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Roundtable Review 15-46

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Introduction by Charles A. Kupchan, Georgetown University and Council on Foreign Relations

Among the many virtues of Thomas Zeiler's *Capitalist Peace*, two stand out. First, the book offers a detailed, chronological account of the evolution of US foreign economic policy from the 1930s through the presidency of Donald Trump. Telling the story of the trajectory of US trade policy and the contested politics that produced the policy is itself a major accomplishment. Second, Zeiler convincingly argues that the ideology of "capitalist peace" has played a prominent role in shaping US grand strategy ever since the Great Depression. In this respect, he opens the aperture of economic history, tying commercial engagement directly to strategic purpose and the geopolitical ambitions that have guided US statecraft. This cross-fertilization between matters of political economy and the realm of geopolitics constitutes both a welcome historiographical synthesis and an advance in unpacking the ideological underpinnings of the liberal internationalism that anchored US grand strategy from World War II through the presidency of Barack Obama.

For Zeiler, the capitalist peace paradigm conceives of "market capitalism as a peaceful influence in global affairs" (5). The paradigm rests on a number of discrete propositions. Open markets and free trade increase economic interdependence, giving states a vested interest in preserving a stable international environment conducive to the flow of commerce. Capitalism and economic openness advance the prospect for stable democracy, laying the foundation for a Kantian democratic peace. Free trade also enhances the economic strength of the free world, an argument that was regularly deployed during the Cold War when the West bet on its open markets to help secure a preponderance of power against the Soviet bloc. In Zeiler's words, capitalist peace theory maintains that "mutually prosperous economies were the fundamental building blocks of international relations; they undergirded security, democracy, liberty, and, ultimately, peace" (6).

Zeiler's claim is not that successive administrations strictly adhered to free trade policies or that open markets as a matter of course produce peace and prosperity. Indeed, one of the great strengths of Zeiler's book is his nuanced treatment of the heated domestic debates that took place over US foreign economic policy, with plenty of pushback coming from protectionists of various political stripes. At times, the imperatives of national security overrode the pull of open markets. So, too, did Washington's enthusiasm for free trade regularly confront resistance from foreign governments that were reluctant to open their own markets. Nonetheless, Zeiler does convincingly demonstrate that capitalist peace theory was a through-line, serving "an intellectual organizing purpose in grand strategy" (8).

If this roundtable's thoughtful reviews of *Capitalist Peace* contain a common critique, it is that Zeiler offers perhaps too strong an endorsement of the positive effects of America's zealous promotion of free trade. Accepting that the capitalist peace paradigm was "not perfect by any means," he nonetheless claims in the introduction to the book that "Peace and democratic stability, through mutual prosperity and free enterprise, were the general results" (8). Zeiler concludes the book with a similarly upbeat assessment: "Trade liberalization, derived from the capitalist peace paradigm, built economies, integrated nations, provided security through military pacts, and, ultimately, brought peace" (285).

Yet as Francine Mackenzie points out, while Zeiler does an excellent job of describing "free trade internationalism as a faith or theology," his assessment of its impact is less than complete. In a similar vein, Marc-William Palen probes "[f]ree trade's Cold War divorce from democracy promotion," asking how to reconcile the noble ambitions of capitalist peace theory with Washington's regular alignment with repressive regimes. Elizabeth Ingleson pursues the same line of questioning, wondering whether the commitment of policymakers to the capitalist peace paradigm was more about rhetoric than policy, and querying "the extent to which their desire for peace *matters* when the reality of their actions was anything but peaceful."

Even if he could have provided more evidence to back up his conclusions, I share Zeiler's assessment that the capitalist peace paradigm was an important plank of a liberal internationalist program that broadly advanced the cause of peace and prosperity. At the same time, I would also suggest that the United States overdid it. Zeiler correctly notes that Donald Trump broke the mold; he did not just back away from free trade, he "disparaged the capitalist peace idea" (270). But Trump was as much a symptom as a cause of the United States' turn away from the capitalist peace paradigm. The neo-liberal brand of globalization that the United States pursued after the end of the Cold War, coupled with the "forever wars" in the Middle East, provided fertile political ground for Trump's "America First" protectionism. The United States embarked on an effort to universalize the liberal international order, but hyper-globalization ended up empowering adversaries and leaving behind many working-class Americans. Trump won the presidency by exploiting the politics of grievance, making clear his priorities in his inaugural address:

From this moment on, it's going to be America First. Every decision on trade, on taxes, on immigration, on foreign affairs, will be made to benefit American workers and American families. We must protect our borders from the ravages of other countries making our products, stealing our companies, and destroying our jobs. Protection will lead to great prosperity and strength.¹

