infrequently to map out the studies in broad outline.

Each group leader received an honorarium and had the help of a full-time paid research secretary.⁸ The Steering Committee assigned topics to each group and a member or the research secretary produced a draft statement of the problem. The group then discussed it thoroughly, sometimes at several meetings, and put the consensus into a recommendation to be forwarded with a digest of discussion to the President and State Department.⁹

The study groups averaged about ten to fifteen men each between 1940 and 1945. Almost 100 individuals were involved in this work during these six years:¹⁰ academic experts, particularly economists such as Alvin H. Hansen and Jacob Viner, Eugene Staley of the Fletcher School of Law and Diplomacy, and Winfield W. Riefler of Princeton's Institute for Advanced Study; historians William L. Langer and Crane Brinton of Harvard, A. Whitney Griswold of Yale, and James T. Shotwell of Columbia; government policymakers, such as Ambassador-at-Large Norman H. Davis, State Department officers Lauchlin Currie and Benjamin V. Cohen; military leaders such as Maj. Gen. George V. Strong, chief of army intelligence, retired chief of naval operations Adm. William V. Pratt, and retired Maj. Gen. Frank L. McCoy. Corporation lawyers, such as Allen W. Dulles, John Foster Dulles, and Thomas K. Finletter, and newspaper correspondents such as Hansen W. Baldwin of the *New York Times*, George Fielding Eliot of the *New York Herald Tribune*, and John Gunther were also active in the project. The business community was directly represented by banker Davis, industrialist Ralph E. Flanders, financiers Leon Fraser of the First National Bank of New York and Frank Altschul of General American Investors Company. Isaiah Bowman, a territorial expert and Roosevelt adviser, played an important role, as did Owen Lattimore, an expert on the Far East. During 1940, two of the Council's planners, former governor of New Hampshire John G. Winant and retired chief of naval operations Adm. William H.

Standley, were tapped to become United States ambassadors in the two most important overseas diplomatic posts—London and Moscow. All these men and almost seventy more contributed to the success of the Council's War and Peace Studies Project.¹¹ Through these individuals, at least five cabinet-level departments and fourteen separate government agencies, bureaus, and offices were interlocked with the War and Peace Studies Project at one time or another.¹² They collectively attended 362 meetings and prepared 682 separate documents for the Department of State and the President. Up to twenty-five copies of each recommendation were distributed to the appropriate desks of the department, and two to the President.¹³

The aim of this vast undertaking, to which the Rockefeller Foundation alone gave over \$300,000 in a six-year period, was to directly influence the government.¹⁴ The Council's own official report, published after the war, stated that the "real touchstone" of the War and Peace Studies Project was "the usefulness of the studies to the Government. This was the criterion which the Steering Committee and the Rapporteurs of the groups had to keep in mind at all times, and especially in reviewing work done and in planning new work for the future."¹⁵ The desire for influence began to be fulfilled immediately after the first meetings of the groups in March 1940. The Territorial Group, headed by Bowman, considered the strategic importance of Greenland to the United States during that month, and sent a recommendation on the subject to President Roosevelt and the Department of State in mid-March. This memorandum discussed the possibility that Germany might conquer Denmark and thus be in a position to claim Danish colonies, including Greenland, a development which could be dangerous to the United States. It suggested that applying the Monroe Doctrine to Greenland could deter Germany.¹⁶ Early in April 1940 the German army overran Denmark. Bowman was summoned to the

White House to talk with the President, who, with a copy of the Council's recommendation in hand, questioned Bowman concerning what the American government should do about Greenland. At his press conference on April 18, Roosevelt stated that he was satisfied that Greenland belonged to the American continent, and later that year he "carried the memorandum to a Cabinet meeting and cited it as the basis for some conclusions he had reached."¹⁷

During mid-1940, key members of the Council exerted their influence in yet another way by creating an ad hoc pressure organization. This body was called the "Century Group" because it met at the Century Association, an upper-class club in New York. Its small group of founders included Francis P. Miller, the organizational director of the Council and a member of the Political Group of the War and Peace Studies Project; Lewis W. Douglas, a Council member who joined the Council's board in 1940; Whitney H. Shepardson, a Council director and leader of the War and Peace Studies Project; and Stacy May, Edward Warner, and Winfield W. Riefler, all members of at least one of the War and Peace Study groups.¹⁸ The Council community clearly controlled this new pressure group.

At a July 25, 1940, meeting, the Century Group decided that something had to be done to aid Britain, specifically the transfer of fifty destroyers to Great Britain in exchange for bases on British possessions in the Western hemisphere and a pledge never to surrender its fleet to Germany.¹⁹ Miller took the lead in approaching the government with this suggestion. He and four others traveled to Washington on August 1, 1940. Some met with President Roosevelt, others with various cabinet members. The next day the President discussed the Century Group's idea with the cabinet. At this meeting it was decided to explore the suggestion with the British. In this way the negotiations began which culminated in the Destroyers for Bases agreement in early September 1940.²⁰ The

Century Group, in the words of historian Robert A. Divine, “had broken the logjam on the destroyer issue.”²¹ The Destroyers for Bases agreement marked the end of any pretense of American neutrality during World War II; the United States government had definitely taken sides.²² A statement of long-time Council director Edwin F. Gay further illustrates the importance of the Council role. He reported in a September 1940 letter to his wife that he had just sat in on a meeting with a handful of Council men who had “put across the fifty destroyer deal against the opposition of the Navy and the reluctance of the President, who, they tell me, is playing politics with the whole movement.”²³

The Council leaders also met regularly with the State Department’s postwar planners once the department had established its own structures for such long-term thinking. In so doing, they formalized long-standing personal relationships with many of the top policymakers. For example, the economist Leo Pasvolsky, special assistant to the secretary of state in charge of postwar planning during the war years, was familiar with most Council leaders. He had joined the Council on Foreign Relations by 1940 and was quite close to it during the war years; some Council men affectionately called him “Pazzy” for short.²⁴ Pasvolsky became, along with Davis, the main liaison between the Council and the State Department. He met frequently with the War and Peace planners during 1940 and handled the distribution within the department of the War and Peace Studies recommendations beginning in late 1940.²⁵ Pasvolsky also traveled regularly to New York City to attend the Economic and Financial Group’s meetings. He was present at a majority of the ten meetings held by this group during the February-October 1940 period, and at the special plenary session for the members of all the study groups held in late June of the same year.²⁶ He also sometimes joined Council leaders when they gathered in Washington, D.C. On May 1, 1940, for example, Pasvolsky

met there with Davis, Hansen, Mallory, and Arthur R. Upgren, the research secretary of the Economic and Financial Group, "in order to coordinate the project's studies still more closely with the State Department's needs and to discuss the Economic and Financial Group's study program."²⁷ Pasvolsky attended the Council's special plenary session of June 28, 1940, stating his desire for a close relationship between the Council group and the department, and his own willingness to aid the Council. Other top State Department officers strongly supported the Council's project.²⁸ Both Secretary of State Hull and Undersecretary Welles wrote letters of appreciation at various times praising the Council's work, calling it "excellent," "extremely useful," and "valuable."²⁹

Beginnings of Grand-Scale Planning: Summer and Fall 1940

The German army's sweep across the French countryside to victory in May and June 1940 shocked the Council and government planners. They were suddenly faced with an entirely new situation. Germany might expand farther and defeat Britain, capturing its fleet and empire. Led by the Council, American policymakers began grand-scale contingency planning to deal with this and other eventualities.

The key questions which had concerned American leaders for almost ten years centered on the problems of self-sufficiency and economic warfare. Was the Western hemisphere self-sufficient, or did it require trade with other world areas to maintain its prosperity? How self-contained was the Western hemisphere compared to German-controlled Europe? How much of the world's resources and territory did the United States require to maintain power and prosperity? The

importance of this Council concern should be emphasized because these are questions that have been debated for some years by Marxists and liberals. Marxists have argued that these things were and are essential to United States capitalism as presently organized, and that American foreign policy is largely based on these needs. The CFR's conclusions, as we shall see, effectively support the Marxist position and shaped American policy accordingly.

In the summer of 1940, the Council, led by the Economic and Financial Group, began a large-scale study to answer these questions. The world was divided into blocs and the location, production, and trade of all important commodities and manufactured goods were compiled for each area. About 95 percent of all world trade in every commodity and product was included.³⁰ The self-sufficiency of each major region—the Western hemisphere, the British Empire, Continental Europe, and the Pacific area—was then measured, using net export and import trade figures.³¹ These were determined by assuming that the countries within a bloc would buy and sell to each other first, thus maximizing internal trade within each area. To give a hypothetical example, if all the Western hemisphere nations together exported 100 tons of tin to Europe during the normal trade year of 1937, while at the same time different countries within the hemisphere imported the same amount of tin from the Far East, the area would be self-sufficient in tin, since the amount going to Europe could, if necessary, be rechanneled within the hemisphere. Using this type of analysis, the self-sufficiency of the German-dominated Continental European bloc was found to be much higher than that of the Western hemisphere as a whole.³² To match this economic strength the Western hemisphere had to be united with another bloc.

The effects of integrating the Pacific area with the Western hemisphere were considered first. Trade was divided into two types: complementary—the exchange of commodities and

manufactures which one region has and the other needs—and competitive—raw materials and products which both areas have surpluses of and wish to export. In the first case, the Pacific area required the machinery, vehicles, cotton, petroleum products, chemicals, iron, and steel which the Western hemisphere desired to export; and the Western hemisphere wanted to import the rubber, jute, tin, cotton, textiles, silk, and sugar that the Pacific area had to sell. The integration of the two zones, at least as far as these products were concerned, would very substantially help both areas reduce export-market dependence on the “outside” world.³³ The competitive aspects of production and the difficulty of finding export markets for their similar surplus commodities—grains, lead, zinc, coffee, oilseeds, and hides—were, however, disadvantageous. After applying the principle of purchase first from within one’s own sphere and then integrating the hemisphere with the Pacific area, the export dependence on the outside world was decreased by \$1,800 million because of the great amount of complementary trade. This, compared to an increased export surplus of only \$700 million, indicated that joining the two regions into one bloc would aid, but not solve, the problem of self-sufficiency.

The United States would be the biggest beneficiary of such a union because the Pacific area was a significant market for United States manufactured products and the “foremost source of many of the most important raw material imports of the United States.”³⁴ The rest of the Western hemisphere, especially the southernmost countries of South America, would not profit much from this union, however, because of the large export competition between them and Australia and New Zealand.³⁵ Since the surplus commodities in question were primarily agricultural, the addition of the United Kingdom, a large consumer of imported farm products, to the proposed “Western hemisphere, Pacific area” bloc would provide the needed market for these exports, solving the

greater part of the surplus difficulty and resulting in an integrated whole. The degree of self-sufficiency of the new region, initially called the "Western hemisphere, British Empire and Far East" bloc, was substantially greater than that of any other feasible union. For the new and larger bloc, the intra-area trade was 79 percent of total trade in the case of imports and 86 percent for exports. This self-sufficiency was greater than that of Continental Europe, whose intra-area trade figures were 69 percent and 79 percent respectively.³⁶ The Council planners thus concluded that, as a minimum, the American "national interest" involved free access to markets and raw materials in the British Empire, the Far East, and the entire Western hemisphere. They now turned their attention to making sure that the government and the nation at large defined the "national interest" in the same way.

Policy Recommendations: Mid-October 1940

Out of the conceptualization of the national interest developed during the summer and early fall of 1940 ensued the type of military, territorial, and political policy necessary to ensure a satisfactory functioning of the American economic system. In mid-October 1940, the Economic and Financial Group drafted a comprehensive concluding memorandum (number E-B19) summarizing its work and drawing out all possible implications for United States policy. The purpose of this recommendation to President Roosevelt and the Department of State was "to set forth the political, military, territorial and economic requirements of the United States in its potential leadership of the non-German world area including the United Kingdom itself as well as the Western Hemisphere and Far East."³⁷

The Council group saw two features of the war as central to the situation facing the United States—German domination of Continental Europe and Britain's continued resistance, which limited Germany's territorial expansion. Up to this time, United States military policy had been designed around the Western hemisphere. Now Britain was protecting most of the world from German penetration, leaving the entire world outside of Continental Europe open to the United States. There was therefore "a great residual area potentially available to us and *upon the basis of which United States foreign policy may be framed.*"³⁸ The freedom of action thus presented forced choices about how to protect this area for American foreign trade. The Council planners pointed out that decisions looking toward such preservation "necessarily will involve increased military expenditures and other risks."³⁹ They argued that, since the loss of outside markets and raw materials would force serious economic readjustments within the smaller region of the Western hemisphere, such an enlargement of the United States economic domain, with the attendant increase of necessary military commitments and costs, would be essential over the course of time.⁴⁰ The British blockade of Europe was thus protecting the United States while at the same time allowing the United States to cultivate a new economic order in the non-German world. Britain itself was an indispensable market for the agricultural surpluses of the Western hemisphere and Pacific area:

Some form of integration of the Western Hemisphere serves very well indeed the needs of the United States, but it does not serve the needs of other economies. It appears this can be done only by the preservation for them of *their* vital market—the United Kingdom.⁴¹

The next section of this revealing memorandum dealt with the requisites of the United States, illustrating the imperial

expansion which the Council advocated: "The foremost requirement of the United States *in a world in which it proposes to hold unquestioned power* is the rapid fulfillment of a program of complete re-armament"⁴² (emphasis added). Japanese expansion possibly endangered the United States preponderance of power in the non-German world. This threat "*will have to be dissipated through peaceable means if possible, or through force*"⁴³ (emphasis added). Council planners were thus ready to go to war with Japan if that nation threatened American control of the world outside of Continental Europe, an area which they later called the "Grand Area."

