Winston Churchill and the American Diaspora

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When Congress voted American citizenship to Winston Churchill at the end of World War II, he suggested that only "an accident of birth" had prevented him from sitting among them. His mother had been an American, Jennie Jerome, daughter of a tycoon known as the King of Wall Street. Her father, Leonard Jerome, was related by marriage to the Roosevelts, which meant that the wartime alliance of Churchill and Franklin Roosevelt was a family affair. The British prime minister and the American president were distant cousins. Churchill's mother had met and fallen instantly in love with Lord Randolph Churchill at a ball at the Cowes sailing regatta, given by the Prince of Wales for his guest, the heir to the tsarist throne of Russia. Winston was the result of the union, and without doubt he was the most eminent of the children born of the fashion for marriages between American wealth and British nobility.

The Illustrated London News ran several series of articles on such marriages, under the title "America and the Peerage," in the generation before 1914, page after page graced by the portraits of the Duchess of Manchester, the Countess of Essex, Viscountess Deerhurst, and Lady Abinger. The Astors, the Harrimans, and the Mellons were all to join this admixture of the New World's wealth and the Old World's titles. There were over a hundred such alliances, including the wives of the eighth, ninth, and tenth Dukes of Marlborough. In 1895, the ninth duke married Consuelo Vanderbilt, who recalled that "in a small room in the church itself, the bridegroom and the bride's father signed an agreement giving Marlborough a dowry of $1.6 million in cash and the income from $2 million in gilt-edged stocks." The eventual price tag for the marriage, with subsequent gifts, pensions, and subsidies for the rebuilding of Blenheim Palace, was estimated at $20 million.

"It is a very curious fact that, with all our boasted free and equal superiority over the communities of the Old World, our people have the most enormous appetites for Old World titles of distinction," noted Oliver Wendell Holmes. And as the agricultural depression gripped the landed estates of England in the late nineteenth century, a depression deepened by the availability of cheap corn and beef from the American prairies, the British aristocracy developed an equal appetite for American money. At the age of eighty, Lord Donegall was blunt enough to put the terms in writing in a newspaper advertisement—his hand and his peerage for £25,000.

Not all the marriages involved the nobility. There were political dynasties, as well. Joseph Chamberlain, leader of Britain's Liberal Unionist party and, some said, the best prime minister Britain never had, married Mary Endicott, the daughter of President Grover Cleveland's secretary of war. Their son Neville was to prove one of Britain's worst prime ministers, his umbrella an enduring symbol of the appeasement of Hitler in the 1930s. The daughter of Dr. Tarleton Halles of Indiana was to give Britain yet another Anglo American prime minister in Harold Macmillan. Consuelo Vanderbilt, whose expensive marriage to the Duke of Marlborough ended in separation and divorce after fourteen years, and who remained in Britain to become a leading campaigner for women's rights, was eventually elected as a Liberal to the London County Council. And in the House of Commons, Churchill, Chamberlain, and Macmillan shared the green benches with Nancy Astor, the first woman member of Parliament.

She took the seat of her husband, Waldorf, who was furious that he could not surrender the title he had inherited on his father's death and had to go to the House of Lords. The peerage had cost William Waldorf Astor over a million dollars in donations to charities—which was the subtle British way of arranging these matters—by the time he was finally ennobled in 1916. The family fortune—from the fur trade and then from hotels—could easily support it. But by then, the political power of the House of Lords had been dramatically reduced after the constitutional crisis of "the Peers versus the People" in 1911. It was no longer conceivable that a prime minister could sit in the House of Lords. For Astor's son, inheriting the title in 1919 effectively meant the end of a promising political career; he had been private secretary to

Prime Minister David Lloyd George. But the family retained extraordinary influence; Waldorf owned the preeminent Sunday newspaper, *The Observer*, and his brother John Jacob owned *The Times*.

The coincidence is striking. Americans were buying into the British upper classes just as their political influence was being sharply reduced by the Liberal government that had swept into power in 1906. One of the leading members of this government, which fought and won a major constitutional battle to curb the powers of the House of Lords, was the young Winston Churchill. As home secretary, a job that included the functions of minister for justice and what mainland Europeans would call minister of the interior, Churchill, along with the humbly born Welsh lawyer Lloyd George, was one of the government's young stars. He was also, in the eyes of some members of the House of Lords, including his own family, a traitor to his class. But then as the son of a younger son of a duke, he had little hope of succeeding to the family title, the Dukedom of Marlborough, granted along with the great palace of Blenheim to his valiant military ancestor for repeated victories over the armies of France's "Sun King," Louis XIV.

