

Globalization and the Fate of Post-Cold War Social Welfare

Michael A. Dover

“No college is as powerful in the shaping of momentous events as the National Security Council.” - C. Wright Mills

“To the extent that a government manufactures external threats to justify the military protection it provides and the taxes it collects for that purpose, it operates a protection racket.” - C. Tilly (1984: 58)

“The Cold War is over, and a major hot war is remote for now. What was tolerable in war is no longer in peacetime....After major wars, governments were never reduced to the sizes they had been before the conflicts. But now the costs of the welfare state are becoming unsustainable - politically and economically. The restructuring that corporate America has been undergoing for almost 15 years and that European companies are just beginning will hit public sectors everywhere.” - Malcolm S. Forbes, Sr., 1993

**Paper Presented at the
36TH ANNUAL
MICHIGAN CONFERENCE OF POLITICAL SCIENTISTS
October 15-16, 2004**

(This paper is intended for revision into a purely theoretical piece for submission to the Journal of Progressive Human Services in the near future. In the future, I plan to revise the empirical data collection strategy to first address this question quantitatively, by doing a secondary analysis of existing datasets on the relationship of military and social expenditures before, during, and after the Cold War. Only later would I seek to supplement this with qualitative historical data of the kind originally anticipated in this paper, which was originally developed as a draft of a dissertation prospectus for Prof. Howard Kimeldorf. It also drew up my 133 page single-spaced monograph on the subject prepared for Prof. Michael Kennedy (see vita page 18, December 1995). This topic could not easily be addressed so soon after the end of the Cold War. Now, however, the timing is excellent for further work in this topic.)

Summary of Basic Themes

"It will be a great day when our schools get all the money they need and the air force has to hold a bake sale to buy a bomber." This bumper sticker slogan expresses our hopes for the future but also contains an explanation of the past: namely, that military expenditures were primarily to blame for our relatively undeveloped U.S. welfare state.

As the Cold War drew to a close at the turn of the last decade, the possibility of a peace dividend captured the public imagination. But that dividend has not materialized. There have been two main explanations for this. First, we point to the continued high levels of military expenditures. Second, we blame the globalization process. Both are good partial explanations. But there is a third factor. The end of the Cold War resulted in an accelerated reduction in the already declining level of elite consent to welfare state expenditures.

For instance, Malcolm S. Forbes Sr. said in 1993: "The Cold War is over....What was tolerable in war is no longer in peacetime....The costs of the welfare state are becoming unsustainable - politically and economically."

As Michael Reisch has pointed out, there is substantial concern about how social work and social welfare will evolve in a world without socialism. The opening of one-third of the world to capitalism has been a key element of the debate on globalization. But before we can understand the future of globalization, we need to understand what it was about a world with Communist-governed forms of state socialism which influenced postwar social welfare development. Did the presence of the Soviet bloc provide a rationale for increased Western military spending, which in turn stunted the welfare state? Or did Western elites consent to demands for social welfare partially because they saw the value of a guns and butter defense against communism? If both effects can be discerned, which was predominant, and what does this tell us about the conditions for achieving a post-Cold War peace dividend?

Most theories of social welfare development make one of three assumptions about the role of elites. Theories of elite defeat have stressed the role of working class mobilization, civil disorder, and social democratic electoral victories. Theories of elite compromise stress pluralism or Theda Skocpol's polity-oriented processes. Theories of elite control saw social welfare as social control and as fully subordinate to the rule of capital. Functionalist theories saw social welfare as a built-in feature of industrialization.

The above theories all tend to view the nation-state in isolation from the international environment. As a result, they neglect a key structural factor influencing social welfare development. The neglected structural factor was the bi-polar U.S.-Soviet contention. During the Cold War, U.S. military outlays to NATO subsidized the Western European welfare state. Postwar U.S. foreign policy favored the use of a therapeutic dose of welfare state socialism to fight more virulent strands of communism. In the U.S. in the early 1950s, massive cuts in U.S. social expenditures proposed by NSC Memorandum #68 were opposed by advocates of a guns and butter strategy. The guns and butter strategy became quite blatant during the Vietnam War.

Also common to existing theories has been a stress on the active agency of historical actors, rather than on harder to observe, more passive roles such as consent. Arguably, a more nuanced continuum of theories of elite agency in relationship to social welfare would run from elite defeat to elite enforced consent to elite compromise to elite strategic consent to elite control.

Taking into account this structural factor and the related process of elite consent, we need to re-analyze policy determination within each major policy domain as well as the overall postwar relationship between social security and national security. If the Cold War and the Western welfare state, when viewed over the entire course of the Cold War, had more of a symbiotic than a zero-sum relationship, then it is no wonder we have not achieved a peace dividend. The post-Cold War interests of the military industrial complex continue to drive military spending. Likewise, Piven and Cloward point out that benefit systems produce constituencies whose influence mitigates against cuts, producing a somewhat path dependent process. But absent international and domestic social movements strong enough to stimulate renewed elite

consent or to impose elite defeat, the withdrawal of Cold War-motivated elite consent makes a stronger welfare state unlikely and severe cuts quite possible.

An opposing argument might contend that the welfare state was formed well before the Cold War. But this confounds welfare state origins with subsequent development. The welfare state never really "took off" in most major nations until after WW II ended. Also, exogenous factors such as colonialism and war influenced social welfare prior to the Cold War as well.

For instance, Richard Titmuss found that during the early 20th century, states were first concerned about the quantity and then about the quality of potential military recruits, leading to some early health and welfare measures. Later in the century, states reacted to a concern about the welfare of the entire population and finally, during the Cold War, to a concern for civilian morale. But Titmuss argued that the nature of defense needs influenced the character of social services all along, the reason being that states were constrained to prove they had something better to offer than their enemies.

In Germany, Max Weber was a leading proponent of linking domestic and foreign policy. According to Karl Marx, Bismarck adopted an essentially international policy, one designed to use reforms to contain class struggles within nation-states, and gain domestic support for colonial adventures and conflict with France. In the U.S., both Michael Sherry and Lloyd Gardner document elite awareness of the relationship of the New Deal to foreign and military policy.

Early 20th Century elite consent to social welfare was motivated by a juxtaposition of international strategic concerns and domestic demands from British Fabian socialists, German social democrats and U.S. depression-era social movements. This brief account validates the role of exogenous structural effects on national social welfare. The advent of the Cold War strengthened these effects.

After mounting strong postwar social movements to strengthen social protections, it was natural for labor and left activists to take credit for social welfare achievements, and assume they were imposed on elites. The passive role of the consent of key corporate liberal elites was obscured by the active opposition of other elites. As a result, some of those gains represented Pyrrhic victories. First, they were accompanied by deplorable levels of military expenditures. Second, there may have been a hidden sunset provision, ready to be invoked when elite consent was significantly reduced at three key historical points: (1) during the early 1970's economic and welfare crisis, when reduced expenditures became essential for global competitiveness, (2) when the Cold War began to wind down, and a linked guns and butter strategy became a less essential aspect of national security, and (3) when the Soviet Union collapsed in 1991, accentuating the earlier effects of both globalization and altered national security requirements.