Memorandum E-B19 concluded with a statement on the essentials for United States foreign policy, summarizing the "component parts of an integrated policy to achieve *military and economic supremacy for the United States within the non-German world*"⁴⁴ (emphasis added). The first part was a prerequisite: the maintenance of the present resistance of Britain. Another major element was the "coordination and cooperation of the United States with other countries to secure the limitation of any exercise of sovereignty by foreign nations that constitutes a threat to the minimum world area essential for the security and economic prosperity of the United States and the Western Hemisphere."⁴⁵ An American-led group authority was needed to settle disputes, a non-German world political organization of some kind. In addition, this approach required appropriate measures in the fields of trade, investment, and monetary arrangements, so that each friendly country could live peacefully. Finally, since the German-controlled world was expected to exist side by side with this proposed new non-German world order, the organization of the Western hemisphere, the British Empire, and the Far East bloc would have to be strong enough to bargain with the German-controlled world. Ultimately, perhaps, this structural form could become a complete world organization.⁴⁶

On October 19, 1940, members of all War and Peace Studies groups attended an Economic and Financial Group meeting to consider this memorandum before submitting it to the authorities in Washington. Leo Pasvolsky, the Department of State's chief postwar planner, was also in attendance. Pasvolsky agreed with the Council's initial blueprint for world power. His belief that the United States had to have more than just the Western hemisphere as living space is indicated in his statement that "if you take the Western Hemisphere as the complete bloc you are assuming preparation for war."⁴⁷ Pasvolsky thus felt that the United States would have to go to war to gain more living space if limited to the Western hemisphere, a conclusion clearly following from the Council's work.

The Problem of Japan

The major impediment to integrating the non-German world was Japan's refusal to play the subordinate role which the United States had assigned it. All War and Peace Studies groups recognized that Japan was an expanding power and a threat to Council plans. On November 23, 1940, the Economic and Financial Group discussed possible actions against Japan to prevent that country's takeover of Southeast Asia and destruction of American access to that part of the non-German world. Aid to China to entangle Japan's military machine there and economic sanctions were considered.⁴⁸ This raised two questions: how much would Japan be hurt by such sanctions, and what would Japan do politically, economically, and militarily if it were hurt?

Having pressed their discussion to the limits of economic analysis, a special meeting of all War and Peace Studies groups and government representatives was called on December 14, 1940, to explore the broader aspects of these impor-

tant questions and to search for solutions.⁴⁹ Outside guests included Maxwell Hamilton, chief of the Far Eastern division of the Department of State and historian Tyler Dennett, an expert on United States-Far Eastern relations. At least one leader from each of the Council groups was present.

The meeting discussed a memorandum, "Japan's Vulnerability to American Sanctions." It had been compiled by using the Economic and Financial Group's world trade research to discover what major imports Japan normally received from the United States, the British Empire, and the Dutch East Indies. It was evident that Japan, poor in raw materials, depended on these nations for iron, petroleum, copper, aluminum, ferroalloys, many iron and steel products, machine tools, autos, tin, rubber, zinc, nickel, lead, mica, asbestos, and manganese.⁵⁰ Thus a trade embargo by the United States would seriously undermine the Japanese economy and, according to CFR reasoning, hamper any military drive by Tokyo. The memorandum concluded by suggesting that Japan was "peculiarly vulnerable to blockade."⁵¹ A supplement to this study considered the possibility that the Japanese could obtain necessary raw materials from Latin America and the possible effects of a Japanese trade embargo of the United States. Neither of these appeared to offer serious difficulties. Preclusive purchasing of Latin American supplies could be implemented, and American imports from Japan were not important enough to cause serious effects on the American economy.⁵²

At the same meeting, Territorial Group member and Far Eastern expert Owen Lattimore linked a trade embargo to aid to China. He argued that the more raw and finished war materials Japan expended in China, the easier it would be to constrict Japan's total supply. If the Chinese could take the offensive, Japan could not release troops for a movement toward Southeast Asia. Lattimore concluded that taken together, aid to China and a step-by-step embargo on Japan

offered an “excellent means” to implement United States foreign policy.⁵³ A program of graduated pressure on Japan was best because total sanctions “would undoubtedly force her to move into the Dutch East Indies and Malaya to secure the oil and iron necessary to the life of a modern nation.”⁵⁴ While one member present argued for a policy of economic concessions in exchange for Japan’s withdrawal from China and from its advanced positions to the south, another member thought this viewpoint was entirely mistaken. He felt that Japan either had to have lebensraum—economic living space—or be totally defeated.⁵⁵ Finally, the Council men considered the connection between Japanese expansion and the survival of Britain. They concluded that if Japan drove the British out of the Far East, the results would be very serious, both for Britain’s raw-material situation and political control.⁵⁶

Despite some disagreement, there were enough areas of consensus to issue a summarizing memorandum to President Roosevelt and the Department of State suggesting what policy the nation should pursue in the Far East. This memorandum is very important for an understanding of the role of the Council in the process of postwar planning. It was the initial recommendation to the government aimed at the implementation of the Council’s proposals for a worldwide non-German bloc dominated by the United States. In addition, as a policy suggestion concerned with the means rather than the ends of policy, it can be used as a test case to determine whether there was a correspondence—and likely a cause and effect relationship—between the Council recommendations and governmental actions.

The aide-mémoire, numbered E-B26, which came out of the December 14 meeting, was issued on January 15, 1941, under the title of “American Far Eastern Policy.” It began by stating that it was in the national interest of the United States to check a Japanese advance into Southeast Asia, and that this could best be done by taking the initiative rather

than waiting for Japanese action. The main interests of the United States in Southeast Asia were twofold. The first was economic: "The Philippine Islands, the Dutch East Indies, and British Malaya are prime sources of raw materials very important to the United States in peace and war; control of these lands by a potentially hostile power would greatly limit our freedom of action."⁵⁷ Secondly, strategic considerations demanded prevention of Japanese occupation of Southeast Asia, since Japanese control would impair the British war effort against Hitler, threatening sources of supply and weakening the whole British position in Asia. Many would view it as the beginning of the disintegration of the British Empire, and Australia and New Zealand might decide to concentrate on home defense.⁵⁸

The program which the Council proposed to stop the Japanese move southward had three aspects. First was to give all possible aid to China, especially war materials, in order to pin down Japanese troops in that country. Second, the defenses of Southeast Asia should be strengthened by sending naval and air forces and by making an agreement with the British and Dutch for defense of the area. Finally, Japan should be weakened by cutting off some of its supplies of war material.⁵⁹ Since Japan was largely dependent on the United States for many vital necessities, a refusal to export such materials could "seriously embarrass the Japanese war effort."⁶⁰ Because these were the same materials America needed for its own defense program, there could be a rapid tightening of such exports without giving Japanese extremists an excuse for war. Preclusive purchasing by the United States in Latin America and Southeast Asia could prevent Japan from getting alternative supplies of these strategic goods.⁶¹ Memorandum E-B26 concluded by stating:

These three steps should serve to check Japan in the Far East without involving the United States in war, curtailing Britain, or leaving this country powerless in the Atlantic should Britain fall.

There are risks of course, just as there are risks in doing nothing. The expectation of gain is greater from a coordinated, active policy than from a piecemeal, passive one.⁶²

On January 28, 1941, Pasvolsky gave Secretary of State Cordell Hull a copy of this Council recommendation.⁶³ The two most important aspects of these suggestions—aid to China and embargo of Japan—were implemented by government action within seven months.⁶⁴ These policies, which the Council proposed and the government adopted, had extremely important ramifications, leading to American entry into World War II.

The Grand Area

The Grand Area, as the United States-led non-German bloc was called during 1941, was only an interim measure to deal with the emergency situation of 1940 and early 1941. The preferred ideal was even more grandiose—one world economy dominated by the United States. The Economic and Financial Group said in June 1941, “the Grand Area is not regarded by the Group as more desirable than a world economy, nor as an entirely satisfactory substitute.”⁶⁵ Because the group thought it unrealistic to plan at that time for a British or Anglo-American victory, it suggested that blueprints for integrating the existing Grand Area under American leadership should be worked on as a short-range war or defense measure. This area would then be an organized nucleus for building an integrated world economy after the war. Deciding the means to economically unify this existing area was the next necessary step.⁶⁶

A July 24, 1941, memorandum to the President and Department of State outlined the Council’s view of the national interest, describing the role of the Grand Area in American

economic, political, and military policy. The memorandum, numbered E-B34, summarized the Grand Area concept, its "meaning for American policy, its function in the present war, and its possible role in the postwar period."⁶⁷ It began by stressing the basic fact that the "economy of the United States is geared to the export of certain manufactured and agricultural products, and the import of numerous raw materials and foodstuffs."⁶⁸ The Economic and Financial Group had found a self-contained United States-Western hemisphere economy impossible without great changes in the American economic system.

To prevent alterations in the United States economy, the Council had, in the words of group member Winfield W. Riefler, "gone on to discover what 'elbow room' the American economy needed in order to survive without major readjustments."⁶⁹ This living space had to have the basic raw materials needed for the nation's industry as well as the "fewest possible stresses making for its own disintegration, such as unwieldy export surpluses or severe shortages of consumer goods."⁷⁰ The extensive studies and discussions of the Council groups determined that, as a minimum, most of the non-German world, the "Grand Area," was needed for "elbow room." In its final form, it consisted of the Western hemisphere, the United Kingdom, the remainder of the British Commonwealth and Empire, the Dutch East Indies, China, and Japan itself.⁷¹ The recommendation stated that failure to militarily defend and economically integrate this area would seriously strain the American economy by cutting off vital imports like rubber, tin, jute, and vegetable oils and by restricting the normal export of surpluses.⁷² The loss of Britain, for example, would "greatly intensify" the problem of surplus production and thus unemployment, since, as Riefler expressed it, it "was difficult for a fairly liberal area to cope with the surpluses by transferring factors of production."⁷³

Military defense of the Grand Area involved facing the

twin German-Japanese dangers. Because the German-controlled world had a high degree of self-sufficiency and could not be reduced by blockade, it was considered the foremost long-term threat to the Anglo-American region. Recommendation E-B34 advised that Germany be prevented from gaining control of North Africa, the Near East, and the Soviet Union, and hindered from consolidating its economic gains in Europe. The Economic and Financial Group's studies had shown how dangerous a unified Europe, with or without Nazi domination, would be to the United States. Hamilton Fish Armstrong pointed out in mid-June 1941 that a unified Europe could not be allowed to develop because it would be so strong that it would seriously threaten the American Grand Area.⁷⁴ Europe, organized as a single entity, was considered fundamentally incompatible with the American economic system.⁷⁵ Japan posed a more immediate difficulty, threatening the Grand Area's integrity by its expansionism, especially into the important region of Southeast Asia.⁷⁶

In E-B34 the Economic and Financial Group stressed the significance of the economic integration of the Grand Area. All member countries had to be able to prosper within the region, or instability would inevitably result. Since the Grand Area could provide a broad economic base for either war or defense, as well as for consolidation of the new postwar world order, studies should begin to develop means for unifying the area. Memorandum E-B34 stated:

In the event of an American-British victory, much would have to be done toward reshaping the world, particularly Europe. In this the Grand Area organization should prove useful. During an interim period of readjustment and reconstruction, the Grand Area might be an important stabilizing factor in the world's economy. Very likely the institutions developed for the integration of the Grand Area would yield useful experience in meeting European problems, and perhaps it would be possible simply to interweave the economies of European countries into that of the Grand Area.⁷⁷

The Grand Area was thus considered a core region, which could always be extended to include more countries. As Jacob Viner, Treasury Department adviser and co-rapporteur of the Economic and Financial Group, said in May 1941: "It would be the aim of American policy to spread the organization of the Grand Area."⁷⁸ Group member Winfield W. Riefler also stressed the "dynamic character of the area, and the help it would be as an organized nucleus in building a postwar world economy."⁷⁹

Integration of the various world regions into the Grand Area was a problem which involved discovering ways to achieve economic unity among disparate countries and areas. Council theorists stressed economic means in their study of the problem during 1941. An initial memorandum on the subject, dated March 7, 1941, identified two historical types of economic integration. The first was a customs union, a horizontal consolidation. This consisted of joining, mainly by preferential tariffs, nations or areas with similar economies. The second historical variety was the empire form, a vertical consolidation. This was a combination of countries with complementary economies—raw material-producing areas at one extreme and industrial manufacturing areas at the other. The British Empire was an outstanding example of such a combination. Integration in this case could be achieved by preferential tariffs, investment, colonization, and outright political control.⁸⁰

The Council's planning had shown that three separate geographical areas—the Western hemisphere, the Far East, and the British Empire—had to be consolidated to allow the United States economy, as presently organized, to function efficiently. The key problem was that territories were included in the Grand Area which were economically competitive as well as complementary to the United States. Climatically temperate countries, such as Canada, Argentina, Australia, and the British Isles, were competitive. The tropi-

cal regions of the Western hemisphere and Southeast Asia (including the Dutch East Indies, British Malaya, and India) were complementary. Indeed, the tropical part of Asia was described as probably more complementary to the United States economy than any other important area of the entire globe, a conclusion having great future implications.⁸¹

Council planners concluded that both traditional integrating methods—customs unions and empire—had to be used to merge these two different types of regions within the Grand Area. The countries of the competitive bloc could be included in a system of preferential trade agreements, a customs union. In regard to the complementary areas, however, trade barriers normally did not exist, so a greater dependency had to be created in other ways, such as guaranteed markets for the raw material-production of unindustrialized nations.⁸² Should the guaranteed-markets arrangement fail, control of the resources of these territories through investment and political-military dominance might be used.