Zeiler interprets the 2020 victory of Joe Biden over Trump as a sign that "free-trade internationalism had cycled back," noting that "Biden could not stand by and let the capitalist peace paradigm continue to wither" (278, 277). Yet the United States' political landscape seems un conducive to the full restoration of a capitalist peace agenda. Biden has kept in place a good number of Trump's protectionist measures. He has also resorted to new instruments, including the Chips Act and the Inflation Reduction Act, that constitute industrial policies that are at odds with free trade orthodoxy. Is Washington defecting from the capitalist peace paradigm—or perhaps saving it by rebuilding its domestic political foundations? Zeiler's *Capitalist Peace* is a foundational volume that speaks directly to ongoing debate over trade policy and the future of US grand strategy.

Contributors:

Tom Zeiler is Professor of History and Director of the Program in International Affairs at the University of Colorado Boulder. His most recent book is *Capitalist Peace*, published by Oxford University Press (2022).

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Elizabeth Ingleson is an Assistant Professor in the International History Department at the London School of Economics and Political Science. Prior to her appointment she held positions at Yale University, Southern Methodist University, and the University of Virginia, and earned her PhD in History from the University of Sydney. Her first book, *Made in China: When US-China Interests Converged to Transform Global Trade* (Harvard University Press, 2024), explores how the United States and China rebuilt trade ties in the 1970s after over twenty years of isolation and in the process unwittingly reshaped global capitalism. She has written a number of articles and chapters on various aspects of US-China relations and US capitalism and is additionally writing

¹ Donald Trump, The Inaugural Address, <https://trumpwhitehouse.archives.gov/briefings-statements/the-inaugural-address/>.

a book under contract with Bloomsbury Academic, *China and the United States since 1949: An International History*.

Francine McKenzie is a Professor of History at Western University. She is the author of *GATT and Global Order in the Postwar Era* (Cambridge: Cambridge University Press, 2020) and *Rebuilding the Postwar Order: Peace, Security and the UN-System, 1941–1948* (London: Bloomsbury, 2023).

Marc-William Palen is a historian at the University of Exeter. He is the author of *The “Conspiracy” of Free Trade: The Anglo-American Struggle over Empire and Economic Globalisation, 1846–1896* (Cambridge: Cambridge University Press, 2016). His newest book, *Pax Economica: Left-wing Visions of a Free Trade World*, is forthcoming with Princeton University Press.

 Review by Elizabeth O'Brien Ingleson, London School of Economics and Political Science

Thomas Zeiler has long pushed US diplomatic historians to take seriously the foreign policy implications of trade policy.¹ With his new book, he provides a sweeping overview of the relationships between trade and diplomacy in US statecraft from the 1930s until the present. It is clearly written and provides an excellent account of how US trade policy has developed over the near-century that it covers. Zeiler focuses on the enduring significance of free-trade internationalism that emerged from the Great Depression and came to dominate US foreign trade policy for the rest of the twentieth century and into the twenty-first.

Capitalist Peace serves not only as an introduction to the topic, but it also makes a provocative historiographical intervention. Distinguishing himself from work of the New Left (such as William Appleman Williams, Thomas McCormick, and others), Zeiler argues that this scholarship was overly focused on the negatives wrought by free trade policies.² The New Left critique “excoriates globalization, neoliberalism, and capitalism as regressive,” Zeiler writes, “and considers notions like capitalist peace (and free trade) to propagate inequalities and hardship in the United States and the world” (3). Instead, Zeiler seeks with his book to consider the good that has come from the United States’ economic engagement with the wider world. He explores “free trade’s strategic, humanitarian, and even idealistic considerations” (3).

Zeiler takes seriously the words and ideas of the US policymakers who argued that peace among nation-states could be made more possible through deeper trade connections between them. He calls this vision “the capitalist peace.” Policymakers, Zeiler writes with emphasis, “believed in the capitalist peace—it was an article of faith that built on the empirical data of historical relations among nations” (p. 5). One of the key features of this book is Zeiler’s efforts to center the motivations of US presidents and their advisors, and to highlight what he sees to be the good intentions undergirding their decisionmaking. This approach stands in stark contrast to the methods of the New Left, which focused far more on policy actions and outcomes rather than rhetoric and intention—an idea I will return to in a moment.

As Zeiler sees it, the abrupt turning point to this long history of capitalist peace was the presidency of Donald Trump, who makes an appearance as early as page 2. “Donald Trump was not the catalyst for this book,” Zeiler later explains, but he “became a foil for my premise: free-trade internationalism...proved generally beneficial to the United States and the world” (279). Zeiler turns Trump into the embodiment of a trade protectionist impulse that has long run alongside the efforts to build an international system based upon free trade. Trump’s disregard for free trade and peaceful international relations throws into stark relief just how important it was to have policymakers who *did* seek such goals, Zeiler argues. The presidents who preceded Trump, from Franklin D. Roosevelt onwards, were motivated by good intentions. Trump, by “privileging protectionism,” was “betraying America itself,” Zeiler concludes (279).