Gosta Esping-Anderson has pointed out that the causal influence of wars for the welfare state remains a neglected issue in the large literature of welfare state origins. The same logic applies to the role of Cold War. But that logic may have been obscured by the inimical relationship of social welfare and bloated levels of military spending. It would have been counterintuitive to conclude that the Cold War indirectly stimulated the growth of the welfare state. After all, at any one time, advocates for military and social expenditures competed with each other for their share of national budgets. These peace and social welfare struggles shaped our historical perceptions. They made it harder to recognize that over the course of the Cold War these two budget items were both rising rather steadily as part of an effort to build strong capitalist democracies capable of fending off state socialist advances. An untold story of the Cold War may be how national security elites relied upon weapons of mass destruction but also recognized that social welfare policies helped put a human face on capitalism.

Was the welfare state as we have known it an historical anomaly? Was it a structural artifact of the Cold War? Paradoxically, was the consent of U.S. national security elites key? Did we really have a warfare-welfare state as O'Connor and Lasswell argued?

Counterfactually, what if a strong Soviet Union had not survived WW II? What if there was no Cold War? Would the postwar welfare state have grown as it did? If neo-liberal elites continue to withdraw their consent, how can we build an anti-racist, pro-human need and anti-nuclear weapon majority that can impose a defeat on elite opponents of social welfare? If we can begin to answer such questions, we will be better equipped to wage a struggle to link peace and social welfare once and for all.

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Introduction

One of the major underlying issues concerning welfare state development is the degree to which social welfare rights are real, illusory, or historically contingent. Marx viewed political citizenship rights as basically abstract in nature (Holton 1996), and felt that they would remain incomplete short of the full human emancipation which socialism would begin the process of achieving (Marx 1978: Manuscripts). According to Marx (Marx 1978: 531, Gotha): “Right can never be higher than the economic structure of society and its cultural development conditioned thereby.” Seen in this way, rights were essentially relative, not absolute, and were related to an implicit historical stage. In another stage-oriented view of rights, Alfred Marshall (Marshall 1963) contended that real social rights evolved in the postwar period. Most recently, Esping-Anderson (Esping-Anderson 1990) has tended to view them as varying among welfare-state regimes. Are such recent social rights really just contemporary expressions of a more longstanding, fundamental right to exist (Reuten and Williams 1993-4)? Or is it possible such rights were not granted by ready-made states (then or now), but instead are uniquely expressed within specific historical conjunctures, arising from the activities of people in interaction with institutions and government within contexts such as nationality (Somers 1993)?

Nicos Poulantzas (Poulantzas 1978a), in his later work, concluded that the state encompasses actually existing rights, not merely illusory ones. Within the context of such a state, citizens are not merely confined by bourgeois hegemony, but are enabled to achieve actual gains within the context of capitalism. But is this the case at all historical conjunctures, or only in certain specific conjunctures or kinds of conjunctures? As the literature just reviewed suggests, both structures (states, institutions and economies), and agency (popular culture, political mobilization and elite activity) are involved in the institutionalization of rights. Yet It also appears that historically specific contingencies are involved. Furthermore, path dependent trajectories rooted in a particular contingency can result in the institutionalization of relatively longstanding social rights, including social welfare rights. Also, are there also certain characteristic types of historical and political conjunctures in which rights are instituted? Two particular kinds of historical and

political conjunctures relevant to social welfare development relevant to the present paper can be found in the literature: war and globalization. I discuss each and then relate them to the historical origins of welfare states.

War and Social Welfare

One kind of conjuncture is the historical relationship of war to the establishment of social welfare rights (Skocpol 1992; Trattner 1984; Titmuss 1963). Both Skocpol (Skocpol 1980) and Tilly (Tilly 1992) have argued that wartime expansion of state capacity leads to expanded capacity for civilianization of government and domestic politics after war. Berkowitz and McQuaid (Berkowitz and McQuaid 1988) noted that since the Civil War postwar federal budgets have never returned to prewar levels. Such observations would suggest that social rights and welfare state development might merely be an artifact of expanded state capacity, coming in the aftermath of war. This is actually a potent alternative hypothesis to the view advanced in this paper: that the postwar welfare state may be partially explained as an artifact of the Cold War itself, rather than expanded state capacity. It is also a particularly potent alternative hypothesis since war-generated expanded state revenue capacity has been identified as one impetus for the Cold War itself. But there is some historical evidence which is contrary to the expanded state capacity hypothesis, and it has tautological aspects (an expanded state can't explain an expanded state). For instance, social welfare expansion has come not only in the aftermath of war, but at times of anticipated war, and during what Marullo (Marullo 1994) calls periods of "negative peace" between wars, such as the Cold War. During the Roosevelt administration, Sherry (Sherry 1995) argues, many New Deal programs were at first justified in terms of "recovery", and from an isolationist standpoint. But by 1936 Roosevelt also justified New Deal measures by appealing to the need for "internal preparedness" for the coming world crisis, and he later linked national security to social security. Sherry's theory might be considered a "logic of militarization" theory. Lasswell was also concerned that modern society is moving towards a "warfare-welfare state", where elites promote social welfare growth in order to enhance the national integration and morale necessary for military mobilization (Lasswell 1941). Wilensky (Wilensky 1975) criticized Gouldner

(Gouldner 1970) for adopting such a perspective, and presented findings that bolstered his logic of industrialism theory. All and all, perhaps the most balanced outlook on the relationship of the conjuncture of war to social welfare is that of Titmuss (Titmuss 1963), who argued that war, preparations for war and the aftermaths of war all influence the content and aim of social policy. Still, Esping-Anderson (Esping-Anderson 1990: 1) pointed out that the causal influence of wars for the welfare state remains an issue “which has been almost wholly neglected in the large literature of welfare state origins.” This paper seeks to respond to this larger concern by specifying a researchable question concerning the origins of a guns and butter consensus undergirding the massive expansion of the welfare state during the Cold War.

Another kind of historical conjuncture is related to exogenous or external factors affecting welfare state development, including one key issue of contemporary concern: the process of globalization. If the postwar welfare state was stimulated by the Cold War, this would be consistent with the current decline of the welfare state in the post-Cold War world. But an alternative hypothesis explaining such a decline would be the process of globalization. On the one hand, the influence of exogenous factors on the fate of the nation-state does appear to be growing in importance (Tilly 1990; Camilleri and Falk 1992). On the other hand, globalization is not a new phenomena. Economic competition from other nations may very well create strong competitive pressures to reduce social welfare spending, but such a phenomenon was observed as early as Germany in the 1890's (Steinmetz 1993). If globalization hasn't increased immensely since the end of the Cold War, it can't fully explain social welfare decline. Hirst and Thompson (Hirst and Thompson 1995) provide an important corrective to the growing trend to argue globalization is consigning the nation-state to its final stages. On the one hand, they admit that state policies had been influenced all along by transnational agreements between states. And they predict that states may become even less autonomous in the future. On the other hand, they point out that nation-states will also become the essential source of legitimacy of new international institutions. If globalization doesn't appear to fully explain either welfare state growth or decline, it becomes necessary to identify other exogenous factors, perhaps those related to a specific historical conjuncture such as the Cold War.