At the end of recommendation E-B34, the Economic and Financial Group outlined the key topics for future study on integrating the Grand Area. Leading the list were financial measures—the creation of international financial institutions to stabilize currencies, and of international banking institutions to aid in investment and development of backward areas.⁸³ They had thus identified at a very early date the need for the International Monetary Fund and the World Bank, which they were to specifically suggest in February 1942.

This analysis of the Grand Area's requirements implied certain political, economic, and military policies. One was the necessity for preserving Britain and establishing solid Anglo-American collaboration. Another was the need to maintain access to Asia. Lastly, Britain and the United States required more shipping capacity. The Grand Area and any worldwide postwar organizations would depend on sea communication

and transportation for much of their unity. The endangered position of Britain and its losses to submarines made the need even greater.⁸⁴ The government, in close touch with the Council, accepted this perspective. It took measures during 1940 and 1941 to maintain Britain and the Grand Area—including Lend-Lease, naval assistance in the Atlantic, and an economic embargo to try and prevent Japan from moving into Southeast Asia. It is clear that the Council and the government had an identical worldview and that patterns of influence flowed between them. The story only begins there, however. Evidence for the Council's key role in setting and implementing American war aims from mid-1941 to mid-1944 is even greater than for the earlier period. It is to these events that we now turn.

The International Setting, 1941-1944

Internationally, the period between mid-1941 and mid-1944 was marked by intensified warfare and stepped-up planning for the postwar world. Germany attacked the Soviet Union in June 1941. Three months later, the United States began an undeclared naval war against Germany in the Atlantic. During the second half of 1941, the danger of conflict in the Pacific heightened as Japan prepared to push south and west from its bases in Indochina. In the year following the December 7, 1941, attack on Pearl Harbor and American entry into full belligerency, the nadir of Allied fortunes was reached. During 1943 and 1944, however, the Axis powers suffered sharp and increasingly disastrous reverses as their complete defeat and the end of the war approached.

After mid-1941, both the Council and the government

assumed that the defeat of the Axis was both necessary and inevitable. American plans, as had been suggested in the final formulation of the Grand Area, expanded to include the entire globe. A new world order with international political and economic institutions was projected, which would join and integrate all of the earth's nations under the leadership of the United States. The unification of the whole world was now the aim of the Council and government planners.

The Council and American Entry into the Second World War

The assumptions, perspectives, and framework for the policymaking which led to United States entry into World War II were based on the Council's Grand Area planning. Council memoranda to the Department of State during 1940 and 1941 often emphasized that Southeast Asia, including the Netherlands Indies, was a key world area of great strategic and economic importance. Owen Lattimore, a member of the Territorial Group of the War and Peace Studies Project, argued as early as May 20, 1940, for example, that the interest of America would be "gravely prejudiced" should Southeast Asia be controlled by an "unfriendly or monopolistic nation, because of the need for access to rubber, tin and other resources and because of the strategic importance of converging sea and air routes."⁸⁵ The Economic and Financial Group stated that the area was highly complementary to the United States economy because "we secure from it huge amounts of raw materials and sell to it huge amounts of finished goods."⁸⁶ This group also emphasized the fact that there were only two great raw material-producing regions within the Grand Area—the Western hemisphere and the Far East. If one of these fell to the Axis, the "position of the free

world would then be fraught with the greatest danger.”⁸⁷ The Far Eastern area was the one most likely to become subject to the control of alien powers, resulting in the United States being “hemmed in, economically as well as militarily, by a unified totalitarian world.”⁸⁸

The Council groups, meeting jointly in mid-January 1941, produced memorandum E-B26, which recommended to the State Department that it was in the national interest of the United States to check Japan’s advance into Southeast Asia. Not only were the raw materials of that area very important to the United States in peace and war, but a Japanese takeover would greatly weaken the whole British position in Asia.⁸⁹ This concept of the national interest prevailed among the government policymakers in Washington. Undersecretary of State Sumner Welles pointed out in July 1941, for example, that Japanese expansion tended to “jeopardize the procurement by the United States of essential materials, such as tin and rubber, which are necessary for the normal economy of this country and the consummation of our defense program.”⁹⁰ Secretary of State Hull also felt that the country’s national interests were directly involved in Southeast Asia. He stressed in August 1941 that a successful strike against the British colonies in the Far East would cut off supplies to Britain from that region and therefore would “be more damaging to British defense in Europe perhaps than any other step short of a German crossing of the channel.”⁹¹

President Roosevelt agreed with the State Department-Council on Foreign Relations view, stressing the danger to British and American raw material supplies which Japanese expansion posed. The President stated during the second half of 1941 that a Japanese attack on British and Dutch possessions in the Far East would immediately threaten the vital interests of the nation and “should result in war with Japan.”⁹² In off-the-cuff remarks in late July 1941, the President bluntly explained that the United States “had to

get a lot of things—rubber, tin, and so forth and so on, down in the Dutch Indies, the Straits Settlements and Indo-China.”⁹³ Japanese seizure of these areas would deprive both the United States and Britain of these essential sources of raw materials and so had to be prevented.⁹⁴ Prime Minister Churchill also emphasized the need to prevent Japanese movement south, which would cut the lifelines between the Dominions and England. Such a blow to the British government, he argued, “might be almost decisive.”⁹⁵ Thus the top governmental policymakers on both sides of the Atlantic agreed that their joint interests demanded that Japan be prevented from capturing Southeast Asia.

Japan also saw its essential national interests joined with the fate of Southeast Asia. Japan had its own equivalent of the Grand Area, called the Greater East Asia Co-Prosperity Sphere. Japan’s new order involved control over the Dutch East Indies (which it coveted as the “finest pearl” in the prospective colonial booty), China, Indochina, Thailand, Burma, Malaya, the Philippines, and certain Pacific Islands.⁹⁶ The Japanese felt that control of these areas was necessary to attain economic self-sufficiency, especially in raw materials. They planned to eventually create a self-contained empire from Manchuria on the north to the Dutch East Indies on the south, for the same economic reasons the United States and Britain wanted to dominate the region.⁹⁷

The three great European colonial powers—Britain, France, and the Netherlands—controlled Southeast Asia in 1941. Since only Britain, much weakened by its struggle with Germany, was still an independent power, Japan recognized a prime opportunity to secure present and future economic needs. In late July 1941 Japanese leaders decided to move into southern Indochina as a first step toward control of Southeast Asia. The American reaction was forceful: Japanese assets in the United States were frozen and a total economic embargo, including oil, was imposed. Britain and

the Netherlands government-in-exile followed suit.⁹⁸ The Council had recommended this policy in January 1941. The seriousness of this action was well known at the time. Many people had previously warned that it would provoke Japan into war, since it cut off many raw and finished materials, including oil, which that country had to have to survive as a great power.⁹⁹ Japanese leaders now had to either compromise with the United States or go to war to obtain oil and other raw materials available in the East Indies and Southeast Asia.

After the institution of an embargo, Japanese leaders seemed more willing to strike a deal with the United States. Therefore negotiations between the United States and Japan became more serious during August-late November 1941. While Japanese leaders were willing to make some short-range concessions—including at least a postponement of their planned move south—in exchange for renewed trade, the United States raised the question of Japanese evacuation from Chinese territory, something Japan would not accept.¹⁰⁰ The Japanese were informed that there would be no relaxation of the embargo until Japan gave up the territory it had fought for years to gain in China.¹⁰¹

The American stand weakened the moderates in Tokyo and, joined with the previously mentioned factors, made war inevitable. There were several reasons for the American position. First, America's minimum living space, the Grand Area, included China. The Council felt that China's economic development could lay the basis for a peaceful Far East during the postwar period, since its industrialization would create a large demand for Japanese and American production, giving great aid to both countries in solving surplus and unemployment problems. This meant that Japan had to restore the territorial integrity of China.¹⁰² In addition, as we shall see in more detail shortly, the long-range war aims of the United States, which became fixed during this time, involved a single

world economy, an “open door” world, the maximum possible American living space. In November 1941, Leo Pasvolsky wrote a draft of a projected declaration on economic policy between Japan and the United States with which State Department trade adviser Harry C. Hawkins concurred. It stated that Japan should withdraw from China, restore complete control over economic, financial, and monetary affairs to that country, end monopoly rights given to the subsidiaries of Japanese companies in China, and urge, together with the United States, a program of economic development for China with equal opportunity to participate given to all.¹⁰³ This fundamental aspect of American postwar plans—elimination of all forms of discrimination in international commercial relations—meant a worldwide open door and an end to the spheres of influence and bloc division of the world prevalent during the 1930s.

Short-range issues were also important. If United States leaders made a deal with Japan at the expense of China, this would cause distrust among the other anti-Axis powers, who might fear similar treatment. Chinese resistance might collapse and there was no assurance Japan would not again begin its push to the south once the China “incident” was settled. China’s opposition was weakening Japan’s potential and actual military power. The fall of China would free Tokyo for renewed aggression, since Japan had not necessarily given up its drive for hegemony over Asia. Thus the mutual trust needed to make a binding agreement was lacking. In addition, many felt the time had come to stand up to Japan even if this meant war. As Assistant Secretary of State Adolf A. Berle wrote Hull a week after the Pearl Harbor attack, since the possibility of war in the Pacific depended almost entirely on the attitude of Washington after 1940, the secretary had been wise not to force the matter until the fall of 1941, when it became clear that Soviet Russia could survive the Nazi attack. Only then, said Berle, did it “become even remotely feasible

to meet the issue which the Japanese were tendering as they extended their southward advance.”¹⁰⁴

Final negotiations took place during November, culminating in the ten-point plan from the United States to Japan on November 26, 1941. This memorandum took a hard line, visualizing a return to the status quo of 1931 by demanding a Japanese withdrawal from China and Indochina in return for resumption of trade relations.¹⁰⁵ With its oil supplies getting low because of the trade embargo, Japan had to choose between submission and war.

Roosevelt and his advisers, expecting Japan to advance south, had concluded that this movement would endanger the American national interest and had to be stopped, by a United States declaration of war and armed intervention if necessary. Roosevelt told Harry Hopkins that a Japanese attack on the Netherlands East Indies should result in war between the United States and Japan.¹⁰⁶ On November 28, the War Council made up of Hull, Secretary of War (and long-time Council member) Henry L. Stimson, and Secretary of the Navy Frank Knox, decided that Roosevelt should inform Congress and the American people that if Japan attacked Singapore or the East Indies, the security of the United States would be endangered and war might result.¹⁰⁷ It was agreed that Hull, Stimson, and Knox should draft this projected message to Congress. The idea behind the message was to persuade Congress and the public that Japanese expansion constituted such a threat to the national interest of the United States that military counteraction was necessary.¹⁰⁸

These drafts illustrate how the top policymakers defined the national interest of the United States in Southeast Asia as of late November 1941, and show that this definition was identical to that which the Council on Foreign Relations put forward. Hull used Stimson's and Knox's drafts as a basis for his own final draft for the President. Hull and Roosevelt agreed that the message would not be sent to Congress until

“the last stage of our relations, relating to actual hostility, has been reached.”¹⁰⁹ This draft message, which the secretary of state and the President discussed during the final days of peace, stressed, as the Council had concluded, that American national interests in Southeast Asia were primarily strategic and economic, and that Japanese expansion threatened these interests. Hull stated in his draft for the President’s message that the situation created by Japan

holds unmistakable threats to our interests, especially our interest in peace and in peaceful trade, and to our responsibility for the security of the Philippine Archipelago. The successful defense of the United States, in a military sense, is dependent upon supplies of vital materials which we import in large quantities from this region of the world. To permit Japanese domination and control of the major sources of world supplies of tin and rubber and tungsten would jeopardize our safety in a manner and to an extent that cannot be tolerated.¹¹⁰

The secretary of state further concluded that

If the Japanese should carry out their now threatened attacks upon and were to succeed in conquering the regions which they are menacing in the southwestern Pacific, our commerce with the Netherlands East Indies and Malaya would be at their mercy and probably be cut off. Our imports from those regions are of vital importance to us. We need those imports in time of peace. With the spirit of exploitation and destruction of commerce which prevails among the partners in the Axis Alliance, and with our needs what they are now in this period of emergency, an interruption of our trade with that area would be catastrophic.¹¹¹

Secretaries Stimson and Knox had taken the same position in their drafts for the President’s message.¹¹² Their view clearly corresponded to that of the CFR during 1941. Roosevelt himself felt the same way, but faced the difficult task of persuading Congress and the American people that war for these ends was justified. How to convince the American people that an attack on British and Dutch colonies in the South Pacific “was tantamount to an attack upon

our own frontiers," was a tremendous difficulty for the President.¹¹³ Nevertheless, during the last week of peace, Roosevelt gave Britain assurances of armed support in case of Japanese aggression.¹¹⁴ The assault on Pearl Harbor on December 7, 1941, which came because the Japanese had correctly calculated that the United States was likely to declare war when they moved further into Southeast Asia, made the whole problem moot.