These twin themes of political treachery and the accidents of noble birth were to run through Churchill's career. First elected to Parliament in 1900 as a Conservative, he soared to prominence as a Liberal, and abandoned this party after World War I to rejoin the Conservatives, rising to become chancellor of the exchequer and thus in charge of the national economy. Then in the 1930s, he became a rebel within his party. He fought Prime Minister Stanley Baldwin over his attempts to bring home rule to India, jewel of the British Enpire, and over Baldwin's determination that King Edward VIII should abdicate rather than be allowed to marry the American divorcee Wallis Simpson. Churchill sought to establish and lead a king's party, but after some characteristic dithering, the king refused to cooperate. Churchill's greatest rebellion against his fellow Conservatives was to lead the opposition to the policy of Baldwin and his successor, Neville Chamberlain, of appeasing Hitler, buying him off and buying time by acquiescing to his seizure of Germany's neighbors. Finally, in May 1940, as Nazi Germany conquered Norway and prepared the great blitzkrieg invasion that would lead to the fall of France and the evacuation of

some 300,000 men of the British army from Dunkirk, Churchill's long rebellion bore fruit. Chamberlain was voted out in a parliamentary coup and Churchill became prime minister and war leader. Had it not been for the political difficulty of having a prime minister in the House of Lords, Chamberlain and King George VI were both maneuvering to block Churchill by nominating the foreign secretary (and apostle of appeasement), Lord Halifax, for the job. Halifax was sent off instead to Churchill's mother's homeland, as ambassador to Washington.

Not that Churchill needed an ambassador in Washington. His prime concern was to build a personal and political relationship with President Franklin Roosevelt that would bring the United States into the war and thus maintain the Anglo-American alliance throughout the war and thereafter. The flavor of the relationship, at least in Churchill's perception, is best caught by that moment when Roosevelt mistakenly entered the bathroom while Churchill was toweling himself dry, whereupon Churchill said, "His Majesty's prime minister has nothing to hide from the President of the United States." Roosevelt, despite his natural cordiality, his affection for Churchill, and his belief in the Allied war effort, was not to be so easily seduced. Roosevelt was aware that Britain was an overstretched and declining power, and he took his relations with Stalin more seriously. Indeed, Churchill was constantly nervous that the "Big Two" might meet without him, and when they arranged to do so, during a brief interlude at the 1943 Tehran summit, he was dismayed, waspishly telling Averell Harriman that he was "glad to obey orders."

With the benefit of hindsight, perhaps the most lasting impact of Churchill's political career was his arranging the tidy transfer of global power from an exhausted Britain to an ebullient America. By insisting throughout the late 1930s that Britain must prepare to fight Hitler, and after 1940 that it must be prepared to fight on alone, Churchill was condemning Britain to a battle that it could hardly win without losing its global primacy in naval and commercial affairs to the Americans. And very swiftly after its naval and commercial power was outmatched, the British Empire was slowly but inevitably abandoned. Too poor to hang on, too proud to let go, Britain clung for another twenty years to an imperial status it could no longer sustain, comforted only by the illusory compensation—which Churchill had embraced during

the war—of a lasting and binding special relationship with the American successor.

Churchill had hoped for far more. In May 1943, in a private memorandum to Roosevelt, he proposed "some common form of citizenship" between Britain and the United States, so that they would be "able to come and settle and trade with freedom and equal rights in the territories of the other. There might even be a common passport." The idea was discussed politely, although not embraced, at a White House lunch. Four months later, back in the United States to receive an honorary degree from Harvard, Churchill raised the idea of "common citizenship" in public, this time with an emotional appeal to the common heritage and destiny of "the English-speaking peoples," a theme that had engrossed him since he had begun a historical series of that title in the 1930s. Indeed, the speech for which Churchill is now best remembered, his warning at Fulton, Missouri, in 1946 of an iron curtain descending across Europe, was far more concerned with his proposal that the way to counter the Soviet threat was to establish "a special relationship between the British Commonwealth and Empire and the United States. . . . It should carry with it the continuance of the present facilities for mutual security by the joint use of all naval and air force bases in the possession of either country all over the world."