Welfare State Origins

Another important type of historical conjuncture to examine is the first historical instance of a phenomena such as a welfare state. According to such a perspective, welfare state origins are national in form and stimulated by endogenous, rather than exogenous factors. According to institutionalist approaches, theories of state autonomy and polity-centered perspectives, the founding of a welfare state leads to the growth of a bureaucracy whose state managers have an interest in sustaining and developing social welfare, as do the recipients of such benefits. This gives the welfare state a recursive, seemingly path dependent quality. The origins of the welfare state have been traced to endogenous factors within Imperial Germany (Steinmetz 1993). Yet both Marx (Marx 1978: 533) and Polanyi (Polanyi 1975) noted the central importance of systems of states during this period. Mommsen (Mommsen 1976), in his study of domestic factors related to Imperial German foreign policy, noted that Max Weber viewed a progressive domestic social policy as the essential twin of a successful world policy. Bismarck viewed social welfare reforms as confining working class movements within national boundaries, as *realpolitik* not merely *sozialpolitik*. England has also been seen as a source of welfare state origins. Yet Bernard Semmel (Semmel 1960) cited both a link between socialism and imperialism amongst Fabian socialists, and a clear-cut elite awareness of the relationship between domestic social benefits and projecting power overseas. The U.S. during the Depression is the other key originating site for the Western welfare state. Yet the work of Gardner (Gardner 1969) and Sherry (Sherry 1995) can be relied upon to shows the relationship of foreign policy and militarization to the New Deal. Thus, welfare state origins do not insulate us from the need to study the impact of subsequent historical and political conjunctures on the growth and decline of the welfare state. As Marc Bloch has warned (Bloch 1953), historical origins should not be confused with historical causation.

Specifying Problem

Clearly, no single study could hope to address all of the larger issues of concern that are related to social welfare development. Efforts to utilize historical sociological methods to advance knowledge of

social welfare development ideally seek to achieve several objectives: (1) To introduce and examine new variables, which can build upon previous theories of welfare state development by bringing newly configured causal mechanisms to the foreground at a particular historical conjuncture, (2) To present historically grounded explanations of the roles of key historical actors, events and ideas in welfare state development at a particular conjuncture, (3) To further develop emerging research perspectives and strategies. To achieve all three goals requires three kinds of sources materials: (1) Existing theoretical perspectives related both to that conjuncture and other periods and places, (2) Existing (secondary) historical accounts of the conjuncture and related periods, (3) New primary historical materials related to that conjuncture. Inevitably, the range of time and space covered by the first source of material is wide in scope, while existing historical accounts may both blanket and be targeted to the specific conjuncture. In all but the most monumental studies, the use of new primary materials requires the selection not only of a particular historical and political conjuncture, but the identification of a relatively restricted range of actors, events and ideas for empirical investigation within that conjuncture. This may appear to limit the ability of a single study of the present length -- one which relies substantially on primary data -- to be relevant to any but the limited and specific time period covered by that data. For instance, the primary data in this study is drawn mainly from the declassified records of the National Security Council, primarily in 1950.

Yet the goal of historical sociological research on welfare state development ought to be to cast explanatory light on as broad a swath of time and space as it feasible. Meeting such a goal can be enhanced through the selection of an historical case which can also help to illuminate historical processes relevant in other times and places. This requires taking chances and asking hard questions that may evade firm conclusions. But the goal should still be plausible, historically-specific explanations of the relationship of that conjuncture to the studied actors, events and ideas, as well as plausible (if not provable) theoretical mechanisms that enable varying degrees of generalization to other periods and places. This goal of seeking illuminating cases has lead historical sociological research on welfare state development to (1) identify anomalous situations; (2) identify historical paradoxes, and (3) ask counterfactual questions. What is

different about the present approach to the study of social welfare development is that in this section it asks research questions related to all three of these goals. In the section below titled “What is your tentative answer?,” hypotheses are stated which are related to each of the three objectives outlined earlier.

With respect to historical anomaly, Quadagno’s examination of Social Security History (Quadagno 1988) and her study of the war on poverty (Quadagno 1994) both examined U.S. social welfare development from the standpoint of its American exceptionalism. According to such a perspective, compared to other Western capitalist democracies, the U.S. case is anomalous for a variety of reasons. These include the influence of racial legacies and conflicting value systems on political actors who are constrained by structures such as the South-North division of the polity and economy and the divided nature of the working class. With regards to historical anomaly, this paper asks: Is it possible that the massive welfare state development during the Cold War was itself an historical anomaly? In other words, is the historically unprecedented level of social welfare expenditures seen from 1946-1991 an artifact of Cold War contention between the Soviet bloc and the NATO bloc of nations? Or were these developments a natural progression from previously established forms of social welfare development, or an artifact of expanded wartime revenue capacity?

With respect to historical paradox, this paper asks the following specifying question: Could the driving force of post-WW II Western social welfare development be found not mainly in Stockholm and London but, but rather (paradoxically) amongst elite policymakers in Washington D.C., the seat of power of what has been called a reluctant welfare state?

A final approach is to ask counterfactual questions. Counterfactual questions can be posed in two ways. The standard way is to ask what might be different in the present if the past did not turn out the way it did. As if, in other words, the way we really were, wasn’t. For example, we are facing a present in which the Cold War no longer exists. We want to understand the fate of social welfare in a post-Cold War world. This requires us to understand what it was, if anything, about the Cold War which was important to social welfare in the past. Thus, we can ask the counterfactual question, what if there had not been a Cold War?

What if there had not been a bi-polar system of states engaged in contention as state systems? Would the postwar welfare state still have grown as strongly as it did? If we could answer such a question, we would be better able to control for the influence of the no-longer-really-existing Cold War as we go about seeking to shape and study the social welfare of the future. One way to answer the first kind of counter-factual question is to inquire about the actual influence of the Cold War on social welfare. Once we have done so, we can then attempt to assess how social welfare may have been different were the Cold War not to have been a factor. The value of this first kind of counterfactual strategy is that it is the closest thing to an semi-experimental manipulation available to historical sociological research. This is because what is a counter-factual comparison of the present to the past enables a semi-experimental comparison of the present to the future. If one can understand how the past might have been different without a Cold War, one can better understand how the future may be without a Cold War. If elite consent was a necessary condition for rapid social welfare growth, and if elite consent was mainly motivated by recognition of the value of social welfare during the Cold War conflict with state socialism, then we can conclude that in the absence (in the past) of the Cold War, more extensive mass mobilizations and more developed popular coalitions would have been necessary to win advanced social welfare measures. And a similar conclusion could be drawn about the future. But it is hard to assess how social welfare might have been different were the Cold War not a factor. It is hard because most of the extant thinking about the relationship of the Cold War and social welfare stresses the view that the Cold War prevented, rather than stimulated, social welfare.