Merger of Council and State Department Planning in 1941-1942

In late December 1941 the Department of State created a special committee to carry out postwar planning. The Advisory Committee on Postwar Foreign Policy was, Undersecretary Welles wrote, a "new approach to a problem that the Department had previously handled in a wholly desultory fashion."¹¹⁵ The Council had a central role in establishing the Advisory Committee, in which its leading planners filled key positions.

The immediate origins of the Advisory Committee on Postwar Foreign Policy can be traced to a September 12, 1941, memorandum drafted by Leo Pasvolsky in consultation with Norman H. Davis. Pasvolsky, acting on directions from Secretary Hull, proposed an Advisory Committee structure, noting that this suggestion was "the result of a recent conversation between Mr. Norman Davis and myself, arranged in accordance with your desires in the matter. It has been read and approved by Mr. Davis."¹¹⁶

The Pasvolsky-Davis memorandum favored the establishment of three subcommittees on each of the main postwar questions: armament, political-territorial, and trade-financial. This corresponded almost directly to the structural setup of

the Council's own work. Actual research and memoranda-drafting would be done by the "appropriate divisions of the Department of State, by similar divisions of other departments and agencies of the Government, and by such non-governmental agencies as the Council on Foreign Relations."¹¹⁷ The memorandum noted that the Council's past cooperation had been "very useful."¹¹⁸ Pasvolsky and Davis concluded that in this way the recommendations which the secretary of state would give the President would be the result of input from the entire government and the best brains outside of the government.¹¹⁹

The entry of the nation into a state of full belligerency in early December 1941 gave strong incentive to both the Council and State Department efforts to set up a postwar planning committee. Both Davis and Hamilton Fish Armstrong, the vice-chairman of the War and Peace Studies Project, pushed for the establishment of the committee and a large Council role in it. On December 12 Armstrong informed members of the Council groups that

with the approval of Mr. Norman Davis, I went to Washington and had a talk yesterday morning with Mr. Sumner Welles, Undersecretary of State. He expressed generous appreciation of the work which our groups have done so far and said that it must continue at all costs. He agreed that in the circumstances a more intimate liaison between the Department and our project was desirable, and he expressed the hope that he would be able to work out the terms of this liaison within the coming week.¹²⁰

Over the next four months the Council and State Department agreed on several forms of contact. The most important was direct representation of the Council on the Advisory Committee on Postwar Foreign Policy, which President Roosevelt approved on December 28, 1941. The Advisory Committee's mandate gave the Department of State control over postwar planning, since all recommendations on international postwar problems from all departments and agencies

of the government were to be submitted to the President through the secretary of state. The historian Theodore Wilson has verified this fact, stating "On many matters FDR bypassed his Department of State; in regard to postwar planning he gave the inhabitants of 'foggy bottom' great if not sole responsibility."¹²¹

The Advisory Committee set the value framework for all key decisions on the postwar world made during 1942, 1943, and 1944. It dealt with fundamental issues of national policy, such as the needs of American economy and society, the relationship of these requirements to the rest of the world, and the role of international organizations. The makeup of the fourteen-member committee therefore merits a detailed description. Secretary Hull, Undersecretary Welles, and Davis were first in importance. Myron C. Taylor, retired board chairman of United States Steel and formerly President Roosevelt's personal representative at the Vatican, was next. He joined the Council's board of directors in 1943. Dean Acheson, assistant secretary of state specializing in economic matters, Armstrong, Assistant Secretary of State Adolf A. Berle, Jr., and Isaiah Bowman, Territorial Group leader, followed these four. Rounding out the committee were Benjamin V. Cohen, simultaneously a New York corporate lawyer, Roosevelt adviser, and member of the Economic and Financial Group; Council member and former employee Herbert Feis, who was an adviser on international economic affairs for the State Department; Green H. Hackworth, a legal adviser for the department; Harry C. Hawkins, chief of State's division of commercial policy; Anne O'Hare McCormick, a member of the editorial board of the *New York Times*; and Pasvolsky himself. As chief of the division of special research, and special assistant to the secretary of state in charge of postwar planning, Pasvolsky had great impact on every phase of the work.¹²²

The fourteen planners of the Advisory Committee may be

grouped in various ways for purposes of generalization and analysis. Harley A. Notter, in his official State Department history of postwar planning, recognized two groups—private citizens and government officials. The five private citizens—Davis, Taylor, Armstrong, Bowman, and McCormick—were chosen, according to Notter, “because of their high personal qualifications for policy consideration and because of their capacity to represent informed public opinion and interests.”¹²³ Of the nine government officials, all but Cohen were from the State Department. This group was composed of generalists—Hull, Welles, Berle, Cohen, and Pasvolsky—who worked on the broader aspects of postwar planning, and specialists—Acheson, Hawkins, Feis, and Hackworth—who concentrated on one field.

Four leading members of the Council on Foreign Relations were among the five representing “informed public opinion and interests.” Davis, Armstrong, and Bowman were principal directors of the Council’s postwar planning efforts, and Taylor was a member who joined the Council’s board of directors in 1943. McCormick had no direct relationship to the Council since women were then barred from that body. The addition in mid-1942 of James T. Shotwell as another general member representing the “public” strengthened Council dominance. A founder of the Council, Shotwell also belonged to the Political Group from February 1940 until June 1943.¹²⁴

It is thus clear that the “public opinion and interests” being represented on the Advisory Committee were overwhelmingly those of the Council and of the section of society it spoke for. Obviously, the reference group the government had in mind when it talked of “public opinion” was the upper class, not the mass of Americans.

Four of the “government” members of the Advisory Committee also had Council ties. Cohen was active in the Economic and Financial Group. Feis had long experience in

Table 4-1
Members of the Advisory Committee on Postwar Foreign Policy

| <i>Member</i> | <i>Primary occupation</i> | <i>Importance in official post-war planning</i> | <i>Council member during WWII</i> | <i>Known level of CFR involvement</i> | <i>Involved in War and Peace Studies?</i> |
|--------------------|----------------------------|---|-----------------------------------|---------------------------------------|---|
| Cordell Hull | Politician | Great | No | — | No |
| Sumner Welles | Career government official | Great | Yes | Slight | No |
| Norman H. Davis | Banker | Great | Yes | Great | Yes |
| Myron C. Taylor | Corporation executive | Great | Yes | Great | No |
| Isaiah Bowman | University president | Great | Yes | Great | Yes |
| Leo Pasvolsky | Economist | Great | Yes | Moderate | Yes |
| Dean Acheson | Lawyer | Great | No, but had joined by 1948 | — | No |
| Hamilton Fish | | | | | |
| Armstrong | Editor | Great | Yes | Great | Yes |
| Adolf A. Berle | Lawyer | Great | No, but had joined by 1946 | Slight | No |
| Benjamin V. Cohen | Lawyer | Moderate | Yes | Moderate | Yes |
| Herbert Feis | Economist | Moderate | Yes | Moderate | No |
| Green H. Hackworth | Lawyer | Moderate | No | — | No |
| Harry C. Hawkins | Economist | Moderate | No | — | No |
| Anne O'Hare | | | | | |
| McCormick | Journalist | Moderate | No | — | No |

Council affairs, and Pasvolsky and Welles were members. The original Advisory Committee was thus an amalgam of people with close ties to New York (10), the Council on Foreign Relations (8), and to the Department of State (9). The East Coast was in control, with other sections of the country unrepresented. White, Anglo-Saxon upper-class businessmen, lawyers, and technocrats dominated the committee. The working class generally—labor, consumers, small business, minorities, and ethnic groups—had virtually no representation. Table 4-1 summarizes information about the original Advisory Committee.¹²⁵

Those at the top of the department and those from the Council made up the core of the Advisory Committee decision-makers who decided the fate of the postwar world. The core group consisted of Hull, Welles, Davis, Taylor, Bowman, and Pasvolsky. They were the people, who, beginning in early 1943, became known as the Informal Political Agenda Group, which President Roosevelt called “my post-war advisers.”¹²⁶ They were the senior men, who selected, planned, and guided the agenda for the entire Advisory Committee and also drafted the United Nations Charter.¹²⁷ Of these top six, only Hull was not a Council member, and four out of the six were active in Council affairs, with Davis and Bowman filling key roles in the War and Peace Studies Project. Only Pasvolsky was not a member of the upper class.

Between February and June 1942, eleven special members—officials from other sections of the government who would work on only one aspect of the postwar program—were invited to join the committee. In no way did they threaten control over postwar planning by the Council and State Department. The new men represented the White House staff, the Department of Agriculture, the Board of Economic Warfare, the secretaries of the navy, war, and treasury, the Department of State, and Congress.¹²⁸ The two men from the legislative branch of government—Senators Tom Connally

and Warren R. Austin of the Senate Foreign Relations Committee—were asked to join in May 1942, but were never active participants. The only new people who appear to have made an important contribution during 1942 were Maj. Gen. George V. Strong, representing Secretary of War Stimson, and Harry Dexter White, from the Treasury Department. Strong, head of the military intelligence section and former chief of the war plans division, served in the special area of security questions. He was also an active member of the Council's Security and Armaments Group during 1940 and again in 1944-1945.¹²⁹ White worked on economic problems, drafting a plan for a monetary stabilization fund and international development bank. He had no known ties with the Council.

Although the three main leaders of the Council, along with several others who were active in its postwar planning, were brought in as part of the Advisory Committee structure at the very beginning, Armstrong and Davis desired an even closer liaison. In a letter to Davis in January 1942, Armstrong made the concrete suggestion that the Council should "loan" its War and Peace Studies research secretaries to the department for part of each week. This way the secretaries would be free to develop the work of the study groups in New York, still have inside information about what the Advisory Committee was doing, and bring ideas and suggestions for policy both to and from the Department of State. This close two-way communication would become a main form of liaison between the Council's and the Department of State's postwar planning efforts. This objective, Armstrong wrote, "is one more reason for giving our groups some sort of semi-official standing, perhaps in an advisory capacity, because without that the regular staff of the Department might feel some inhibitions about dealing with us as frankly as I know Welles is prepared to have them do."¹³⁰

Armstrong also reported to Davis that he had talked with

Pasvolsky by phone, extracting from him the promise not to let the final plans for the organization of the Advisory Committee solidify without notifying Armstrong, so that he could talk it over with Davis, Pasvolsky, and Hull. Armstrong closed by stating that everyone at Council headquarters was relying heavily on Davis to see that this new advisory function would be achieved.¹³¹

By February 1942, the leaders of the Advisory Committee projected six subcommittees—three political, two economic, and one for coordination. The last included the function of providing “contact with private organizations actively discussing postwar problems.”¹³² Davis was named as head of this subcommittee, indicating that the Council on Foreign Relations was the primary private organization with which to be kept in contact. Pasvolsky’s division of special research, located in the State Department, was to be the principal research agency for the Advisory Committee. The members of the division drafted memoranda for the subcommittees’ consideration. They labored at the “working level” of postwar planning, while the members of the Advisory Committee worked at the higher “policy level.”¹³³

The initial organizational meeting of the subcommittees on political problems, territorial problems, and security problems took place on February 21, 1942, with Welles presiding. There the patient background work of Armstrong and Davis paid off. Davis was chosen to head the security subcommittee, Bowman the territorial, and Welles the political.