"We have become conscious of our common duty to the human race. Language, law, and the processes by which we have come into being, already afforded a unique foundation for drawing together and portraying a concerted task," he argued, returning to the theme in political retirement, in the 1956 preface to his *History of the English-Speaking Peoples*. It was, of course, a chimera, and it explains why President Truman and the other leading American politicians in the audience were at the time unmoved by a speech that has gone down in legend as the Sibylline prophecy of the Cold War. Whatever Churchill's rhetoric, a proud republic that had battled for its independence against the British crown at the summit of its powers was hardly likely to welcome merger with an enfeebled monarchy whose imperial pretensions and class system embodied all that America was not. Churchill had begun his series on the English-speaking peoples in the aftermath of the 1936 crisis over the abdication of King Edward VIII. At the

1937 coronation of his replacement, the younger brother who was crowned as George VI, the traditional text of the ceremony, unchanged for four centuries, prayed that the new sovereign should be blessed with "a loyal nobility, a dutiful gentry, and an honest, peaceable and obedient commonality." It would not be easy to draft anything less likely to attract to a common citizenship Americans born and raised within the structure of a Constitution that began with the sovereign words "We, the people . . ."

Churchill loved America, but he did not understand it. On his first visit in 1900, on a lecture tour to promote his book about his capture and escape from the Boers during the South African War, he was stunned by the hostility to this imperial venture by Americans engaged in their own first taste of colonial warfare after the United States had expelled Spain from Cuba and the Philippines. He was delighted and honored that his first lecture in New York was "chaired by no less a personage than Mark Twain himself," apparently unaware that Twain was passionately involved in the Anti-Imperialist League. "Of course we argued about the war," Churchill recalled. "After some exchanges, I found myself beaten back to the citadel, 'My country right o wrong."Ah,' said the old gentleman. 'When the poor country is fighting for life, I agree. But this was not your case.' "

Churchill might have expected a very different reception from Theodore Roosevelt when he traveled up to Albany to lunch with the governor of New York. But the two men did not get on. Churchill thought it was because they argued over whether some Boer War incident had taken place at Bloemfontein, as Churchill maintained, or Magersfontein, as Roosevelt insisted. Roosevelt was right, and Churchill later apologized. But he never realized that the real reason for Roosevelt's frostiness was an affront to his sense of good manners; Churchill had failed to stand when the ladies entered the room. Churchill never understood this. He claimed, over a lunch in 1940 with Roosevelt's grandson Kermit (who had just volunteered to join the British army), that it was all a misunderstanding: Roosevelt had been appalled by a false story that Churchill had risked the health of his native bearers by going into tsetse fly country on an African safari.

If Franklin Roosevelt was the American president on whom Churchill depended, Teddy Roosevelt was the American politician Chur-

chill most resembled. Indeed, the inspiration for Churchill's own historical series probably came from his reading of Teddy Roosevelt's *The Winning of the West.* which begins: "During the past three centuries, the spread of the English-speaking peoples over the world's waste spaces has been not only the most striking feature in the world's history, but also the event of all others most far-reaching in its importance."

The parallels in their careers are striking. Both men were authors and historians, radicals at home but imperialists abroad, and devout believers in sea power. Neither man cared much for party loyalty, although each was to prove a devoted husband. Whether Roosevelt was New York reformer, Republican, or Bull Mooser, and whether Churchill was Liberal or Conservative, each man clambered aboard whatever political vehicle seemed most convenient, and most likely to bring personal advancement.

More than that, each was to bring the other's qualities into his own native politics. Teddy Roosevelt imposed that deeply British sense of national destiny and racial pride upon the America of his day. Churchill brought the dash of the maverick and of the lone adventurer to the class and party rigidities of Britain. Each might have had glittering and probably similar careers in the other's country, and even their Anglo-American sentiments were at times almost interchangeable. As Roosevelt wrote in 1918 to his old friend Rudyard Kipling: "I am stronger than ever for a working agreement between the British Empire and the United States; indeed I am now content to call it an Alliance."