This suggests the second form which a counterfactual question can take. The second way is as a thought experiment. In other words, one asks, what might be different in the present if the past was not as we have grown to know it? Unlike the first kind of counterfactual question, this kind doesn't ask about the impact of changing something which really happened in the past. Instead it asks about the impact of changing the way we **commonly think about** what happened in the past (setting aside for a moment whether it really happened that way or not). In other words, what if we changed something about our master narrative of the Cold War? What if we entertain for a moment the possibility that among national

elites privy to National Security Council memorandums calling for the militarization of containment and the slashing of domestic spending, there developed a consensus that social welfare spending and other domestic social policy advances in such areas as education, labor and civil rights were actually valuable weapons in the Cold War context. If we used such a thought experiment to artificially manipulate our view of the past, we would enable ourselves to consider the impact of having an elite which refused to entertain such social policy advances. We could then ask ourselves, which is more utopian? (1) To think that we have **really** achieved the social rights of the welfare state in an historically durable way, and we've done so despite Cold War militarization and ideological obfuscation? (2) Or to think that we could have achieved the (now threatened) level of welfare rights we did achieve without the strategic consent of elites, despite the immense class capacity of the postwar U.S. ruling class? We could, in other words, ask ourselves: which is more realistic: (1) To think that we won what we won without the Cold War-motivated strategic consent of key national elites? Or to conclude than our previous assumptions about a zero-sum relationship of military and social policy (altered for the counterfactual thought experiment) were a little bit off, and that without the strategic consent of key Cold-war motivated elites at crucial points we would have had to have had a much stronger labor movement (including one not devoted primarily to winning occupational social welfare provisions in contracts) and a much stronger and more united pro-social welfare coalition to be able to win even the level of social welfare actually put in place. Using both types of counterfactual approaches, it would at least be possible that we would arrive at the same conclusion: That under altered circumstances characterized by the lack of strategic consent from key Cold War-motivated elites, stronger coalitions would have been needed to overcome elite opposition to social policy advances.

The limitations faced by the present research project won't fully permit addressing such broad counterfactual questions. Nor it is immediately possible to conduct a study which can even hope to conclude whether or not the postwar welfare state was an anomaly. Finally, this study won't be able to pin down such a possible historical paradox. To do so would at the minimum require a universalizing comparative method (Tilly 1984) involving the study of several policy domains such as social security,

labor, education, and civil rights. But before such a research project can be fully commenced, this paper must even more specifically ask: Did U.S. policy-making elites in 1950 actively support, strategically consent to, develop active compromises around, grudgingly consent to, or actively oppose welfare state development? (See the theoretical continuum below for an illustration of the theoretical perspectives underlying these five elite options.) What do their memoirs and memos, biographies and autobiographies, say about their motives? What concept of security did such elites have for the United States, and how were their conceptions of national security and social security related? What were their ambitions for simultaneously securing the “social” (Steinmetz 1993; Donzelot and Burchell 1988) and what might be called the “world”? Finally, still more specifically, what was the policy outcome of the April 1950 proposal of National Security Council Memorandum #68, which called for the militarization of containment and the slashing of domestic social spending? What does the discourse surrounding this memorandum tell us about the impact on domestic policy making of the existence of an opposing block of state socialist nations? Did guns win out over butter, or can the origins of a guns and butter consensus be found in the reactions to this memorandum?

Intellectual rationale

One reason why it is important to answer such questions is related to serious normative and practical concerns on the part of social workers and sociologists concerned about the fate of social welfare in the post-Cold War world. There is substantial concern about how social work and social welfare will evolve in a world without socialism (Reisch 1993). If guns competed with butter during the Cold War, now that the Cold War is over, reductions in the arms race would seemingly bring enhanced social welfare spending (assuming no qualitatively increased impact of globalization in the post-Cold War period), yet no such peace dividend has been forthcoming. Thus, in the post-Cold War era, it is essential to rule out or confirm that an exogenous structural context such as the Cold War, and related political processes such as Cold War-motivated elite consent, helped to explain Western social welfare development during the Cold War years. For if the Cold War context was an important factor in Western social welfare

development, and if the lack of a socialist bloc providing political competition to capitalism no longer stimulates elite consent to demands for social welfare, then stronger majoritarian coalitions in favor of social welfare spending will be necessary in order to defend and expand social and human welfare in the post-Cold War world. If support is found for a hypothesis that Cold War contention fostered the growth of the post-World War II welfare state, then the collapse of Communist-governed forms of state socialism in the East could lead to the removal of one of the motivations (on the part of elites in any case) for maintenance of effective social welfare systems in the West.

These concerns can't be fully addressed without a careful historical examination of the relationship of the Cold War and social welfare. Unfortunately, the possibility that a guns and butter consensus developed during this period has been a little-discussed element of the much-discussed Cold War social compact between elites, anti-Communist liberals and labor. By and large, from just before the end of World War II until the present, the literature has stressed a guns v.s. butter perspective, and concluded that guns won out over butter in the U.S. case. Few analysts then or now have argued that a social-industrial complex had also evolved (O'Connor 1973), and that the United States had evolved into a warfare-welfare state (Lasswell 1941).

Recent proposals for peacetime conversion of Melman and others (Melman 1985; Dumas 1977) were foreshadowed by legislation introduced during World War II. As the war drew to a close, the Roosevelt administration supported the Kilgore-Truman-Murray bill, a liberal project for peacetime conversion that had social welfare components such as transitional unemployment benefits. This bill went down to defeat in the Senate in 1944. Truman's strong support of the bill marked him as on the liberal side of the debate on the nature of the postwar political economy (Hamby 1995: 273). In that era as well, the argument that military and social expenditures were either complementary or contradictory was by no means settled. Again in the 1950's, President Dwight D. Eisenhower's well known warnings about the advent of a military-industrial complex raised these issues.

During the Cold War, this assumption that one form of spending grows at the other's expense

was made both by advocates for strengthened social welfare policies and proponents of growing military might. From Paul Nitze's call in National Security Council Memorandum #68 for reduced non-military expenditures (Nitze 1950) to the activities of the 1970's version of the Committee on the Present Danger (Boies 1993), a wing of elite opinion vehemently opposed any redirection of public resources towards social spending and away from the military. But elite opinion has often been sharply divided on matters of foreign policy and on government measures to reduce income inequality and guarantee jobs (Lerner, Nagai and Rothman 1990). Public opinion polls have shown that people who shared the assumption that military and social welfare budgets were in competition with each other were less likely to support social welfare spending than those who saw no contradiction (AuClaire 1984). Guns and butter has apparently won more public and elite support than either a guns-primarily or butter-primarily position.

True, some analysts have seen a more complex and indirect relationship between military and social spending, with military spending causing inflation, capital shortages and unemployment, leading to elite demands for reduced social expenditures (Dykema 1977). There remain several major unresolved strategic questions, such as the extent to which piecemeal reforms, "radical reforms" (Olson 1982) or "transitional reforms" (Dreier 1979) can be achieved short of socialism (Lee and Raban 1988), or whether a revolutionary movement is necessary in order to ensure the rights of women, children and people of color (West 1990). Whether or not there are inherent limitations on the role of social welfare under monopoly capitalism (Nixon 1969; Prigoff 1978) remains an open question. Such analyses often led to conclusions that advocates of social welfare need to develop anti-corporate or anti-capitalist as well as anti-militarist movements.