Early in this crucial meeting Armstrong proposed that the research secretaries of the Council should work in the department for two or three days each week, attending the subcommittee meetings. The Council would thus be in “close relation to the actual functioning of the Advisory Committee.”¹³⁴ Welles agreed, stating that he “wished to have the most effective liaison that could be devised.”¹³⁵ Armstrong then described the details of his plan. The Council’s discus-

sions could be scheduled early each week, leaving the research secretaries free to come to Washington during the last half, when the department's subcommittees would meet. In this manner the Council's research secretaries could keep in touch with the department's efforts and also "carry back to the Council the exact research needs of the Advisory Committee."¹³⁶ Bowman added that the Council was in a position to work with private individuals in New York, to coordinate their research, and obtain their cooperation. The State Department's Advisory Committee could not do this officially and therefore it had great need for the Council as an unofficial body.¹³⁷

At this point in the discussion Pasvolsky proposed that Armstrong's plan be adopted.¹³⁸ After further deliberation without dissent, Welles concluded that formal liaison should be maintained through the research secretaries of the Council. The undersecretary suggested that Davis, Bowman, and Armstrong work out the specifics with Pasvolsky.¹³⁹

The final arrangements for effective Council-Department contact were made in late March 1942. Each subcommittee would have a research secretary to prepare memoranda and circulate them to the members.¹⁴⁰ As Armstrong and the other Council leaders had suggested on February 21, the CFR research secretaries were brought into the department to aid in this task. They were given the title of "consultants." William P. Maddox, research secretary for the Council's Territorial Group, became consultant for the Advisory Committee's territorial subcommittee. William Diebold, Jr., research secretary for the Economic and Financial Group, served the same function for the economic subcommittee. Walter R. Sharp of the Political Group did likewise for the political subcommittee, and Grayson L. Kirk from the Armaments Group became a consultant for the Advisory Committee's security subcommittee.¹⁴¹ Philip E. Mosely, who served as research secretary for the Council's Territorial Group from March 1940 to September 1941, and from August 1942 until

February 1945, became research secretary for the territorial subcommittee and then assistant chief of the division of special research in November 1942.¹⁴² As had been planned, the “consultants” continued their work with the Council while meeting with the division of special research and the Advisory Committee. Davis, Armstrong, Bowman, and Cohen also maintained their active roles within the War and Peace Studies Project, providing additional liaison between the committee and the Council.

The Advisory Committee held its last general meeting, chaired by Secretary Hull, on May 2, 1942, after which the work went ahead on the subcommittee level. The secretary thanked the members for their contribution to the planning efforts and expressed his special thanks to the Council on Foreign Relations, which had devoted the last two years to examining postwar problems and “whose spirit and activity were cordially appreciated by the Department.”¹⁴³

After this gathering, the subcommittees met separately in order to insure secrecy.¹⁴⁴ Pasvolsky sent a memorandum to the staff of the division of special research on July 20, 1942, which reemphasized the “extremely confidential nature” of the division’s work, stressing that members of the staff must refrain from discussing their tasks with “anyone outside the Division, whether in or out of the Government.”¹⁴⁵ As we have seen, however, the Council had its leading postwar planners in key positions and knew every detail of this work. In his official State Department history of postwar planning, Notter makes the point that secrecy was especially important on the territorial subcommittee, since the territorial problems of countries and peoples were explosive.¹⁴⁶ Yet Bowman, the Council’s leading territorial specialist, headed this subcommittee, and Mosely, the CFR’s research secretary on these questions from August 1942 until February 1945, was also research secretary for the Advisory Committee’s subcommittee on territorial problems starting in August 1942.¹⁴⁷

The CFR Controls Postwar Planning

The position of the Council on Foreign Relations within the Department of State had become so powerful by mid-1942 that a few of the lower-level planners in the department's division of special research, who were doing the basic studies necessary for postwar planning, began to feel some resentment and discontent. These men had little or no previous contact with the Council. As the Council took over more and more of the planning work, the assistant chief of the division of special research, Harley A. Notter, launched a counterattack. In mid-July 1942 he complained to Pasvolsky, his immediate superior, that Walter R. Sharp, a Council consultant to the department's political subcommittee, was attending the meetings of Bowman's territorial subcommittee. Barely concealing his anger, Notter recounted the close collaboration among the Council men to maximize their influence in the Advisory Committee's work. Sharp was still only a consultant and had, according to Notter, produced nothing for the department, yet had been able to prepare materials for the Council. That he could be invited to conferences of the territorial subcommittee, which were, in addition, on topics outside the area of his special competence, rankled Notter.¹⁴⁸

Notter went on to raise another issue concerning the Council and the Department of State's planning. When Bowman came to Washington for meetings of his subcommittee, he would phone Philip E. Mosely and discuss the session's topics in advance. Mosely had been the research secretary for the Council's Territorial Group prior to joining the department and was soon to serve the Council again in that capacity. Notter said that he could not escape the feeling that these conversations resulted in a prior plan. This was his suspicion, he added, because during the last such meeting chairman

Bowman had suddenly broken the line of the subcommittee's conversation, something which was "completely artificial, albeit deliberate and planned."¹⁴⁹ Notter continued:

The variety and number of surprises constantly arising in the territorial meetings owing to discussions between the chairman and Mr. Mosely, of which I am not informed, and other discussions about which I may have no right to be informed, are, regardless of other considerations, productive of embarrassed confusion on my part during these meetings. Perhaps because of your absence in recent meetings for a considerable part of each, Mr. Bowman and Mr. Armstrong have shown unmistakably that they wish to build up Mr. Mosely and the other Council men. Their successful effort in regard to the Committee, and secondly the Division, most unfairly disregards the contributions actually made by other members of our staff. In *their* name a protest must be laid against that sort of treatment.¹⁵⁰

Notter added that he felt that there was a "limit to patient endurance—in our case of the slights and rudeness inflicted upon the staff in order to put forward the members of the Council. There is bound to be trouble in the staff, and I feel obliged to report that it exists and will increase."¹⁵¹

Notter's irritation continued during August 1942, when Sharp was appointed a high-level officer of the division. In a letter to Assistant Secretary of State Howland Shaw, Notter wrote that Sharp would continue his work at both the Council and the College of the City of New York. While Notter felt that "an officer—particularly one of senior grade—should give undivided attention to his work in the Department, amicable relations between Department and the Council demonstrably seem to require favorable consideration of Dr. Sharp for an appointment."¹⁵²

By mid-September 1942 things had reached a crisis, and Notter drafted a letter of resignation to Pasvolsky, saying that his position in the division was no longer tenable.¹⁵³ He cited two reasons for his decision. First, he was receiving one

set of instructions from Pasvolsky and contradictory ones from Welles, due to a power struggle within the department. Notter's second reason concerned

relations with the Council on Foreign Relations. I have consistently opposed every move tending to give it increasing control of the research of this Division, and, though you have also consistently stated that such a policy was far from your objectives, the actual facts already visibly show that Departmental control is fast losing ground. Control by the Council has developed, in my judgment, to the point where, through Mr. Bowman's close cooperation with you, and his other methods and those of Mr. Armstrong on the Committee which proceed unchanged in their main theme, the outcome is clear. The moves have been so piecemeal that no one of them offered decisive objection; that is still so, but I now take my stand on the cumulative trend.¹⁵⁴

Notter went on to say that he did not want to carry out policies that he believed harmful to both the division of special research and relations between the division and the Advisory Committee. He feared that the committee might be operating under the direction of the Council, not the State Department. Consequently, he wanted to be relieved of his post at the earliest possible time.¹⁵⁵ To hasten that date, Notter suggested—somewhat sarcastically—that Mosely of the Council should take over the territorial work within a few weeks, and that the remainder of the present political section of the division's endeavors be placed under Sharp as his successor, with Kirk as second in command. "These three Council men at present head the major units and are already so well put forward through the tactics of their sponsors that they doubtless can assume the responsibilities in stride, so to speak."¹⁵⁶

Notter's letter of resignation was never sent, according to a note attached in his handwriting.¹⁵⁷ No concrete steps were taken, however, against any of the Council men on the Advisory Committee or in the division of special research during this whole period, so the existing situation did not change.

The Council men remained in their positions of power in the department and continued their own work concurrently but independently of the government.

The last two sections have shown that Council planners were very loyal to their organization. They were extraordinarily successful in increasing its influence. The Council was the only private organization in the United States with such great representation on and control over the Advisory Committee and, by extension, the Department of State and the postwar national-interest decision-making process. Through the active participation of Davis, Bowman, Armstrong, Cohen, and the research secretaries in both the Council's and the committee's work, the Council was in the unique position of being privy to the national secrets concerning plans for the shape of the postwar world.

Since its leaders and research secretaries had access to the most sensitive and highly confidential state secrets, it is clear that the CFR was an extremely important private body. Only an organization which shared with the government fundamentally identical goals and means could be trusted with such secrets. This congruity on postwar plans points out not only the Council's great power vis-à-vis the government, but also indicates that the Council's strength was so overwhelming as to amount to de facto control over the state. This issue can be answered partly by analyzing the means which the Council advocated to carry out American war aims and ascertaining if the government seemed to follow its wishes. The Council had maneuvered itself into key positions in the postwar decision-making process. How did it envisage implementing the postwar goals laid down in the Grand Area concept? The remaining sections of this chapter confront this question.

The Grand Area and United States War Aims

Military conflicts are fought to determine who will shape the peace following victory, and on what basis. Therefore the complex of assumptions and goals, labeled for the sake of convenience as "war aims," are most crucial for understanding long-range foreign policy. Analysis and description of these aims throw light on both the origin and consequences of the conflict.

The Grand Area concept and the means which the Council proposed to integrate this territory became the initial basis for United States war aims. Two problems faced the Council and government planners in regard to these goals. First, the American people had to be inspired and mobilized to enter the war and win it. This involved issuing plausible propaganda. Secondly, the detailed and specific means for integration of an expanded Grand Area into a United States-dominated world order had to be devised. This involved working out the mechanics for new international institutions.

The CFR's War and Peace Studies groups recognized at an early date the difference between these two types of problems. The Economic and Financial Group pointed out in July 1941 that "formulation of a statement of war aims for propaganda purposes is very different from formulation of one defining the true national interest."¹⁵⁸ While this group's main concern was with the latter function, it did give the government ideas on how to deal with the former. In April 1941 the group suggested to the government that a statement of American war aims should now be prepared, coldly warning:

If war aims are stated which seem to be concerned solely with Anglo-American imperialism, they will offer little to people in the rest of the world, and will be vulnerable to Nazi counter-promises. Such aims would also strengthen the most reactionary elements in the United States and the British Empire. The inter-

ests of other peoples should be stressed, not only those of Europe, but also of Asia, Africa and Latin America. This would have a better propaganda effect.¹⁵⁹

Since such propaganda statements had to be at least close to actual American interests, the war aims declaration had to be vague and abstract, not specific. The statement which resulted was the Atlantic Charter of August 1941. It was the public war aims statement of the United States, and its reason for being was propaganda.¹⁶⁰ The generalized aims it advocated were those which people everywhere would agree were laudable: freedom, equality, prosperity, and peace. The Council had made suggestions about what should be in such a public statement, and a member of the Council—Undersecretary of State Sumner Welles—was President Roosevelt's chief adviser on the Atlantic Charter.

With the entry of the United States into World War II, American planners were virtually unanimous in the belief that the nation should claim a dominant position in the post-war world. As usual, however, the leaders of the Council on Foreign Relations were stating this view most clearly. Council director and Territorial Group leader Isaiah Bowman wrote Hamilton Fish Armstrong, a week after the entry of the United States into the war, that the Council and the American government now had to "think of world-organization in a fresh way. To the degree that the United States is the arsenal of the Democracies it will be the final arsenal at the moment of victory. It cannot throw the contents of that arsenal away. *It must accept world responsibility.* . . . The measure of our victory will be the measure of our domination after victory."¹⁶¹ The next month, in January 1942, Bowman further asserted that at minimum, an enlarged conception of American security interests would be necessary after the war in order to deal with areas "strategically necessary for world control."¹⁶²

Council president Norman Davis, now chairman of the

Department of State's security subcommittee of the Advisory Committee on Postwar Foreign Policy, asserted in early May 1942 that it was probable "the British Empire as it existed in the past will never reappear and that the United States may have to take its place."¹⁶³ Gen. George V. Strong, a member of Davis's subcommittee who had worked on the War and Peace Studies Project during 1940, used even stronger language during the same discussion. He expressed the opinion that the United States "must cultivate a mental view toward world settlement after this war which will enable us to impose our own terms, amounting perhaps to a *pax Americana*."¹⁶⁴ He went on to say that the nation must adopt a tough attitude toward its allies at the expected peace conference. Davis agreed with Strong, adding that the United States could "no longer be indifferent as to what happens in any part of the world."¹⁶⁵ Trouble must be nipped in the bud wherever it occurred.

