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**THE FRANK E. SEIDMAN
DISTINGUISHED AWARD
IN POLITICAL ECONOMY**

the Acceptance Paper

BY

JOHN KENNETH GALBRAITH

*“On History, Political Economy
and Vietnam”*

May 30, 1975

THE FRANK E. SEIDMAN DISTINGUISHED AWARD IN POLITICAL ECONOMY

The Frank E. Seidman Distinguished Award in Political Economy was established in Memphis State University in memory of Frank E. Seidman by Mr. and Mrs. P. K. Seidman. An honorarium of ten thousand dollars will be given to an economist who has distinguished himself or herself by contributing internationally, in the judgment of his or her peers, to the interdisciplinary advancement of economic thought as it applies to the implementation of public policy.

The purpose of the Award is to recognize and encourage economists who are attempting to extend their methodology into the interdependent areas of the other social sciences. It is applicable to the advancement of social welfare when proper cognizance is given to environmental and institutional influences upon the economic behavior of the individual and groups. The basis for evaluation will be broad enough to encompass both the synthesis of existing economic thought and the pathbreaking development of new concepts.

For the purposes of this Award, the recipient shall be considered an economist by imputation from the quality and importance of his or her professional work and interests. The distinguished contribution must be judged to have satisfied the specific criteria which are stated in terms to reflect the basic objectives of the Award.

Arthur A. Bayer

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ON HISTORY, POLITICAL ECONOMY AND VIETNAM

by

John Kenneth Galbraith

My memory extends to few such pleasant occasions as this. Pleasant and also without anxiety. When, on rare occasions in the past, I have found myself the recipient of some similar, if lesser, honor, I have always wondered how I should compose my face. A look of modesty should obviously be combined with one of rapt appreciation. It is not an easy expression to achieve; appreciation looks very much like self-appreciation; one must practice carefully before a mirror. But tonight there is no such need. My earlier honors have been without pecuniary emolument, as delicately some would call it. So handsome is yours that the right expression comes naturally and without effort. It is one of gratitude combined with fully requited avarice. There is a line from Fitzgerald after Omar that might be appropriate — perhaps all too appropriate — here:

*Some for the Glories of this World, and some
Sigh for the Prophet's Paradise to come;
Ah, take the Cash, and let the Credit go,
Nor heed the rumble of a distant Drum!*

You have honored me for work, real or alleged, in political economy and by that I am especially pleased. In modern times power has become increasingly a force in economic life — in the setting of prices and wages, in the resulting distribution of income, in, needless to say, the resolution of issues between the private economy and the state. The modern corporation and the modern trade union are instruments for the exercise of economic power. While these have been burgeoning, economics has been increasingly excluding their power from its purview. Increasingly economics has become a lesser branch of applied mathematics; what cannot be handled by the mathematics must be excluded by assumption. Power, to a singular degree, is one of those things. Purpose and relevance in modern economic theory have thus become subordinate to method. People who dissent from the dominant intellectual currents of their subject or time have a tendency to see themselves as somewhat larger than in life, to see others through the reverse end of the telescope. No doubt that is true of those of us who see power, including political power, as a part of economics — who rejoice in being called political economists. But there is more than vanity and foible here. Undoubtedly we are also right.

I have wished often in recent times that a disciplined preoccupation with power and the institutions for its exercise might also extend to an equally disciplined concern with history. The two, indeed, must go

together. I've had occasion in the last two or three years to read rather more of Marxist theory than for a long time previously. It hasn't made me a Marxist; but I have been impressed again with the vastly superior historical sense of the social theory that is in this tradition.

A better historical sense would have rewards going well beyond economics; it would also improve our view of the present problems of our foreign policy. We have been treating our recent misfortunes as though they were unique — a special manifestation of a peculiarly American aberration. They are, in fact, another episode in a long and remarkably consistent historical experience — that of variously motivated adventure by countries which presume to higher wisdom and culture in lands distant from their own.

It is now just under nine hundred years since Western Europeans began extending the beneficence of their presence to the lesser races without the law. Then, as still, they saw themselves as the custodians of higher civilized values, the progenitors and evangelists of these values. The first effort was, of course, the First Crusade, the beginning of an enterprise which continued, though with diminishing enthusiasm, for the next four hundred years. Repeatedly during all that time it was reported back to Rome that there was light at the end of the tunnel. The Kingdom of Jerusalem, first gained and soon lost, would be redeemed. Since 1096, Austrians, Spaniards, French, British, Dutch, Belgians, Swedes, Danes, Russians, Germans, Portuguese and Italians have answered the call to a civilizing mission beyond their borders. The urge among non-Europeans has been shared by Arabs, Mongols, Turks, Japanese and Americans. Few tendencies have been for so long, so persistently a feature of human behavior.