By and large, however, the prevailing social science and social work discourse has been that it was military expenditures -- not capitalism per se -- which were largely responsible for holding back social welfare growth. The literature tended to assume a zero-sum relationship between military and social spending, both in this country (Dumas 1977) and around the world (UN Development Program 1994). The Cold War was seen as having limited social welfare expenditures in the United States, and an

end to the Cold War was seen as creating conditions for social welfare growth (Trattner 1989). Thus, a master narrative argued that military and social spending were implacable enemies of each other over the course of the Cold War, and that the military grew at the expense of the welfare state.

But there may be flaws in this master narrative. Military and social spending may instead have grown in tandem, and may have been dependent upon each other for legitimation of the overall level of growth in the state during this period. At any one budgetary moment, they may have competed with each other, but only as part of a mutual upward spiral in state expenditures related to a Cold War-justified growth of the national state during this period. The empirical research on the postwar relationship of military and social expenditures has produced conflicting results (Russett 1982, cited by Skocpol and Amenta 1986; Griffin, Divine and Wallace 1983; Kelleher, Domke, and Eichenberg 1980; Keman 1985). It is essential to learn whether we must revise our historical understanding of the relationship of the Cold War and social welfare, because the fate of social welfare in the post-Cold War period can be better considered if we have a more well-considered view of the past. Therefore, research on this topic has the potential to be of both historical interest and of contemporary policy significance. Clearly, if many of our most important social welfare advances were partially pyrrhic victories within a Cold War context, then this would lead to a pessimistic appraisal of the potential for social welfare development under capitalism, at least in the absence of other forms of exogenous and endogenous pressures on national elites to consent to the maintenance of social welfare. On the other hand, a more realistic appraisal of the role of elites in Cold War social welfare development would potentially better inform efforts to understand the central importance of unity among all sectors of the population concerned with social welfare development, rather than trusting in the support of elites.

Theoretical Importance

In addition to these practical and strategic concerns, there are a number of key unresolved theoretical problems which can be addressed by study of this topic. A variety of theoretical perspectives have examined the roles of elites in relation to state formation and social welfare development. A number

of typologies of such theories have been developed, too numerous to cite here. But yet another such typology can be developed which is useful given the current and planned research. Such a typology would include at first elite/systemic control perspectives (instrumentalist, structuralist, regulationist and corporate liberal theory), elite compromise perspectives (pluralist and polity-centered theory), and elite defeat perspectives (social democratic and popular mobilization theory). It is here suggested that these perspectives may be seen on a theoretical continuum, which might be considered “yet another typology of state theories”.

Table One: Yet Another Typology of State Theories

Columns: Continuum of Elite Outcomes	Elite Defeat	Elite Consent “Enforced”	Elite Compromise	Elite Consent “Strategic”	Elite/Systemic Control
Theory Base	Social- Democratic Popular Mobilization	No extant theory identified	Pluralist Polity-Centered State-Autonomy	Corporate Liberal	Instrumentalist Structuralist Regulationist Corporate Liberal
Elite Role Variation (From Active to Passive)	Active	Passive	Active	Passive	Active
Degree of Elite Consensus	Varies	Varies	Medium	Medium	High

This continuum involves variation in the key structural and agency-related factors identified as associated with the ideal-typical elite outcome. Elite/systemic control perspectives tend to stress the role of the capitalist class (instrumentalist); capitalist system (structuralist) or capitalist-era mode of regulation (regulationist). Elite compromise perspectives stress structures associated with constitutional democracy, voluntary association, and regulated labor-management relations. Elite defeat perspectives evoke social democratic theories which stress the key role of varying class capacities and degrees of class unity, or utilize popular mobilization theories which stress the role of break down of earlier forms of social controls. As is implied by the structural implications of this continuum, there is also variation in the specific agency-level role of elites, from acting as control-exercising representatives of the capitalist class or interpreters of the needs of the capitalist system (ideal-typically elite control), to engaging in active compromises as part of pluralistic processes (elite compromise), to going down to elite defeat against optimally mobilized collectivities of labor and/or the poor and disenfranchised (elite defeat). The degree of elite consensus is another element of variation within such a continuum, but the direction of variation is such that there may be high or low degrees of elite consensus in any of the columns of the continuum, although Table 1 suggests the levels of consensus suggested by the associated theories. Finally, the degree of activity or passivity of

elites is a source of variation in such a theoretical amalgamation. Due to an unfortunate historical bias towards identifying and analyzing elite action (rather than elite inaction), active elite roles have been better theorized than more passive elite roles. The proposed paper (and the above Table) suggest that more passive elite roles (labeled elite strategic consent and elite enforced consent) can be identified, which introduce further variation into this continuum.

The typology presented also helps to show the relationship between theoretical diversity and historical explanation. When the explanandum has been seen as the state as a whole, a variety of theories have evolved which are more or less applicable to different states at different times. This has led to recent efforts at theoretical synthesis, although at the risk of producing theories which are not internally consistent. When the unit of analysis is shifted to an explanandum of the policy domain (Laumann and Knoke 1987; Knoke and Pappi 1991), this problem becomes less apparent. Within different regions of the state (Poulantzas 1978b), different theoretical mechanisms may help to explain different domain policies. The typology presented suggests a convenient way of thinking about variation among such theories, by linking theories to the outcomes faced by highly observable elite social actors (active control, passive strategic consent, active compromise, passive enforced consent, active defeat) operating within specific policy domains. To sum up, the typology incorporates variation in outcome, in degree of activity or passivity of elites, and in variation in degree of elite consensus.

The method of this study will not fully permit the assessment of such variation. There will be insufficient cases to engage in what Tilly (Tilly 1984) refers to as variation-finding comparison. Anticipated future research would examine the operation of the hypothesized historically specific Cold War era mechanism within several policy domains (the unit of analysis), such as labor policy, education policy and civil rights policy. Such a research design would use Tilly's universalizing comparison of the application of a similar causal mechanism (Cold War induced elite consent) across several policy domains. It wouldn't involve the identification of variation in the forms of causal mechanisms operative across dozens of policy domains at several historical periods in several nations. Tilly argued that historical

sociological research should seek to move in the direction of such variation-finding comparison. If not, the theory adopted by a more limited, universalizing comparative design should at least point the way towards such variation-finding research. The “yet another typology” presented here points the way towards such variation finding comparison. It also serves to place the additional forms of relatively passive elite behavior posited (elite consent - both strategic and enforced) within a larger theoretical tradition.