But in 1918, Britain still appeared to be at the peak of its powers, and any such arrangement would have been an alliance of near equals. Churchill's appeals during and after World War II carried more than a whiff of supplication. There was little doubt of the respective pecking order during his first wartime meeting with FDR in August 1941, with Pearl Harbor still five months in the future. Sir John Colville, Churchill's secretary, confided in his diary that "he is as excited as a schoolboy on the last day of term." And Harry Hopkins, who accompanied Roosevelt to the meeting aboard the British battleship *Prince of Wales* in Placentia Bay off Newfoundland, noted, "You'd have thought Winston was being carried up to the heavens to meet God!" Churchill had prepared the theater of the occasion with care, and he took a personal interest in the hymns that the British and American sailors would sing during a Sunday-morning church service on board, under the muzzles of the fourteen-inch guns. The symbolism of the shipboard summit took on more somber note the following year, when the *Prince of Wales* was sunk by Japanese bombers during the campaign that saw the capture of Singapore, Britain's main naval base in the East.

Churchill, who visited the United States repeatedly and made much of his living in the 1930s from freelance writing for American magazines (money he needed after his losses in the Wall Street crash), had understood the essence of the matter. What he was first to call "the special relationship" did not come automatically from a common language, law, and culture, or even from the dynastic and political marriages and alliances of the kind he embodied. The extraordinary intimacy that developed between the two governments was a direct result of the war, and the enforced proximity of alliance politics. In 1939, there had been nineteen British diplomats in the Washington embassy; by 1944, there were over nine thousand. It was, noted army chief of staff Gen. George Marshall, "the most complete unification of military effort ever achieved by two allied nations." This partnership continued during the Cold War, and until the Minuteman intercontinental ballistic missiles began to deploy in the 1960s, the American nuclear deterrent depended on British bases to reach their Soviet targets. It was not just a wry joke that inspired George Orwell to dub Britain "Airstrip One" in his novel *1984.*

British and American military units shared bases, equipment, and training facilities. The British used U.S. Polaris and Trident submarines; the U.S. Marine Corps flew British Harrier jets. The intelligence services of the two countries were even closer, locked together by tradition, treaty, and habit, and by the shared SIGINT data from the signals intelligence listening posts that the geographic spread of the old British Empire was so usefully able to furnish, from Hong Kong to Cyprus. Their diplomats worked together (usually) at the United Nations Security Council, the most famous of the international institutions the Anglo-American alliance built after 1945. Their economists worked together at the World Bank and the International Monetary Fund, as their military men served together at NATO, and their spies jointly built and manned the famous underground tunnel to

tap the military telephone lines in the Soviet sector of Berlin. Whole generations of British and American officers, experts, and officials grew up with and passed on this unprecedented tradition of governmental partnership.

It was helped by the common language, which also helps to explain the equally striking pattern of America's writers and artists, as well as its heiresses, military officers, and businessmen, making their way across the Atlantic to put down abiding roots. On June 29, 1915, as the war gripped the Western Frond, Henry James wrote a letter in characteristic prose to the British prime minister, Herbert Asquith. It read:

> I am venturing to trouble you with the mention of my personal situation, but I shall do so as briefly and considerately as possible. I desire to offer myself for naturalization in this country, that is, to change my status from that of an American citizen to that of a British subject. I wish to testify at this crisis to the force of my attachment and devotion to England and to the cause for which she is fighting. I can only testify by laying at her feet my explicit, my material and spiritual allegiance, and throwing into the scale of her fortune my all but imponderable moral weight—a poor thing but my own! hence this respectful appeal.

James became the squire of the quintessentially medieval hilltop English town of Rye, whose principal tavern, the Mermaid, proudly boasted that it had been "Restored in 1488," some years before Columbus had landed in the New World. Thomas Stearns Eliot did not go quite so native, but this seminal modern poet stayed in England to work as a teacher, then as a bank employee, and subsequently as an English publisher. The company of the Vorticists, one of those artistic movements so fashionable at the time, which included another eminent American poet, Ezra Pound, and the British poet and artist Wyndham Lewis (whose father was American), helped draw him in. It was a well-trodden path, adopted by two outstanding American artists, James McNeill Whistler and John Singer Sargent, and by the American theatrical impresario Colonel Bateman, who launched Henry Irving's stage career.