The reason for this emphasis on global hegemony for the United States was the same one that the Council had stressed in 1940 and 1941: the economic life of American society as presently organized was very closely connected with the outside world. The economy of the nation, as it had been for some time, was geared to the need for large export markets, the loss of which—barring a transition to a form of socialism—would cause a lowering of the national income and greatly increased unemployment.¹⁶⁶ The haunting specter of depression and its political consequences made the planners pay careful attention to the relationship between international and domestic economic policies.¹⁶⁷

Early in 1942 Leo Pasvolsky said that the close mutual "relation between international trade and investment on the one hand and the domestic recovery program of the United States on the other" was particularly important.¹⁶⁸ Herbert Feis, an active Council member and State Department economic adviser, expressed the problem in a similar way, saying that

most countries lived in chronic fear of unemployment and so want foreign markets to avoid "drastic internal adjustments as a result of changes in external markets."¹⁶⁹ Two months later, Benjamin V. Cohen, a member of the Economic and Financial Group and a State Department postwar planner, asserted that the difficulty for the economy of the United States was "how to create purchasing power outside of our country which would be converted into domestic purchasing power through exportation. In practical terms, this matter comes down to the problem of devising appropriate institutions to perform after the war the function that Lend-Lease is now performing."¹⁷⁰ Pasvolsky also recognized this situation, saying in August 1942 that a solution had to be found to the existing condition in which some countries need more imports than they can pay for, while others can furnish exports without immediate payment.¹⁷¹ This dual aspect, concern with foreign demand as well as internal needs, suggests that the Marshall Plan idea of overseas loans and gifts by the American government to stimulate United States exports had deep roots in the Lend-Lease experience.¹⁷²

The first document produced by the economic subcommittee of the Advisory Committee on Postwar Foreign Policy stressed the danger of another world depression and the need to provide confidence in world economic stability.¹⁷³ This necessarily meant that American planners had to concern themselves with the politics and economies of other nations. At a minimum the United States had to be involved in the internal affairs of the key industrial and raw materials-producing countries. If one or a few of these nations did not cooperate in a new worldwide economic system, they might not develop rapidly enough to enlarge their purchases from the United States, thereby increasing the likelihood of a depression. The various countries' economies had also to be efficient; otherwise they could not pay for more imports. The political and security side was also connected with this

basic economic dilemma. Davis's subcommittee laid great stress on "the impossibility of providing security to the world unless developments in other fields would be such as to provide a sound basis for international cooperation."¹⁷⁴

The IMF and World Bank

Clarification of the objectives of American policy gave rise to ideas for specific methods of solving the concrete problems of American and world capitalism. Ideas for international economic institutions—the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank)—were worked out first.

The Council had proposed that economic means would play a key role in integrating the Grand Area.¹⁷⁵ In several recommendations during 1941, the CFR's War and Peace Studies groups proposed that international economic and financial institutions were needed to assure the proper functioning of the proposed world economy.¹⁷⁶ Recommendation P-B23 (July 1941) stated that worldwide financial institutions were necessary for the purpose of "stabilizing currencies and facilitating programs of capital investment for constructive undertakings in backward and underdeveloped regions."¹⁷⁷ During the last half of 1941 and in the first months of 1942, the Council developed this idea for the integration of the world.

In October 1941 Winfield W. Riefler of the Economic and Financial Group presented a design for an International Development Authority to stimulate private investment in underdeveloped areas. The Authority would be run by nine directors—three American, three British, and three representing international bodies. A new world judicial organization would settle disputes. The greater investment gained by inter-

national guarantees would develop resources and raise living standards in poorer regions and at the same time increase overseas purchasing power and, thus, the demand for United States exports.¹⁷⁸ Following Riefler's scheme was one which Alvin H. Hansen suggested on November 1, 1941: an international Reconstruction Finance Corporation should be jointly established by many governments during the war. This body would also promote investment, both in backward areas and in the more developed countries. The corporation would float bonds guaranteed by the government to tap private money now withheld from foreign investment because of the risk. To guide the investment, an international resources survey would be undertaken to discover where development might most usefully be initiated.¹⁷⁹

The Council advanced these proposals by drafting a recommendation, dispatching it directly to President Roosevelt and the Department of State. This memorandum, dated November 28, 1941, was entitled "International Collaboration to Secure the Coordination of Stabilization Policies and to Stimulate Investment."¹⁸⁰ It stated that implementation of the economic goals of the Atlantic Charter depended on "effective anti-depression measures."¹⁸¹ To prevent such economic downturns, a joint United States-United Kingdom board should be set up to advise on policy and devise plans for an "international investment agency which would stimulate world trade and prosperity by facilitating investment in developmental programs the world over."¹⁸² Since depressions have political effects—the Council men argued that they had been one of the "chief factors" in Hitler's rise to power in Germany—all countries had a common interest in assuring economic stability and "reasonably continuous" full employment.¹⁸³

Beginning in February 1942, the Economic and Financial Group became more specific and suggested what such an American-British board should recommend. Hansen and

Jacob Viner now recognized that separate institutions were needed for different functions. As Viner said early in February: "It might be wise to set up two financial institutions: one an international exchange stabilization board and one an international bank to handle short-term transactions not directly concerned with stabilization."¹⁸⁴ Here was the first specific mention of the need for both an International Monetary Fund and an International Bank for Reconstruction and Development. The Council followed this discussion with a memorandum, E-B49, to the department and the President. Dated April 1, 1942, it contained Hansen's statement on the necessity for an exchange stabilization fund to regulate international exchange rates, and Viner's ideas on promoting long-term world investment by establishing "multinational official agencies."¹⁸⁵ Thus the Council's planners first proposed multinational bodies to spur the worldwide development essential to sustain and increase American and British prosperity, as well as to integrate Germany and Japan into the expanded "Grand Area" which would result.

While it was the Council which initially proposed during 1941 and 1942 the idea of international economic institutions to integrate the new world order, it was Harry Dexter White of the Treasury Department who worked out the actual technical details which led to the International Monetary Fund and the World Bank. Although not a Council member, White probably had contact with its ideas, perhaps through Viner, who was a Treasury adviser, or through Hansen, who was active in many federal agencies. In any event, White produced a memorandum on the subject of both a monetary fund and bank by March 1942.¹⁸⁶ This was the plan which Secretary of the Treasury Morgenthau gave to Roosevelt in mid-May.¹⁸⁷ Following discussions with Secretary Hull, a special interdepartmental committee was established to refine the plan. This was the Cabinet Committee, which began meeting on May 25, 1942. The Cabinet Com-

mittee organized a group of experts, called the American Technical Committee, which did the actual planning work.¹⁸⁸ These two committees, largely responsible for the final form of the Monetary Fund and the World Bank, were centered in the Treasury Department and had only informal ties with the State Department's Advisory Committee on Postwar Foreign Policy. There was considerable overlapping of personnel, however, between the two groups. White served as the Treasury Department's man on the economic subcommittee of the Advisory Committee. Acheson, Berle, Feis, Pasvolsky of the State Department, and Cohen of the White House staff were on either the Cabinet Committee or the American Technical Committee, which White chaired. The Council was well represented on these latter two committees by the last three men and by Hansen, who attended many of the Technical Committee meetings.¹⁸⁹ A full-blown international conference to establish a monetary fund and world bank convened at Bretton Woods, New Hampshire, in 1944, creating institutions whose aim was integration of the expanded Grand Area to create one world economy dominated by the United States.

The Council and the Origins of the United Nations

Council leaders recognized that in an age of rising nationalism around the world, the United States had to avoid the onus of big-power imperialism in its implementation of the Grand Area and creation of one open-door world. Isaiah Bowman first suggested a way to solve the problem of maintaining effective control over weaker territories while avoiding overt imperial conquest. At a Council meeting in May 1942, he stated that the United States had to exercise the strength needed to assure "security," and at the same time

“avoid conventional forms of imperialism.”¹⁹⁰ The way to do this, he argued, was to make the exercise of that power international in character through a United Nations body.¹⁹¹ As we shall see below, the Council planners had a central role in the creation of this United Nations organization.

The planning of the United Nations can be traced to the “secret steering committee” established by Secretary Hull in January 1943. This Informal Agenda Group, as it was later called, was composed of Hull, Davis, Taylor, Bowman, Pasvolsky, and, until he left the government in August 1943, Welles.¹⁹² All of them, with the exception of Hull, were members of the Council on Foreign Relations. They saw Hull regularly to plan, select, and guide the labors of the department’s Advisory Committee. It was, in effect, the coordinating agency for all the State Department postwar planning.¹⁹³

The men of the Informal Agenda Group were most responsible for the final shape of the United Nations. Beginning in February 1943, members of the group met frequently with President Roosevelt, who called them “my postwar advisers.”¹⁹⁴ They not only drew up policy recommendations, but also “served as advisers to the Secretary of State and the President on the final decisions.”¹⁹⁵ In addition, they met frequently during 1943 for intensive work in connection with the Quebec and Moscow conferences, drafting the suggestions for the four-power agreement accepted by Britain and Russia.

By December 1943 the membership of the group included Hull, Davis, Bowman, Taylor, and Pasvolsky from the original six, as well as the new undersecretary of state, Edward R. Stettinius, Jr. Stettinius was a member of the Council on Foreign Relations, former top executive of United States Steel, and son of a partner in the J. P. Morgan Bank. Benjamin V. Cohen and Stanley K. Hornbeck, both with close ties to the Council, had also joined the Agenda Group along with James C. Dunn, Green H. Hackworth, and Notter from the staff of the department.¹⁹⁶ The Council’s pre-

eminence clearly remained. Seven of the eleven—Davis, Bowman, Taylor, Pasvolsky, Stettinius, Cohen, Hornbeck, and Dunn—were either present members of the Council or involved in the War and Peace Studies.¹⁹⁷ If others who were invited to join some of the meetings during this period are included, Council influence is even more striking. Joseph C. Green was added to the group in mid-March 1944. He was a Council member and regularly attended the gatherings of the Armaments Group.¹⁹⁸ Five military men were asked to conferences of the Agenda Group during March, April, and May 1944. One of these, Admiral Hepburn, was a Council member; two others, General Strong and Rear Adm. Roscoe E. Schuirmann of naval intelligence had been involved in the War and Peace Studies Project.¹⁹⁹

Upon Hull's return from the Moscow conference in late 1943, the Agenda Group began to draft the American proposals for a United Nations organization to maintain international peace and security. The position eventually taken at the Dumbarton Oaks Conference was prepared during the seven-month period from December 1943 to July 1944. Once the group had produced a draft for the United Nations and Hull had approved it, the secretary requested three distinguished lawyers to rule on its constitutionality. Myron C. Taylor, now on the Council's board of directors, was Hull's intermediary to Charles Evan Hughes, retired chief justice of the Supreme Court, John W. Davis, Democratic presidential candidate in 1924, and Nathan L. Miller, former Republican governor of New York. Hughes and Davis were both Council members, and John W. Davis had served as president of the Council from 1921 to 1933 and as a director since 1921. The three approved the plan, and on June 15, 1944, Hull, Stettinius, Davis, Bowman, and Pasvolsky discussed the draft with President Roosevelt. The chief executive gave his consent and issued a statement to the American people that very afternoon.²⁰⁰

Although the Charter of the United Nations underwent

some modification in negotiations with other nations at the Dumbarton Oaks and San Francisco conferences during 1944 and 1945, one historian concluded that “the substance of the provisions finally written into the Charter in many cases reflected conclusions reached at much earlier stages by the United States Government.”²⁰¹ The Department of State was clearly in charge of these propositions within the American government, and the role of the Council on Foreign Relations within the Department of State was, in turn, very great indeed.²⁰² The Council’s power was unrivaled. It had more information, representation, and decision-making power on postwar questions than the Congress, any executive bureaucracy except the Department of State, or other private group.²⁰³ It had a very large input into decisions on the International Monetary Fund, the World Bank, and the United Nations. The formulators of the Grand Area had indeed been able to gain positions of strength and put their plans for United States world hegemony into effect.

The CFR-Ruling Class Conception of the “National Interest”

Leaders of the United States have always declared that the foremost objective of their policies has been the promotion of the country’s collective interest—the “national interest.” As Secretary of State Charles Evans Hughes put it in the 1920s, “foreign policies are not built upon abstractions. They are the result of practical conceptions of national interest.”²⁰⁴ The national interest is rarely an objective fact, however, as is indicated by the truism that in every country it is always redefined after a revolution.

The very idea of “national” interest assumes that everyone’s interests are identical, or nearly so, and this is far from

true in a capitalist society. The working class and upper class have very different interests at home and abroad. The working class is most concerned with domestic society and change: redistribution of income and wealth, full employment, worker control of industry, and more egalitarianism generally. The capitalist class, on the other hand, has an interest in preventing basic changes in society, and a desire to maintain the socioeconomic system from which it greatly benefits. Since domestic problems can be solved through foreign expansion, without alteration of the existing domestic system from which the corporate upper class obtains its power and privilege, it has a much greater interest in foreign policy.