Research Method

Although the typology provided above points the way towards theory construction which is relevant to explaining policy domains within modern states, the proposed paper is also concerned with a theoretical issue which could not be raised adequately in that typology: the question of the exogenous factors raised briefly above. As will be seen, many authors have identified exogenous factors as important. As John Hall (Hall 1994) has noted, the state faces outward as much as it faces inward. DiMaggio and Powell (DiMaggio and Powell 1983) point out that Weber saw competition among states and firms as a key driving force which contributed to bureaucratization. Block and Skocpol have also raised the issue of the influence of international context on social welfare development (Block 1977a; Skocpol 1980). Zald warned that future welfare state development must be "set in the larger context of national and international politics and economics" (Zald 1981[1979]: 178). Abbott has suggested that exogenous factors were important factors influencing development of national systems of professions (Abbott 1988). The concept of an organizational state (Knoke and Pappi 1991; Laumann and Knoke 1987) leads naturally to a consideration of states as organizations which can be influenced by processes of institutional isomorphism (DiMaggio and Powell 1983). A stress on the notion of diffusion of innovation also contributes to a recognition of the role of exogenous factors in social welfare development (Berkowitz 1989; Collier and Messick 1975; Midgley 1984; Abbott and DeViney 1992). The concept of a world polity has been used to explore growth in the authority of national states and changes in their organizational practices since 1870 (Boli 1987; Meyer 1987; Usui 1988). Deacon (Deacon 1992) discussed the direct and indirect influence of transnational agencies and diffusion of policies. David Gil

has also observed that (Gil 1992: 120) "social policies within any society tend to interact in many ways with that society's worldwide, international relations." Charles Tilly has extensively considered the influence of exogenous factors on national states (Tilly 1990). He placed states historically into the context of clusters and systems of states, which interact with each other in determining each other's fates. Over time this has led to the present-day system of variations within various forms of a national state. Tilly (Tilly 1990) cited a number of authors who have also recognized the influence of exogenous factors on the nature of national states. Among statist analyses, Paul Kennedy stressed the state's international position (Kennedy 1988). Amongst geo-political analyses, James Rosenau identified a variety of patterns by which nations adapt to international politics (Rosenau 1970), and William Thompson used a global society perspective to describe how states respond to the structure of relations among states (Thompson 1988). Among mode of production analyses (Anderson 1974), theories of imperialism are usually cited to explain the results of international economic activity on the nature of national states. Among world systems analyses (Wallerstein 1974), a nation's position in the core, semiperiphery or periphery of the world system significantly affects a state's organization, with the state serving the interests of the nation's ruling class within the world economy. Tilly also noted that Rokkan (Rokkan 1975) found that adjacent states often develop similar political orders, certainly evidence of exogenous factors on state formation. More recently Wallerstein has argued that in the post-Cold War world, U.S.-Russian contention will have less influence on international relations (Wallerstein 1993). Also more recently, Rosenau develops concepts such as transnationalism, nation-statism and sub-groupism to explain emerging parameters of postinternational politics in a world bifurcated between a state-centric and multi-centric systems (Rosenau 1990). Polanyi (Polanyi 1957[1944]) stressed the international institutions of systems of states, such as *haute finance*, in producing national stability. Given that gender is seen as affecting all social structures and social relations (Rose 1992), caste-like global gender distinctions -- despite their national variations -- might be considered an exogenous factor affecting national social welfare development. Hirst and Thompson argued (Hirst and Thompson 1995: 413): "The Cold War reinforced the

need for the nation-state, for its military capabilities and for the national-level forms of economic and social regulation necessary to sustain them.” Rosenau (Rosenau 1990) cited Przeworski (Przeworski 1983) as pointing out that domestic politics often have their origins in international factors. Finally, Tilly (Tilly 1984: 19) contended: “..the most pressing theoretical problems are to connect local events to international structures of power...”.

Despite this variety of observations concerning the importance of exogenous factors on state formation and welfare state development, few studies have actually sought to empirically examine how these factors have operated at a particular period of social welfare development. The present study seeks to apply such a new perspective to the historical sociological examination of social welfare history, as further specified below. It does so in a way which seeks to be consistent with Tilly’s call (Tilly 1984: 9) to understand how it is that the managers of the state both establish “limits to state control, perimeters to state violence, and mechanisms for eliciting the consent of the subject population.” The establishment of a guns and butter consensus can be seen in such a light.

Suggested Explanation

As was suggested by the logic of the three kinds of objectives identified above for historical sociological research, there is a need for the proposed study to develop hypotheses related to new variables and mechanisms of theorized causation which can potentially be generalized to other times and places; hypotheses related to the anticipated nature of historical explanations of particular historical conjunctures; and hypotheses related to efforts to develop a new research perspective on welfare state development.

(1) New variables and mechanisms

Consistent with the approach identified above, the additional structural variable suggested by this paper (the historically unique bi-polar conflict between systems of states) is consistent with the call by a number of analysts to consider exogenous factors related to social welfare development and state formation. The additional agency-related variable introduced is related primarily to the further specification of the role of national elites in policy formation. Yet this paper will also seek to avoid an elite-voluntarist bias in

historical research. Rather than stressing active elite roles along a continuum ranging from elite control to elite compromise to elite defeat, a more passive historical role is also suggested: namely elite consent to demands for social policy advances by state managers and popular forces. In doing so, this paper will attempt to avoid a common historical bias towards identifying and stressing noticeably active elite roles, but failing to identify hard to observe or merely “potentially observable” (Rosenau 1990) roles involving various degrees of elite inaction. This paper will seek to determine the extent to which this agency-level granting of consent was motivated by awareness of the value of various social policy advances in responding to and shaping the nature of the structural-level variable of bi-polar Cold War conflict.

(2) Historical actors, events and ideas

As is suggested by the above, the key historical actors, events and ideas in welfare state development which will be discussed by this paper are centered in the nation’s capital. They are key elite actors who influenced the nature of foreign and domestic policy during a crucial year of the Cold War (1950), in particular that finite set of elite actors privy to the debate over the merits of the top secret NSC-68 memorandum. The issuance of that memorandum - which proposed to militarize containment and slash domestic social spending - was a key event during that year. 1950 also saw anti-Communist hysteria begin to peak, and the beginning of a hot war in Korea. But it was also during this year that, in a major social welfare advance, the Social Security payroll tax was increased by 50%, and the stage was set for continued incremental growth in the U.S. social welfare system, as well as for basic changes in other areas of domestic social policy, including education and civil rights. 1950, in other words, was one example of what Mayer Zald has said Michael Burton has called a critical choice point in national life (personal communication, reference not yet retrieved). During such critical choice points, Burton argued that the boundaries of allowed political discourse are often set. Yet much of the history of this period has suggested that the implementation of NSC-68 itself defined these boundaries, and that subsequent social policy development was held hostage to the victory of Cold War anti-communist actors, events and ideas. Somewhat counter-intuitively, and certainly contrary to existing accounts of social welfare development, this paper argues that

the origins of a postwar guns and butter consensus can be found in the period consisting of the debates over NSC-68. Although such a consensus was merely emerging and still had somewhat ill-defined boundaries, the essence of the consensus at that point was that neither guns or butter would be allowed to crowd each other out of access to the resources of the national state. It is hypothesized that this historical process is an example of the hypothesized agency-level structural variable identified here: elite consent to social welfare development. It is further hypothesized that this historically-specific explanation is an example of the influence of the hypothesized structural-level variable of the bipolar Cold War contention.¹

(3) Advancing new perspectives

So far, both new theoretical mechanisms and new historical explanations have been proposed to explain postwar U.S. social policy development. What emerging perspective for research on social policy development can be advanced in the proposed paper? The basic perspective which the proposed research will focus on is one which once and for all brings exogenous factors back in to explanations of state formation and welfare state development. More specifically, the perspective involves the active linking of the analysis of foreign policy and domestic social policy. In doing so, it expands the time and space of this study and the future research. It permits moving beyond the nature of policy-making in the United States in 1950. Such a perspective permits the systematic examination of the role of Cold-War induced elite consent to advances in subsequent social policy domains during the cold war, such as social welfare policy, labor policy, education policy and civil rights policy. Such a study of a handful of policy domain instances would be guided primarily by the method of universalizing comparison outlined by Tilly (Tilly 1984). This is because it would seek to further specify the role of elite consent in this historical period. However, it would also point the way towards variation-finding studies of larger numbers of policy domains studied