The process of the American diaspora may have begun and been more intense and enduring with Britain, but England was not the only lure. Some 2 million Americans went to Europe to fight in World War I, and many of them stayed on or returned, for the art, for the women, for the relaxed sexual code, for the adventure, or to enjoy the favorable exchange rate. From Gertrude Stein to Ernest Hemingway, Scott Fitzgerald to Henry Miller, they gravitated almost naturally to France, which for most Americans was the first foreign land they had seen. "If you are lucky enough to have lived in Paris as a young man, then wherever you go for the rest of your life, it stays with you, for Paris is a moveable feast," wrote Hemingway thirty years later. And in Paris, they found more Americans, so many that their presence is now a part of the city's own legend, and their cafés, like the Dome, now trade on the ancient custom.

After World War II, Americans stayed on first as occupation forces of the defeated enemy and then as allies guarding countries that had been democratized under Anglo-American guidance. In Germany, the British, and to a lesser extent the French, took part in de-Nazification, and in the establishment of a free press, free trade unions, and political institutions. John McCloy, former assistant secretary of war, became as U.S. high commissioner almost a viceroy of West Germany, and the midwife of its industrial reconstruction and recovery. Having come to Germany from his last post as head of the infant World Bank, McCloy had the magic wand of Marshall Plan aid at his disposal, and he urged the big American industrial groups like Ford and General Motors to invest and start manufacturing in what McCloy saw would he Europe's biggest single market.

The intensification of the Cold War was a crucial factor in the way McCloy was able to transform military occupation into friendly alliance. The week before the invasion of South Korea in 1950, McCloy rejected the appeal of German chancellor Konrad Adenauer for a national police force of 25,000 men. Immediately after the invasion, however, McCloy quickly authorized the force. In the mood of intense panic that gripped Germany, so fearful of a Soviet invasion that Adenauer's office begged McCloy for two hundred pistols to defend its inhabitants against fifth columnists, McCloy cabled to Washington a dramatic appeal for German rearmament: "If no means are held out

for Germany to fight in an emergency, my view is that we should probably lose Germany politically as well as militarily, without hope of regain. We should also lose, incidentally, a reserve of manpower which may become of great value in event of a real war."

In Japan, an even greater role was played by Gen. Douglas MacArthur, who rewrote the Japanese constitution to ensure that in the future Japan would have only self-defense forces, redefined the role of the emperor as a constitutional monarch, and insisted on education for women. Backed with a brain trust of young Americans, mainly social democrats thrilled by the opportunity to reshape an entire nation, MacArthur had begun by trying to dismantle the *zaibatsu*, the interlocking industrial and financial conglomerates that had dominated the prewar economy.

The outbreak of the Korean War, which overnight transformed Japan into an advanced industrial base for the Cold War and a potentially crucial ally, reversed American policy, and huge industrial trusts were encouraged as locomotives of future growth. The two greatest beneficiaries were the Mitsui group (including Toyota, Toshiba, and the Mitsukoshi department stores) and Mitsubishi (which includes Nikon, Kirin beer, Meiji life insurance, and NYK shipping). The Pentagon's special procurement budget, which allowed them to buy military supplies locally, pumped over $3.5 billion into the Japanese economy between 1950 and 1955. These funds, the equivalent of the American investment in West Germany through the Marshall Plan, financed the new shipyards, the railroads, and even the first Toyota truck assembly line, all to feed the embattled armies in Korea.

America's global role was the great force that drew its people overseas from the opportunities and energies of their own country. In terms of numbers, the overwhelming cause of their travels, both after 1917 and after 1941, was war or military service. France was the great attraction for the first generation, although Hemingway had served in the ambulance corps on the Italian front. Some went to the Spanish Civil War of the 1930s as volunteers in the socialist cause. And then some 4 million passed through Britain during World War II, on their way to the fronts, where they fought their way to the German heartland from Italy, from Normandy, and from southern France, or through the air in their Flying Fortresses. And then with the coming

of the Cold War, the GIs returned again, some 300,000 of them as a permanent garrison standing watch on the Rhine for forty years. By the time the Berlin Wall fell in 1989, both the American and British garrisons in West Berlin boasted soldiers whose fathers and grandfathers had stood guard in the same isolated enclave. With their wives and families and the U.S. Navy crews of the Sixth Fleet, there were never fewer than half a million Americans stationed in Europe from the end of the 1940s until the early 1990s. As Senator Daniel Patrick Moynihan noted, "This is the stuff of Roman legions."