The concept of the national interest put forth by the Council on Foreign Relations laid the basis for American war aims in the Second World War. The nation's interest was first of all defined and discussed within an economic framework, focusing on the most basic facts and long-term trends: the type of economic structure existing in the United States, its requirements, and the regions of the world crucial to the satisfaction of these needs. It was therefore inherently a status quo formulation, aimed at preservation rather than change. If one accepts the set of assumptions, values, and goals implied in the Council's sketch of the national interest—a capitalist system with private ownership of the productive property of the society, resulting in inequality in the distribution of wealth and income and attendant class structure—the analysis cannot be refuted. The Council planners had identified the basic needs of such a system, and any discussion of the national interest necessarily had to address itself to these requirements. Since those in power define the national interest as the preservation of the existing set of economic, social, and political relationships and of their own rule, the national interest in a capitalist society is little more than the interest of its upper class. The Council, as a key organization of this

class, was in the lead in defining its class interest. One has to transcend its values, assumptions, and goals in order to question its formulation of the national interest.

The American capitalist class, through the Council, had proposed to preserve and extend American capitalism by a policy of empire-building—overseas expansion of United States power. This necessarily meant conflict and possible war, since the ruling classes of certain other capitalist societies—Japan, for example—would not tolerate limitation by the United States. Given the serious potential consequences of the Council's analysis, it is appropriate to ask whether its definition of the national interest was the only one possible. It is clear that there was an alternative. The crux of the difficulty facing the American economy and society during 1940 and 1941—as the Council had pointed out—was that the economic isolation of the Western hemisphere would result in the loss of two-thirds of United States foreign trade. In essence, the Council argued that the way to resolve the problem was to assure unrestricted access to the raw materials and markets of Asia and the markets of Great Britain. Politically, this meant an alliance with the British Empire and war with Japan and Germany. The fact was, however, that the need for such export markets could be largely obviated by public ownership of the chief means of production, and democratic planning to assure all in the country both employment and adequate consumption.

The United States was the most self-sufficient nation in the world during the 1930s and 1940s. Council theorists recognized this fact during the depression. In 1937 Eugene Staley wrote a book called *Raw Materials in Peace and War* under the auspices of the Council-dominated American Coordinating Committee for International Studies. A study group under the supervision of James T. Shotwell, a founder of the Council, had been established to help Staley. This study group included Council leader Edwin F. Gay, as well as

Alvin H. Hansen, Jacob Viner, and other Council members. Staley concluded that in regard to raw materials the "United States is more nearly capable than any other great power (unless it be the Soviet Union) of meeting its normal demands from resources within its own boundaries."²⁰⁵

During the summer and fall of 1940, Council planners in the Economic and Financial Group recognized that Western hemisphere isolation was not impossible if the United States economy were adjusted to it. Studies were made on expansion of raw material production to replace sources outside the hemisphere. Expansion of Latin American tin, rubber, and manganese output could also provide a "substantial outlet" for United States surplus production of machinery, equipment, and vehicles, since such machines would be needed to increase production of these commodities.²⁰⁶

This possibility was never attempted, however, because it would have threatened the traditional capitalist form of American economic organization. Since the government would have been responsible for planning and coordination of the economy during peacetime, the power of the capitalist class to make decisions on economic development might have been limited. The alternative was to have a larger world area to work with, and the Council's Grand Area planning was based on this expansionistic assumption. As Riefler expressed it in mid-1941, the Council's task was to delineate "what 'elbow room' the American economy needed in order to survive without major readjustments."²⁰⁷ Avoiding territorial restriction and the economic readjustment it would entail thus became a constant theme in the Council's planning and recommendations to the State Department and President Roosevelt during 1940 and 1941, as we have seen. By October 1940, for example, the Economic and Financial Group wrote a memorandum whose purpose was to show how the United States could "secure a larger area for economic and military collaboration, thus minimizing costs of

economic readjustments that would be greater for a smaller area.”²⁰⁸ They added the observation that the alterations necessary in the American and other capitalist economies “obviously are reduced to a minimum if those economies can function in all the world outside of the German portion.”²⁰⁹

The ruling class, through the Council, had successfully put forward a particular conception of the United States “national interest.” This perspective did not in reality uphold the general interest of the people of the nation, but rather the special interests of a capitalist economic system controlled by and benefiting the upper class. Simply stated, the Council theoreticians argued that the United States needed living space to maintain the existing system without fundamental changes in the direction of socialism and planning. Council member Henry R. Luce put the issue more bluntly when he stated in his famous February 1941 *Life* article that “Tyrannies may require a large amount of living space. But Freedom requires and will require far greater living space than Tyranny.”²¹⁰

Suggested Readings

Although there is a voluminous body of literature on the Second World War, little exists on postwar planning or the actual long-range goals of the policymakers. Key primary sources include: CFR (1946b); Notter (1949); Hull (1948); and Israel (1966).

The best existing secondary sources are those by Kolko (1968); R. Gardner (1969); L. Gardner (1964 and 1970); and Divine (1967). Useful specialized volumes exist on the following topics:

Postwar planning: Shoup (1974)

Formation of the United Nations: Russell (1958)

International Monetary Fund: Payer (1974)

World Bank: Hayter (1971)

United States entry into World War II: Russett (1972); Schroeder

(1958); Chadwin (1968); Offner (1971); and the Council-sponsored volumes by Langer and Gleason (1952, 1953).

On the Marxist versus liberal debate over the question of whether the American economy as presently organized requires imperialism, see the exchange between Magdoff and Miller, Bennett, and Alapatt in Skolnick and Currie (1973).

Notes

1. John W. Davis and George O. May to Philip C. Jessup, June 22, 1944, Philip C. Jessup Papers, Box 114, MDLC.
2. William Diebold, Jr. interview, November 1, 1972; Isaiah Bowman to Lionel Curtis, November 2, 1939, Franklin D. Roosevelt Papers, President's Personal File 5575, FDRL.
3. George S. Messersmith, "Memorandum of Conversation, September 12, 1939," Decimal File 811.43 Council on Foreign Relations/220 Exhibit A, R.G. 59; Walter H. Mallory to Laurence H. Shoup, June 5, 1973.
4. Isaiah Bowman, Memorandum of Conversation with Walter Mallory, November 27, 1939, Isaiah Bowman Papers, Mallory File, JHUL.
5. Messersmith, "Memorandum of Conversation, September 12, 1939"; Notter, 1949:19; Hull, 1948 11:1625; Hamilton Fish Armstrong, "Memorandum for Under Secretary Stettinius from Mr. Armstrong," November 24, 1943, Decimal File 811.43 Council on Foreign Relations/220, R.G. 59.
6. Memorandum, "Council on Foreign Relations, Project for the Study of the Effects of the War on the United States and of the American Interest in the Peace Settlement," December, 1939, Stanley K. Hornbeck Papers, Box 133, HLWRP. A copy of the same memorandum may be found in Hanson Baldwin Papers, Box 115, YUL.
7. CFR, 1946(b):19-24.
8. *Ibid.*; the economist Arthur R. Upgren of the University of Minnesota and Council fellow William Diebold, Jr. were the research secretaries for the Economic and Financial Group during the 1940-1943 period. The political scientist Walter R. Sharp of the City College of New York served the Political Group in this role from 1941 on. Grayson Kirk, a Columbia University profes-

sor of international relations, did the same for the Armaments Group beginning in 1941, and the Cornell University historian Philip E. Mosely was the main research secretary for the Territorial Group. The Peace Aims Group, which concentrated on the goals of European nations, had several research secretaries.

9. *Ibid.*, 4.
10. *Ibid.*, 9-24.
11. *Ibid.*; Winant's name appears on the list of participants in the work of the Political Group during 1940.
12. *Ibid.*, 12-13. The State, War, and Navy Departments were directly represented, Viner was a Treasury Department adviser during these years, Hansen headed postwar planning at the Federal Reserve Board, and Upgren joined the Commerce Department in 1941 to head postwar planning there.
13. *Ibid.*, 10-11; Mallory to Shoup, June 5, 1973, and July 13, 1973; Mallory to Sumner Welles, December 4, 1940, Decimal File 811.43, Council on Foreign Relations/196, R.G.59.
14. Notter, 1949:56, footnote 24.
15. CFR, 1946(b):13.
16. *Ibid.*, 15-16; memorandum T-B3, March 17, 1949, CFR, *War-Peace Studies*, NUL.
17. Roosevelt, 1972 XV-XVI:278-280; Link, 1963 11:485; Diebold interview, November 1, 1972.
18. Chadwin, 1968:32; Langer and Gleason, 1952:711. Warner joined the Council's board of directors in 1940, Riefler in 1945. Both were active in the War and Peace Studies as were Shepardson and Miller.
19. *St. Louis Post-Dispatch*, September 22, 1940:3C; Divine, 1965:90; Chadwin, 1968:74, 78, 86, and 94; Miller, 1971:95 and 102.
20. Divine, 1965:90; Chadwin, 1968:74, 78, 86, and 94; Miller, 1971:95, 98, and 102; Langer and Gleason, 1952:749-751.
21. Divine, 1965:90; see also Chadwin, 1968:74 and Fehrenbach, 1967:160.
22. Divine, 1965:91.
23. Heaton, 1952:237.
24. CFR, 1938; Francis P. Miller interview, October 18, 1972; Diebold interview, November 1, 1972.
25. "Progress Report of the Secretary, War and Peace Studies Project Council on Foreign Relations, December 15, 1939-July 1, 1940"

- July 3, 1940, Hanson Baldwin Papers, Box 115, YUL; Mallory to Welles, December 4, 1940, Decimal File 811.43, Council on Foreign Relations/196, R.G.59.
26. "Report of the Secretary, War and Peace Studies Project, December 15, 1939 to September 1, 1940," Decimal File 811.43, Council on Foreign Relations/188, R.G.59; Memorandum E-A10, October 19, 1940, CFR, *War-Peace Studies*, Baldwin Papers, Box 117, YUL; "Memorandum of Discussions, First Plenary Session, Council on Foreign Relations, June 28, 1940," Baldwin Papers, Box 115, YUL.
 27. "Progress Report of the Secretary, War and Peace Studies Project, Council on Foreign Relations, December 15, 1939-July 1, 1940," July 3, 1940, Baldwin Papers, Box 115, YUL.
 28. "Memorandum of Discussions, First Plenary Session, Council on Foreign Relations, June 28, 1940," Baldwin Papers, Box 115, YUL.
 29. Hull to Davis, November 12, 1940, Decimal file, 811.43, Council on Foreign Relations/191, R.G.59; Welles to Mallory, December 6, 1940, Decimal File 811.43, Council on Foreign Relations/196, R.G.59; CFR, 1937:53; Hull to Davis, October 1, 1941, Decimal File 811.43 Council on Foreign Relations/203B, R.G.59. For more details see Shoup, 1974:128, 189.
 30. Memorandum E-B18, September 6, 1940, CFR, *War-Peace Studies*, NUL; memorandum E-B18, supplement 1, September 6, 1940, CFR, *War-Peace Studies*, NUL. E-B18, supplement 1 is fifty pages long and illustrates well the very detailed work being done by the Group.
 31. Ibid.
 32. Memorandum E-B18, supplement 1, September 6, 1940, CFR, *War-Peace Studies*, NUL.
 33. Memorandum E-B18, supplement 11, September 6, 1940, CFR, *War-Peace Studies*, NUL.
 34. Ibid.
 35. Ibid.
 36. Memorandum E-B19, supplement 1, October 9, 1940, CFR, *War-Peace Studies*, NUL.
 37. Memorandum E-A10, October 19, 1940, CFR, *War-Peace Studies*, Baldwin Papers, Box 117, YUL.
 38. Memorandum E-B19, October 19, 1940, CFR, *War-Peace Studies*, NUL.

39. Ibid.
40. Ibid.; Memorandum E-B19, supplement I, October 9, 1940, CFR, *War-Peace Studies*, NUL.
41. Memorandum E-B19, October 19, 1940, CFR, *War-Peace Studies*, NUL.
42. Ibid.
43. Ibid.
44. Ibid.
45. Ibid.
46. Ibid.
47. Memorandum E-A10, October 19, 1940, CFR, *War-Peace Studies*, Baldwin Papers, Box 117, YUL.
48. Memorandum E-A11, November 23, 1940, CFR, *War-Peace Studies*, HLWRP; a memorandum of the Territorial Group (T-B20, October 11, 1940) had previously raised this possibility, the aim being to stop Japanese expansion into the Western Pacific. It argued that such a move by Japan might cut off United States sources of raw materials in Southeast Asia.
49. Memorandum E-A11, November 23, 1940, CFR, *War-Peace Studies*, HLWRP; memorandum E-A12, December 14, 1940, CFR, *War-Peace Studies*, HLWRP.
50. Memorandum E-B24, November 23, 1940, CFR, *War-Peace Studies*, NUL.
51. Ibid.
52. Memorandum E-B24, supplement I, December 14, 1940, CFR, *War-Peace Studies*, NUL.
53. Memorandum E-A12, December 14, 1940, CFR, *War-Peace Studies*, HLWRP.
54. Ibid.
55. Ibid.
56. Ibid.
57. Memorandum E-B26, January 15, 1941, CFR, *War-Peace Studies*, NUL.
58. Ibid.
59. Ibid.
60. Ibid.
61. Ibid.
62. Ibid.
63. A copy of E-B26 with a note attached addressed to Secretary Hull

may be found in Hull Papers, Box 72, MDLC. The note, dated 1/28/41, states "This may interest you" and bears Pasvolsky's initials.