¹Such a causal mechanism would necessarily assume that the Cold War itself was a structural variable which existed independently of the elite actors under study. This is a quite debatable point, since some of the very actors under study were virtual architects of the Cold War. But the policy of containment itself was formulated at least three years prior to the period. And without addressing the immense literature on the origins of the Cold War, this paper will assume that it was a two-sided conflict in both origins and operation. Also, the Cold War was arguably a continuation in more concentrated form of a longstanding (and therefore longitudinally prior) conflict between the Soviet Union and Western capitalist powers that had been developing since at least 1917.

across nations and historical periods. For instance, variation might exist among the continuum of causal mechanisms suggested above, and variation might exist in the level of elite consensus at any point on such a continuum of ideal-typical elite roles. Such a perspective stressing exogenous factors and foreign policy-domestic policy links would also go beyond perspectives of social welfare development which stress the role of diffusion of both policy **innovations**, by further identifying a process of diffusion of policy **imperatives** among states. This would involve further research on the role of the Marshall Plan and U.S. military assistance in subsidizing and stimulating the adoption and massive expansion of social welfare systems in Western Europe and Japan under both Christian democratic and social-democratic regimes. It would involve research into the tacit and active adoption of social welfare standards within various blocs of nations, and the influence on member states of United Nations declarations.

Summary of hypotheses

The proposed research seeks to address the following specific hypotheses related to the above three objectives: (1) It is possible to identify plausible elements of a causal mechanism that can supplement previous mechanisms for U.S. social policy development, by specifying the influence of a structural variable (Cold War bi-polar contention) on an agency-related variable (elite consent to social welfare development). (2) It is possible to specify an historically-specific explanation by identifying the actual elite social actors (those privy to NSC-68), ideas (an emerging guns and butter consensus) and events (actual meetings and decisions of these actors) which are consistent with the mechanism identified. (3) The results of the analysis of primary data credibly link foreign policy to domestic policy and shed light on the role of exogenous variables on national welfare state formation and development. Overall, it is hypothesized that this study will successfully (in other words plausibly) “bring the world back in” to social welfare history.

Methodological aspects

The basic method used in this study is consistent with Abbott’s plea to merely add a strain or strand to what is a complex narrative story of historical causation. As is seen, the method involves the introduction of a single exogenous structural variable, and the identification of a single agency-related variable, in a way

which can further explicate existing stories about the evolution of social welfare. The theory utilized formalizes the view that exogenous factors in general need to be taken into account in terms of their specific, historical influence on policy formation. In order to do so, such a theory essentially incorporates period effects into the explanation. According to Cnaan and Cwikel (Cnaan and Cwikel 1992: 127) :

“Period effects are those historical or structural events that affect the attitudes, behaviors, and values of all or most members of society at a given period of time.” Unique historical events can be thought of as one form of a period effect. This study seeks to identify and discuss the impact of selected historical events. The events included are a sample of the overall events within the period studied. They constitute a unique constellation of events which together constitute the period effect being studied. Thus, for instance, a unique constellation of events having such a period effect has come to be defined in the popular imagination and perception as the Cold War. The Cold War is analyzed here as essentially a "period effect" which helps to explain the nature of policy development during the Cold War. Our null hypothesis is, essentially, that there was little or no Cold War period effect on social policy development during the cold war.

Methodologically, period effect must be considered jointly with aging effect. In this context, an aging effect can be thought of in terms of whether or not there was a "stage effect" for welfare state development. In other words, were these developments path dependent, in the sense that they were natural developments of earlier, pre-Cold War policies, which would have occurred anyway irrespective of the Cold War? No formal effort will be made to control for aging effect in this study, although an argument was mounted above that the origins of a welfare state do not explain its subsequent development. This approach is consistent with Abbott’s observation (Abbott 1992: 434) that we should not assume we can ascribe the essence of short-term attributes of observed entities during a period (such as the Cold War) to long-term attributes of such entities. Operating on such a faulty monotonic causal flow assumption inevitably invokes a further assumption. That is that there is a standard order or series of stages to historically evolving entities (such as social welfare systems), something Abbott (Abbott 1992) calls a non-narrative assumption. Such an assumption is essentially ahistorical, and will be avoided in this study.

Instead, Cold War foreign policy and Cold War domestic policy will be seen as what Abbott (Abbott 1992: 439) calls “mutually constraining narratives,” with actual historical rather than merely path-dependent content. The origins of a guns and butter consensus would be seen in this light as resulting from the interweaving of stories previously told in separate studies. The assertion that the welfare state did not truly take-off until the advent of the Cold War, also essential to the refutation of the primacy of aging effects over period effects, would require extensive quantitative analysis beyond the scope of this paper, and should be treated as an assumption.

Cohort effects are also relevant. Cohorts may here be thought of at two levels of analysis: policy domains and political generations. Policy decisions concerning policy domains originating in the New Deal may have a character different than policy decisions concerning policy domains originating in the Cold War itself. This would require, however, the examination of a goodly number of policy domains, including those arising in both the New Deal and the Cold War. This is something which could be addressed by further research, but it is not within the realm of the proposed study. Although a certain portion of the New Deal political generation may have become avid members of an emerging Cold War generation of policy makers (thus reducing cohort effects at the level of political generations), ideally it would be preferable to control for such cohort effects more extensively, by identifying whether Cold War decision makers had New Deal credentials or not. Some effort will be made to do so.

Neither the theory nor the method of this study seek to identify what Stinchcombe (Stinchcombe 1978: 8) referred to as a “master mechanism operating through long periods of time, whose effects are cumulative.” But it is argued that a guns and butter consensus developed early on in the Cold War, with the implication that it operated subsequently as well. The method involves the presentation of what Stinchcombe (Stinchcombe 1978: 13) called the “main tool of the historian, a narrative of a sequence of events,” beginning with the request in January 1950 by President Truman for the report later referred to as NSC-68. In addition to presenting a free-standing, hopefully somewhat valid, narrative in an illuminating way, the study will conclude with an analysis of that narrative itself. As Stinchcombe recommended, the

parts of the narrative that are relevant to theory will be analyzed. Then it will be more possible to assess the usefulness of the theoretical assertions made. In this way, an attempt would be made to “see the dynamic of the whole at work in the dynamic of the parts” (Sewell 1990: 4). Thus, the narrative to be produced would be both (Aminzade 1992: 458) “sensitive to the order in which events occur” during 1950, and attentive to the “construction of explanations of why things happened the way they did.” Thus, it is necessary to determine whether the agency-related exercise of elite consent was a process associated with many event-specific moments. In this way the study will be attempting to validate theory which links (Aminzade 1992: 470) “the objective temporalities of long-term historical processes to the subjective temporal orientations of social actors” caught up in actually fighting the Cold War.