Moynihan himself, who had served in the navy in World War II, used the GI bill to study in England, and tens of thousands of veterans followed his example, at Oxford, Cambridge, and the London School of Economics; others studied at the Sorbonne in Paris, or in Heidelberg, Germany. The chance to live and study abroad was eagerly seized, and not just through the GI bill. The young Henry Luce, before founding *Time* magazine, used his fifteen-hundred-dollar share of the profits of the *Yale Daily News* in 1920 to buy himself a year at Christ Church College, Oxford. Luce spent his Christmas vacation under the wing of Thornton Wilder, then studying at the American Academy in Rome, and there met his first wife, Lila Ross Holz, of Chicago, who was spending a year at Miss Risser's celebrated finishing school for young Americans.

The classic route for Americans to study in Europe was through the Cecil Rhodes scholarships to Oxford, established by a British tycoon who made his fortune in Africa and dreamed of bringing back the lost American colonies into an Anglo-American empire. Rhodes believed that English-speaking elites around the world had something in common that could be captured by the shared experience of two years' immersion at Oxford, and then refined and reinforced by a lifetime of networking thereafter. There were two flaws in the Rhodes concept from the beginning. The first was Oxford, which gave the early scholars a cold shoulder. The Oxford Union voted heavily against having them at all. Half of the two thousand American applicants until 1919 were rejected because they could not meet Oxford's requirements in Greek and Latin. The second was Rhodes himself, who embodied a concept of authority and of empire that was more Roman or even Teutonic than British. He fancied himself a kind of reincarnation of

the emperor Hadrian, commissioned endless Roman busts of himself, and arranged his funeral in the Roman style. The will that established the Rhodes Trust called for any funds left over to be devoted to the cause of establishing a new political force, the Imperial party.

Oswald Spengler, the prophet of Nazism, concluded, “Rhodes is to be regarded as the first precursor of a western type of Caesar. He stands midway between Napoleon and the force-men of the coming centuries.” Spengler, sympathetic to Rhodes’s view that the British and Americans as Anglo-Saxons were part of a Teutonic master race, saw Rhodes as an honorary German: “In our Germanic world the spirits of Alaric and Theodoric will come again—there is a first hint of them in Cecil Rhodes.” Adolf Hitler agreed. At dinner in April 1942, musing on Britain’s decline since the Victorian heights, Hitler noted that only Rhodes had understood the way in which British supremacy might be maintained, but the feeble British had ignored him.

This is not how Britain, or Oxford, or the grandees of the Rhodes concept choose to remember Rhodes now. In 1983, Oxford chancellor Harold Macmillan hosted the Rhodes reunion and declared, “From the monks of the abbeys of 1112 A.D. we have moved from the Age of Faith to the Age of Credulity. In that period, the most imaginative concept or grand design was that of Cecil Rhodes.”

The most important contribution of the Rhodes scholarships was, at the dawn of the twentieth century, the creation of the first institution that allowed people from one country to study in another. Rhodes’s vision was swiftly copied. The Fulbright scholarships, the German Marshall Fund scholarships, and the Harkness and Churchill fellowships far outnumber the Rhodes in the opportunities they offer. The Japanese crown prince and his princess went to Oxford, but they did not do so as Rhodes scholars. Nor is the Rhodes scholarship a guarantee of success. One who tried and failed to make the grade went on to become president: Jimmy Carter. Nor were the Rhodes scholarships quite the means that their founder envisaged of cementing an Anglo-American elite. In their prime before World War II, the Rhodes scholarships produced more American missionaries to China than they did U.S. government officials, elected congressmen, or lawyers. In the postwar period, the fruition of the Rhodes dream of force-

breeding an Anglo-American official elite has also seen the slow erosion of the broader U.S.-British relationship.