All of these efforts over all of these nine centuries have had three features in common. All, as noted, have avowed some spiritual, cultural, moral or other civilized benefit for the people toward whom the effort was directed. All have involved, often with some tactful disguise, some element of economic interest for the country extending the benefit. And all without exception have ended in failure. In the end, there has always been rejection of the beneficiating and self-beneficiating power.

The combination of high purpose and lower economic interest has been remarkably constant. The Crusaders, as every schoolchild knows, were to protect the Eastern Christians from the Turks and to redeem Jerusalem from the infidel. But Urban II, preaching the First Crusade in Clermont in 1095, did not omit to mention that there was a lot of excellent land in that part of the world only awaiting occupation by the Christians. As men knelt to take the cross, there was a companion obeisance to the thought of good real estate. Similarly the Spaniards combined a concern for extending the sway of Christ and the Holy

Catholic Church with an even more compelling interest in increasing their cash reserves of silver and gold. The British sought to bring the rule of law, the benefits of sound government to Indians and Africans while bringing the trade to these peoples to London, Liverpool and Bristol. The French sought to extend the beneficent and enduring values of French culture; they combined this with economic objectives similar to those of the British, although less thoughtfully pursued. The American aim in Puerto Rico and the Philippines was deemed wholly selfless and benign and exclusively to assist subject peoples suddenly, almost accidentally liberated from Spain. But it is not without importance that these islands were soon extensively covered with sugar plantations, mostly under continental ownership. Save by a sycophantic minority that allied itself socially, politically or culturally with the paramount power, this civilizing effort was rarely appreciated, even when the motives were exceptionally pure, even when by some objective standard the rule was better than whatever preceded it. Notable among the Crusaders were the two orders of armed monks — the Knights Templar and the Knights of St. John of the Hospital. None stirred more resentment than the Templars. This had much to do with their high religious profession, especially as it was combined with a powerful commitment to lending money at exorbitant rates of interest. India, in the last century, was an exceedingly well-governed country. In efficiency, honesty, stability, safety of person and property, administration, it was a quantum step on from the contentious, corrupt, petty and predacious depotisms that it replaced. To this day what was British India — that governed directly by the British Raj — is perceptibly more prosperous than that which was governed indirectly through the princes — the Nabobs, the Nizam, the Rajahs and the Maharajahs. This was not forgiven.

One of the rare pleasures of serving in India in my time was the informal, unstructured and wholly fascinating conversations which Jawaharlal Nehru invited on a wide variety of subjects of no official interest to either of us. Once I asked him what would have been the optimal date for the British to have left India in a perfectly arranged world. He exploded in superbly contrived anger: "They had no business ever being in our country. Who asked them to come?" I reminded him that the government, so-called, that they had found had scarcely been a blessing for the average cultivator, that even ardent Indian nationalists conceded that the British in the eighteenth century were regarded as liberators in Bengal. Nehru conceded the point and compromised by saying they should certainly have been gone by the end of the First World War. In the last thousand years Alaska and Hawaii seem to be the only significant communities that have accepted government from a great distance without complaint. And now one reads of an incipient independence movement in Alaska.

It is in light of this history that the recent American experiences should be viewed. It is equally useful for understanding the post-World War II Soviet experience in Yugoslavia, China, Czechoslovakia, Algeria and Egypt, but we should set a higher store by our own enlightenment. We did not, after World War II, seek directly to govern people distant from our shores. Like the Soviets we were too wise for that. We even proclaimed our aversion to colonial rule. But no less than the colonial powers we sought to guide the political and economic development of other lands. No less than the colonial powers we sought to shape these developments to our own preference, which is to say our own image.

Our technique bore a more than superficial resemblance to that of Britain in the princely states of India — to what, in a less ambiguous age, was called indirect rule. In Indochina, happily the extreme and hence the somewhat exceptional case, we supported rulers of our preference if not our choice. We worried, as did the British, about their behavior. On occasion as the paramount power we dismissed them if they were too bad. (Our standards were, however, more tolerant than those of the Raj; once in Junagadh state in Western India it dismissed an animal-loving Nabob for staging an unduly elaborate wedding between two dogs named Roshana and Bobby. About 50,000 attended the ceremony, not counting the dogs. The Prince's kennels at the time were absorbing some ten percent of the revenues of the state which the British thought a bit high.) We surrounded our Nabobs with advisers — Lodge, Taylor, Bunker, Graham Martin. These were the modern, though decidedly more permissive, equivalent of the British Resident. We armed our men against their indigenous enemies and like the British supplied supporting force of our own. We further sought their fealty, if not in the case of General Thieu their enduring gratitude, by providing massive subsidies. We did depart from the British model in one respect. They spoke of colonialism; we said that we were securing the independence of the people in question.