Fundamentally, this is a study of the discourse which evolved among a finite number of persons privy to NSC-68. We want to understand this discourse, and the degree to which it originated a guns and butter consensus which had the potential to influence a number of policy domains, such as social welfare, labor, civil rights and education. In order to do so, an effort will be made to tell a story that portrays not only the details of the discourse, but the mood of the times. It becomes necessary to humanize National Security Council elites who were thinking the unthinkable, and to understand how domestic policy elites turned to Cold War rhetoric to justify support of policies they might well have supported long before the Cold War. It will be difficult to tease out the difference between principles and posturing, between fundamental motives and bureaucratic maneuvering. To place the dry contents of memorandums within tumultuous times will require the juxtaposition of primary archival materials to historical works interpreting the times, and their integration into a storied narrative that further contributes to that interpretation. As earlier indicated, this requires the weaving together of ideas, actors and events into a new fabric of historical explanation, one which will lend support to or tend to rule out the hypothesized theoretical mechanisms. We want, in other words, to provide a picture of the facts of the Cold War situation, and ask what were the values that influenced the actors involved in this panorama? Holding as constant as possible the values of this observer, we wish to dramatize how it was that at this point in history these actors achieved an

“interdependence and interaction of facts and values” (Carr 1961: 174). The resulting historical explanation will also either support or refute the value of further developing a perspective which seeks to identify the influence of remote exogenous structures on decision making and consensus development by identifiable elite actors. Can we learn about domestic policy by studying its link with foreign policy? The method of this study is designed to answer this question.

Primary data sources

In order to do this, this study will rely upon a variety of secondary sources, but primarily upon a variety of primary materials. As of December 1996, the University of Michigan library has made available a new CD-ROM index of the Declassified Documents Retrieval Service. The DDRS indexes over 70,000 such documents, including over 1200 documents from the National Security Council. Both hard copies and microfiche copies of these documents are available in the Document Center, where the librarians Denise Schone and Grace York have kindly instructed me in their use. A database template has been developed in Procite for Windows which duplicates the structure of the DDRS index. Each person, document and event will have a numbered record. By using this database and flow-charting software, I will track the paper trail of discourse and the historical trail of events originating with the issuance of NSC-68. (This process will be made easier by the top secret nature of the memorandum, which limited the number of persons privy to it to an as yet undetermined but hopefully manageable number.) A series of documents and supplements entitled Documents of the National Security Council will also be examined, along with Minutes of the Meetings of the National Security Council and Foreign Relations of the United States: Basic Documents 1950-55. In addition, books such as Ernest May’s American Cold War strategy: Interpreting NSC 68 and other standard histories of the Cold War will be consulted. Finally, the memoirs and biographies of key historical actors at the time will be analyzed.²

How will I know if the answer is correct or not?

² Ideally, the tracing of a parallel public discourse launched by the 1950 version of the Committee on the Present Danger would be analyzed. This Committee, whose members may have been leaked the essence of NSC-68, sought to garner support for NSC-68's recommendations, and a public debate ensued. Analysis of this debate would be a prime candidate for the next stage in research on the general topic of the origins of a guns and butter consensus, but is beyond the scope of the present study.

The final question which must be addressed is, how will I know if my answer is correct or not?

This question has been addressed in a variety of ways by historical methodologists. For instance, E. H. Carr pointed out (Carr 1961: 159): “It is only the simplest kind of historical statement that can be adjudged absolutely true or absolutely false.” Given that the matter at hand is far from simple, a declarative judgement on the veracity of the historical assertions being made in this paper is unlikely. Charles Tilly (Tilly 1984: 80) argues this way: “...we should be delighted to discover the proximate causes of a social phenomena.” This question was asked in still another way by Marc Bloch (Bloch 1953: 9). He wondered essentially how we know whether it is worth all our trouble to engage in such historical investigations. Furthermore, he asked: “What is it, exactly, that constitutes the legitimacy of an intellectual endeavor?” He pointed out that in the quest for knowledge, the process of investigation is nearly as important as the product of the investigation. Not only should we take as much pleasure in the plowing as in the harvest, we need to understand that the result of our studies may merely be a mere morsel or fragment of knowledge.

After all, if (as Howard Kimeldorf has pointed out), conjunctural moments in history are crucial turning points influenced by an overdetermined quality, the historical forces observed are themselves overdetermined. In other words, even the most important element of the social structure not only determines other elements but is also affected by them. According to Bottomore (Bottomore 1983), Althusser stressed such a recursive outlook on social causation as an antidote to economic determinist approaches. In this study, it is argued that one relevant structure is an exogenous structural variable, consisting of the historically unique bi-polar conflict between a bloc of Soviet-type societies (Kennedy 1991) and a U.S. led NATO block of nations. Because the very elite actors being studied were architects of the growth of the Cold War, in an earlier footnote it was pointed out that they themselves had an impact on the nature of that structure. If some of architects of the Cold War structure were also the agents of the hypothesized guns and butter consensus, then the notion of elite strategic consent upon which this study relies can become difficult to sustain. But as may be seen, the coldest of the Cold Warriors themselves were not the primary advocates of butter. They were advocates of guns, in fact of weapons of mass destruction.

It was when faced with demands from advocates of butter, represented by domestic policy elites, proverbial corporate liberal policymakers, anti-Communist liberals, and a labor movement seeking to participate in a Cold War social compact, that they participated in discourse leading to what is here called the origins of a guns and butter consensus. It is most likely that it will not be possible to locate a smoking gun or buttered knife of such a guns and butter consensus. But it is always possible. Clearly, however, it will not be possible to find a preserved body labeled, "Guns and Butter Consensus." After all, Rock (Rock 1976: 367) pointed out: "Only a skeletal portrait of the past is possible." Still, were it possible to locate a Presidential finding or authoritative memorandum in which a quorum of key decision makers resolved the outcome of the NSC-68 initiated debate in favor of a guns and butter consensus, and if moreover the use of both guns and butter was explicitly seen as valuable in fighting the Cold War, then there would be evidence for the hypothesized causal mechanism. In other words, there would be evidence that the existence of the Cold War conflict produced elite awareness of the value of consenting to the demands of both the military-industrial complex and the New Deal-generation and other social policy advocates. But in both real and historical life, a smoking gun is often hard to find. What is more likely is that some degree of plausibility will be found for such a hypothesis.

Ultimately, the question as to whether the author knows he is right is important (to the author in any case) primarily in order to help the author decide whether to pursue further research on such a topic. In the final analysis, what counts is not whether the author knows he or she is right, but whether the reader feels the author's "method of cross-examination" of the past (Bloch 1953: 67) has produced a result which, although it may be subject to some reasonable doubt, is at least not patently guilty of having made the wrong charges about history. As Bloch further pointed out (Bloch 1953: 124): "Here the path of historical research, like that of so many other disciplines of the mind, intersects the royal highway of the theory of probabilities." Based upon the historical evidence uncovered, sampled and presented, is it probable or not that the origins of such a guns and butter consensus were found during the period examined? If, based upon the results presented, the reader finds that it is probable, then perhaps the author will be able to conclude he

was correct in his initial suspicions about the need to re-think the relationship of the Cold War and social welfare history.

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