Even Rhodes could hardly have dreamed of the kind of political success his legacy was to have in the 1990s, with the Clinton administration. Never has any foreign country been run so completely by such a narrowly defined and foreign-educated elite. Clinton himself was a Rhodes scholar, and he was surrounded by others, from domestic policy adviser Bruce Reed to communications director George Stephanopoulos to Ira Magaziner, who ran the ill fated health-reform initiative. Another Rhodes scholar, James Woolsey, was director of the CIA, and yet another, Strobe Talbott, who had been Clinton’s Oxford roommate, was deputy secretary of state. Two others were Walter Slocombe, assistant secretary of defense, and Robert Reich, secretary of labor. Rhodes scholar David Souter sat on the Supreme Court, and James Billington was Librarian of Congress. Six Rhodies served in the Senate (Paul Sarbanes of Maryland, Russell Feingold of Wisconsin, David Boren of Oklahoma, Paul Lugar of Indiana, Larry Pressler of South Dakota, and Bill Bradley of New Jersey). And yet this was an administration that presided over what looked to be a twilight of the Anglo-American special relationship. The United States ran roughshod over Britain’s attempt to continue testing nuclear weapons in Nevada. President Clinton gave a visa to Gerry Adams of Sinn Fein, over the outraged complaints of Prime Minister John Major, as part of Clinton’s successful bid to launch a peace process in Northern Ireland. His administration engaged in a public row with Britain over Bosnian policies, and made it clear that the richer Germans were their favored interlocutors in Europe. Many of these Rhodes scholars felt only limited affection and nostalgia for Britain as a result of their time at Oxford. Along with pellucid May mornings punting on the Isis and sunsets gilding the dreaming spires, they recalled snooty undergraduates, languid dons, cold rooms, and bad food. From the vantage point of an elite enclave, they experienced Britain as a country in palpable decline. The contradiction was acute between the snobbish complacencies of Oxford and the wider realities of shriveling British grandeur. Their memories were colored by strikes in the 1960s and 1970s and by the politics of class war in Margaret Thatcher’s 1980s, all against the background of a simmering counterinsurgency campaign in

Northern Ireland, and punctuated by the occasional terrorist bomb in Britain.

But by then, the real nature of the American diaspora had changed. By the end of the Gulf War of 1991, to which the bulk of the American forces came from the old NATO bases in Europe, and then returned home to bases in the United States, the Cold War garrison in Europe had shrunk from 300,000 to barely 100,000 American troops. This was still a formidable force, but it emphasized that the typical American abroad was no longer a young man in military uniform, but an executive in a business suit. The growth of world trade and the increasing American investment abroad throughout the Cold War period had been inspired by better opportunities abroad. During the 1950s, industrial productivity in Germany increased by 6 percent a year, and in France by 4 percent. American productivity, by contrast, was growing at 2.4 percent annually over the decade. This not only implied a relative decline of American economic efficiency; it also became a self-sustaining rend, as American corporations realized they could make better returns on their investment in Europe than at home and so began to export more capital overseas to take advantage of this fact. In 1950, the book value of American holdings in Europe was $1.7 billion; by 1969, it had increased more than tenfold, to $21.5 billion; and by 1997, it had reached $370 billion.

Most of the profits of these American-owned enterprises remained in Europe, to be reinvested, and to help swell the astonishing new international currency, the Eurodollar. The Eurodollar was homeless money, the American money that had left the United States and stayed in European banks, becoming a new financial instrument. By 1966, there were some $15 billion in Eurodollars being traded in the European markets, an uncontrolled currency whose size and volatility helped force the devaluations of the original dollar in the 1970s. From the traditional American point of view, this was a progression toward national impoverishment. But tradition was a poor guide to the extraordinary transformation that the Cold War was inducing in the American economy. Until 1940, when conscription was first introduced in peacetime, the United States had had a tiny standing army. In 1939, it numbered only 174,000 men, and although the navy represented a substantial investment, the defense budget took only 3.4

percent of the GDP. The Cold War changed all that. With the special demands of the Korean and Vietnam wars, the army grew, but even in nominal peacetime, it was maintained at a complement of over a million men, and the share of the overall U.S. economy devoted to defense remained between two and three times the levels of 1939.