64. Langer and Gleason, 1953:490, fn. 62, 493. A total embargo on Japan was instituted by the United States, Britain, and the Netherlands in late July 1941.
65. Memorandum E-A17, June 14, 1941, CFR, *War-Peace Studies*, HLWRP.
66. Ibid.
67. Memorandum E-B34, July 24, 1941, CFR, *War-Peace Studies*, NUL.
68. Ibid.
69. Memorandum T-A14, June 17, 1941, CFR, *War-Peace Studies*, Baldwin Papers, YUL.
70. Memorandum E-B34, July 24, 1941, CFR, *War-Peace Studies*, NUL.
71. Ibid.
72. Ibid.
73. Memorandum T-A14, June 17, 1941, CFR, *War-Peace Studies*, Baldwin Papers, YUL.
74. Ibid.
75. Ibid.
76. Ibid.; memorandum E-B34, July 24, 1941, CFR, *War-Peace Studies*, NUL.
77. Memorandum E-B34, July 24, 1941, CFR, *War-Peace Studies*, NUL.
78. Memorandum E-A14, May 17, 1941, CFR, *War-Peace Studies*, HLWRP.
79. Memorandum E-A17, June 14, 1941, CFR, *War-Peace Studies*, Baldwin Papers, YUL.
80. Memorandum E-B31, March 7, 1941, CFR, *War-Peace Studies*, NUL.
81. Ibid. For evidence that the U.S. role in Vietnam during the 1950s and 1960s was based on such an analysis, see Chapter 6.
82. Ibid.
83. Memorandum E-B34, July 24, 1941, CFR, *War-Peace Studies*, NUL.
84. Ibid.; memorandum E-B28, March 17, 1941, CFR, *War-Peace Studies*, NUL; memorandum E-B28, supplement I, April 10, 1941, CFR, *War-Peace Studies*, NUL.

85. Memorandum T-B8, May 20, 1940, CFR, *War-Peace Studies*, NUL.
86. Memorandum E-B27, February 15, 1941, CFR, *War-Peace Studies*, NUL.
87. Memorandum E-B31, March 7, 1941, CFR, *War-Peace Studies*, NUL.
88. Ibid.
89. Memorandum E-B26, January 15, 1941, CFR, *War-Peace Studies*, NUL.
90. Langer and Gleason, 1953:645.
91. Hull, 1948 II:1017.
92. Welles, 1951:89, 91.
93. Roosevelt, 1941:649-650.
94. Ibid.; Langer and Gleason, 1953:646; Jones, 1954:247; Grew, 1952 II:1259.
95. United States, Department of State, *Foreign Relations*, 1941, I:355-356.
96. Langer and Gleason, 1953:29, 52; Ike, 1967:78, 162.
97. Jones, 1954:224; Iriye, 1967:201, 207-209; Divine, 1969:115; Ike, 1967:XIX and 78-81.
98. Schroeder, 1958:52-53.
99. Ibid.; Welles, 1951:81; Roosevelt, 1941:650.
100. Langer and Gleason, 1953:862; Offner, 1971:149-153; Link, 1963, II:506-507; Schroeder, 1958:175-177.
101. Schroeder, 1958:177.
102. Memorandum E-B33, June 20, 1941, CFR, *War-Peace Studies*, NUL.
103. Leo Pasvolsky to Joseph W. Ballantine, November 12, 1941, Decimal File 711.94/2540-8/35, R.G.59.
104. Adolf A. Berle to Cordell Hull, December 15, 1941, Cordell Hull Papers, Box 49, MDLC.
105. Iriye, 1967:219; Hull, 1948 II:1083.
106. Langer and Gleason, 1953:915, 935; Sherwood, 1948:428.
107. Leopold, 1962:591.
108. Langer and Gleason, 1953:913, 932.
109. United States, Department of State, *Foreign Relations* 1941, IV:688.
110. Ibid., 689-694.
111. Ibid., 696.
112. Ibid., 677-680.
113. Langer and Gleason, 1953:860, 886-887; Leopold, 1962:592.

114. Esthus, 1971:217, 220.
115. Welles, 1951:182.
116. Memorandum, Pasvolsky to Hull, September 12, 1941, Harley A. Notter File, box 4, R.G.59.
117. Notter, 1949:466-467.
118. *Ibid.*, 465.
119. *Ibid.*, 467.
120. Armstrong to Bowman, December 12, 1941, Davis Papers, Box 2, MDLC.
121. Wilson, 1969:173.
122. Notter, 1949:64-65; CFR, 1946(b):19-23.
123. Notter, 1949:72-73.
124. *Ibid.*, CFR, 1946(b):22.
125. Table compiled from Shoup, 1974:201-205.
126. Notter, 1949:172.
127. *Ibid.*, 247.
128. *Ibid.*, 73-77, 124.
129. CFR, 1946(b):20.
130. Armstrong to Davis, January 16, 1942, Davis Papers, Box 2, MDLC.
131. *Ibid.*
132. Notter, 1949:80.
133. *Ibid.*, 151-152.
134. Minutes of the "Joint Organization Meeting of the Subcommittees on Political Problems, Territorial Problems, and Security Problems," February 21, 1942, Notter File, Box 77, R.G.59.
135. *Ibid.*
136. *Ibid.*
137. *Ibid.*
138. *Ibid.*
139. *Ibid.*; Notter, 1949:80.
140. Notter, 1949:80.
141. *Ibid.*, 518-519; CFR, 1946(b):20-23; Decimal File 111.53/3a, 111.53/3b, 111.53/3c, 111.53/3d, R.G.59.
142. Notter, 1949:82, 518-519; CFR, 1946(b):23.
143. Minutes of the meeting of the "Advisory Committee on Postwar Foreign Policy," May 2, 1942, Hull Papers, Box 82, MDLC.
144. Notter, 1949:92; Divine, 1967:51.
145. "Staff Memorandum number 3," Division of Special Research, July 20, 1942, Notter File, Box 2, R.G.59.
146. Notter, 1949:117.

147. Ibid.; CFR, 1946(b):23.
148. Memorandum, Notter to Pasvolsky, July 17, 1942, Notter File, Box 4, R.G.59.
149. Ibid.
150. Ibid.
151. Ibid.
152. Memorandum, Notter to Shaw, August 19, 1942, Notter File, Box 4, R.G.59.
153. Memorandum, Notter to Pasvolsky, September 14, 1942, Notter File, Box 4, R.G.59.
154. Ibid.
155. Ibid.
156. Ibid.
157. Ibid.
158. Memorandum E-A18, July 19, 1941, CFR, *War-Peace Studies*, Baldwin Papers, YUL.
159. Memorandum E-B32, April 17, 1941, CFR, *War-Peace Studies*, NUL.
160. Langer and Gleason, 1953:681; Wilson, 1969:173.
161. Bowman to Armstrong, December 15, 1941, Bowman Papers, Armstrong File, JHUL.
162. Memorandum T-A21, January 16, 1942, CFR, *War-Peace Studies*, Baldwin Papers, YUL.
163. Minutes S-3 of the Security Subcommittee, Advisory Committee on Postwar Foreign Policy, May 6, 1942, Notter File, Box 77, R.G.59. As early as October 1940, Davis had argued that the British Empire was collapsing and that the United States would be the "heirs of the Empire." See Hooker (ed.), 1956:333.
164. Minutes S-3 of the Security Subcommittee, Advisory Committee on Postwar Foreign Policy, May 6, 1942, Notter File, Box 77, R.G.59.
165. Ibid.
166. See Weinstein, 1968, for a detailed study of corporate upper class concern with this question during the early years of this century. See Williams, 1972, for the development of this dependency during the nineteenth and twentieth centuries.
167. This was true of top-level men like Cordell Hull, Sumner Welles, and Henry Morgenthau, Jr., as well as of the members of the State Department planning committees. Welles said, for instance, that economic barriers caused "the present world collapse." See

- United States, Department of State, *Foreign Relations 1941*, 1:353; for an example of Hull's view, see United States, Department of State, *Foreign Relations 1942*, 1:201-202; Morgenthau stated in May 1942 that a lack of economic cooperation would cause another world war. United States, Department of State, *Foreign Relations 1942*, 1:177.
168. Chronological Minutes E-1 of the Economic Subcommittee, Advisory Committee on Postwar Foreign Policy, February 20, 1942, Notter File, Box 91, R.G.59.
 169. Feis, 1942:284.
 170. Chronological Minutes E-3 of the Economic Subcommittee, Advisory Committee on Postwar Foreign Policy, March 6, 1942, Notter File, Box 91, R.G.59.
 171. Memorandum, "Studies Necessary as a Basis for Economic Consultations under Article VII of the Lend-Lease Agreement," August 3, 1942, Leo Pasvolksy Office Files, Box 1, R.G.59.
 172. See Eakins, 1969:143-169 for a careful tracing of the origins and basic ideas of the Marshall Plan to several upper-class planning bodies.
 173. E-Document 1, "Postwar Economic Problems," February 19, 1942, Notter File, Box 88, R.G.59.
 174. "S Minutes 16" of the Security Subcommittee, Advisory Committee on Postwar Foreign Policy, October 23, 1942, Notter File, Box 76, R.G.59.
 175. Memorandum E-B34, July 24, 1941, CFR, *War-Peace Studies*, NUL.
 176. Memorandum P-B23, July 10, 1941, CFR, *War-Peace Studies*; Memorandum E-B36, June 22, 1941, CFR, *War-Peace Studies*, NUL.
 177. Memorandum P-B23, July 10, 1941, CFR, *War-Peace Studies*, NUL.
 178. Memorandum E-A21, October 11, 1941, CFR, *War-Peace Studies*, Baldwin Papers, YUL.
 179. Memorandum E-A22, November 1, 1941, CFR, *War-Peace Studies*, Baldwin Papers, YUL.
 180. Memorandum E-B44, November 28, 1941, CFR, *War-Peace Studies*, NUL.
 181. Ibid.
 182. Ibid.
 183. Ibid.

184. Memorandum E-A26, February 7, 1942, CFR, *War-Peace Studies*, Baldwin Papers, YUL.
185. Memorandum E-B49, April 1, 1942, CFR, *War-Peace Studies*, NUL.
186. Young, 1950:779.
187. United States, Department of State, *Foreign Relations 1942*, I:174-177.
188. Notter, 1949:141-143; Young, 1950:779, 779, fn. 3.
189. Ibid.
190. Memorandum T-A25, May 20, 1942, CFR, *War-Peace Studies*, HLWRP.
191. Ibid.
192. Notter, 1949:169-170; entry for January 4, 1943 in Harley A. Notter, "Recollections: Notes January 1942-December 1943," Notter File, Box 1, R.G.59.
193. Notter, 1949:171.
194. Ibid., 107, 172; memorandum, Franklin D. Roosevelt to General Watson, February 20, 1943, Official File 4351 (January-March 1943), FDRL; memorandum, Sumner Welles to Roosevelt, March 18, 1943, President's Personal File 5575, FDRL.
195. Notter, 1949:226-227; Divine, 1967:136-137.
196. Notter, 1949:248.
197. CFR, 1937:46-53; CFR, 1940; CFR, 1946(b):19-24.
198. CFR, 1940. Green was present at all of the thirteen sessions of the Council's Armaments Group between November 29, 1943 and June 19, 1945. See memoranda A-A40 to A-A52, CFR, *War-Peace Studies*, HLWRP.
199. CFR, 1940; CFR, 1946(b):20.
200. Notter, 1949:247; Divine, 1967:192.
201. Russell, 1958:2.
202. Ibid., 21-22, 205.
203. The Council continued to have access to all top secret information during the 1942-1944 years, despite continued warnings by Pasvolsky to his staff about the need to maintain the "strictest confidence" about the postwar planning work of the department. Even the existence and organization of the committees, as well as their thinking, were "not under any circumstances to be the subjects of comment to anyone outside the members of the Division itself." Memorandum, Pasvolsky to staff members of the Division of Special Research, December 22, 1942, Notter File, Box 4, R.G.59.

204. Quoted in Beard, 1934a:1.
205. Staley, 1937:37.
206. Memorandum E-B12, June 7, 1940, CFR, *War-Peace Studies*, NUL.
207. Memorandum T-A14, June 17, 1941, CFR, *War-Peace Studies*, Baldwin Papers, YUL.
208. Memorandum E-B19, October 19, 1940, CFR, *War-Peace Studies*, NUL.
209. Ibid.
210. Luce, 1941:64. Luce's article is reprinted in Garraty and Divine, 1968:470-476.