In keeping with the 900-year history there was the admixture of idealism and economic interest. Nearly all the Americans giving guidance to our Indochina adventure felt, we may be sure, that they were acting in the interest of the people of that country. Freedom — freedom from the discipline and the coercion that few deny is a feature of Communist administration — was believed genuinely important.

As to the companion economic interest, I've never found much substance to the thought that our plunge into Vietnam was to enhance the profits of American corporations. They were doing quite well without it. The stock market invariably went up on news of peace. I spent much of 1968 raising money for the antiwar campaign of Eugene McCarthy. By far the largest part of our support came from businessmen,

the largest contributors being in Wall Street. But present in all postwar policy was one plank — avowed or unavowed. To preserve free enterprise in the United States you must act to preserve it everywhere else. Let other countries succumb to Communism and who could tell that our system would survive. It was a proposition that was without merit. What happens in Vietnam has no appreciable bearing on what happens in Europe or the United States. Whether a poor rural society calls itself communist or capitalist does not make much difference. It is a poor, rural society in either case. Only a very sensitive ideologist, walking through a Laotian jungle, can tell whether it is a free-enterprise jungle or a socialist jungle. But this is not the point. We had persuaded ourselves of our interest.

In keeping with all the history we have been rejected. In light of this history — the history of the effort of people to give government or even guidance to others that are ethnically, culturally or geographically distant — we should hardly be surprised.

You will ask why, in relation to Hanoi, the Chinese and Russians did better. One answer is that they were wiser: No Chinese or Russian troops were sent; no large body of advisers debouched; there was a Pentagon East but no Kremlin East. To this day we do not know which country, China or the Soviet Union, was most influential in North Vietnam.

We do know that where the Soviet influence and presence have been strong the experience has not been different from our own. In Yugoslavia, China, Algeria, Egypt, the Soviets have also had the experience, in the language of my Vermont neighbors, of being thrown out. I once asked a Soviet journalist what they did with their failed Yugoslav, Albanian, Chinese, Egypt and other like strategists. Did they, following our humane practice, go back to teach the young? Were they available for thoughtful seminars at some Bolshevik equivalent of the Council on Foreign Relations? Did they explain how it all happened on the Op-Ed page of *Pravda*? He replied only: "We have them."

The Indochina experience, however regarded, was a tragedy. Voltaire killed off Dr. Pangloss rather early in his academic career; it was a wise decision, and we should all deplore the recent efforts to revive him and put him on the White House payroll. But there are two aspects of our Indochina experience which are not altogether dark. One even is encouraging. There is a well-articulated view on the left that what happened in Indochina is inevitable under capitalism. It reflects that uncontrollable imperialist drive — the drive for markets, for outlets for investment, for justification for military spending and power. We see that inability to be guided by historical experience was far more plausibly the cause. Those responsible were not the helpless instru-

ments of a capitalist dynamic. They were men of limited vision who did not know the limits of their vision.

The men responsible for Vietnam were themselves an historical accident. They came to office when foreign policy was a fashionable pursuit of the Establishment, when it basked in the prestige of World War II and its aftermath, when a principal qualification was no excessive identification with liberal or left-wing politics and a negative saliva test on anything that might suggest sympathy for Communism. The most elementary of political propositions — that men will not rally to the support of rascals, would not die to sustain the greed of others — was well beyond the perception of the men so selected. I speak with some personal animus here. There were a number of us who made this case. We encountered that peculiarly refined contempt of the self-styled practical man for what he cannot understand and does not wish to understand.

Foolishness is not a minor problem in our time. But it is not inherent in our system. We are not impelled to its practice. It could be remediable. In this case there was remedy. It came, let us note, from the system — it came out of the good sense of the country as a whole. It is in this that we can justly take the satisfaction. When before has a great country stopped in the middle of a war, assessed the wisdom of its participation, decided it was wrong, asserted this judgment against all of the chauvinist tendencies aroused by military conflict, and brought its participation to an end? The answer is never. You will say that in Vietnam and Algeria the French followed a similar course. We, unlike the French, had a choice. Surely there were elements of greatness in the way the nation corrected the error of its leaders on Vietnam. I wish more of our people, including more of our critics abroad, might take note of this achievement. Does it not say something for democracy?

However, let us not make the presence of this remedial power a license for any more such errors.

Thank you very much again.