The American economy was not only militarized to this degree by the Cold War; it was also internationalized. American patterns of trade and investment were transformed, and what had been a virtually self-sufficient economy before World War II became locked ever more deeply into the global trading system that was emerging. The trend is plain. From the depth of the Great Depression in 1933, when total American exports were $1.65 billion, America's trading relationships with the rest of the world simply exploded. American exports in 1950 were $10.2 billion; in 1960, $20.4 billion; in 1970, $42.6 billion; in 1980, $216.7 billion; in 1990, $421.6 billion; in 1997, $1,167 billion.

Exports tell only part of the story. The investment by American companies in the Western European economy, and increasingly in Japan, too, intensified this trend of the deepening interdependence of the Western world. From a total of $1.7 billion in 1950, to $21.5 billion in 1969, this flood of private investment was running at the extraordinary level of $150 billion a year by 1989. By 1997, the total of foreign investments by the United States and the European Union in each other's economies was $750 billion. Three mil lion Americans worked for European-owned companies and over 4 million Europeans worked for American employers. By 1997, almost a million American civilians lived and worked in European countries. This was the global economy with a vengeance. And these investments were not made by government strategists, bureaucrats, or statesmen as the Marshall Plan had been, but by wealth-seeking managers and entrepreneurs. Just as the Cold War had forced the United States to internationalize its military commitments and spread its bases across the globe, so trade followed the flag and internationalized the American economy, too.

The process also transformed the nature of industrial organization. If the classic managerial structure of the first phase of the industrial revolution in Britain had been the joint stock company, and the next phase of industrial expansion was led by the cartels of individual nations, the characteristic formation of the Cold War's global economy

was the transnational corporation By 1968, for example, a mere twenty U.S.-based corporations accounted for more than two-thirds of all U.S. investment in Western Europe, and some 40 percent of U.S. investments in France, Britain, and Germany were held by three multinationals—Ford, General Motors, and Standard Oil of New Jersey, better known as Exxon. And by far the biggest foreign investors in the United States were Europe's own biggest multinationals, BP (British Petroleum) and Royal-Dutch Shell.

This Americanization of the world's economic structure also reached deep into private lives. By the 1990s, middle-class people across the world could wake up to CNN, scan the *International Herald Tribune* and the *Wall Street Journal*, breakfast on Florida orange juice and Kellogg's cornflakes, drive to work in a Ford, and spend their day on an IBM computer using Microsoft software—and take their families to McDonald's or Planet Hollywood for dinner, paying the bill with an American Express credit card before returning home to watch a video of an American film while sipping a Budweiser.

Nor was this a wholly new phenomenon. In the nineteenth century, European women routinely began buying Singer sewing machines. By the 1880s, Singer had its own plant in Britain, and so did Otis (elevators), National Cash Register, Colt (revolvers), Eastman Kodak, Babcock and Wilcox, and the pharmaceutical firms of Burroughs and Wellcome. Alexander Graham Bell and Thomas Edison dropped their rivalry to bring the telephone system to London as the United Telephone Company. By the eve of World War I, Londoners were shopping at the American Gordon Selfridge's department store on Oxford Street, and buying Model T Fords manufactured on an assembly line in Manchester.

There was no stopping the outward flow of American goods and ideas, subtly accompanied by the values that underlay them. By the 1980s, the impending collapse of the Soviet Union could be measured by the Moscow Hack market's dependence on dollar bills, Levi's jeans, Marlboro cigarettes, and videos of *Dallas* and *Dynasty*. The students of Beijing's Tiananmen Square knew precisely the symbolism and appeal of their defiance when they wheeled in a giant model of the Statue of Liberty as the token of their stand. It all amounted to what Harvard professor (and later senior Pentagon official) Joseph Nye called America's "soft power," more seductive and in the long run more compelling than the traditional hard power of the aircraft carriers and military bases overseas.

By the end of the century, the two principles for which America had consistently stood, democracy and self-determination, had spread to most of the planet. A majority of the world's peoples lived under regimes that were broadly democratic, in that elections could dismiss and appoint governments, and the old colonial empires had almost entirely disappeared. Although many countries were poor, prosperity and opportunity were far more widespread, thanks to the growth of the global economy that American policies and investments and American business practices had helped to spread more than any other country. Nazism, Japanese militarism, and communism had all been withstood and defeated, mainly by the force of American arms and American industrial prowess. If any other single nation could begin to match that record, it was Great Britain under the leadership of that heir to the dynastic union of American wealth and British ancestry, Winston Churchill.