While Zeiler refers to the rising inequalities and unemployment that have accompanied US free trade policies, he argues that the trade policies that guided US policymakers for so long were preferable to the alternatives. “For those in government and beyond...it was the safest and most prosperous way to run US foreign policy and the world order,” he asserts (13). The alternatives, as Zeiler puts it, were “the nationalists, populists,

¹ See, for example, his first book: Thomas Zeiler, *Free Trade, Free World: The Advent of GATT* (Chapel Hill: University of North Carolina Press, 1999).

² Zeiler cites Lloyd C. Gardner, Walter F. LaFeber, and Thomas J. McCormick, *Creation of the American Empire: US Diplomatic History* (Chicago: Rand McNally, 1973); and William Appleman Williams, *The Tragedy of American Diplomacy* (New York: W. W. Norton, 1973).

protectionists, and globalization skeptics” (5). They feature throughout the book as “protectionists,” who are pitted against the “internationalists” whom Zeiler hails.

This division, between protectionists and internationalists, is a familiar one to scholars of US trade policy. Most scholars of US trade history write of the debates between policymakers as falling within these two camps.³ But Zeiler’s book raises the question as to whether scholars of trade policy need new ways of framing negotiations over trade, beyond a binary between free trade and protectionism. Throughout the book, capitalist peace is used synonymously with free trade, and all groups that sought to question increased trade or lower trade barriers are pitted as “protectionists.” The result is a flattening of the considerable differences between critics of free trade. Both Trump and the New Left become connected as part of the same impulse, rather than groups that represent very different aims.

As such, the narrative seems to imbibe the arguments of proponents of free trade without critically appraising what the so-called protectionists were in fact calling for in any given time. In this regard, Steven Wertheim’s recent debunking of the straw man of “isolationism” in the 1930s and 1940s may serve as a useful model for scholars of US trade history in rethinking the bogeyman of protectionism.⁴ Labelling a group protectionist is, in this book at least, to position them as inhibitors of a righteous march towards global interconnectedness. Within the binary, there is a clear good and bad. It seems an obvious point to make, but “free trade” is a misnomer, given it incorporates many aspects of protectionism (as Zeiler addressed in his first book).⁵ So too, then, were those labelled protectionists often operating in far more nuanced ways. As the evidence within Zeiler’s book shows, not every critic of more open trade policies wanted to end global ties and build a fortress America.

Trump did not bother with the niceties of peace talk. But his vision of trade policies is very different from the grassroots movements calling for increased taxation on multinational corporations, or labor unions wanting to improve the working environments for Americans facing a global race to the bottom in pay and conditions. To flatten critics of globalization as protectionists—and to label globalizing elites as peacemakers—is to miss the ways that the form of neoliberal globalization we have today is not an inevitable outcome of free trade. Instead, it is a particular kind of globalization that was the result of deliberate choices to privilege the internationalization of capital over labor conditions at home and to privilege corporate power over democratic pluralism.⁶

This book additionally raises the question about the extent to which these ideas were truly motivated by the desire for peace. Or—if we do take policymakers at their words—the extent to which their desire for peace *matters* when the reality of their actions was anything but peaceful. For the New Left, the fact that US presidents and their advisors spoke of peace was less significant than the policies and decisions they made,

³ For two differing interpretations of US trade history who nonetheless both use this binary, see Alfred Eckes, *Opening America’s Market: US Foreign Trade Policy Since 1776* (Chapel Hill: University of North Carolina Press, 1999) and Douglas A. Irwin, *Clashing Over Commerce: A History of US Trade Policy* (Chicago: University of Chicago Press, 2019).

⁴ Steven Wertheim, *Tomorrow the World: The Birth of US Global Supremacy* (Cambridge: Harvard University Press, 2020).

⁵ Thomas Zeiler, *Free Trade, Free World: The Advent of GATT* (Chapel Hill: University of North Carolina Press, 1999).

⁶ For two recent examinations of these ideas see Gary Gerstle, *The Rise and Fall of the Neoliberal Order: America and the World in the Free Market Era* (Oxford: Oxford University Press, 2022) and Quinn Slobodian, *Crack-Up Capitalism: Market Radicals and the Dream of a World Without Democracy* (New York: Penguin Press, 2023)

which had violent and destructive outcomes.⁷ More recently, historians of the Cold War have debunked the notion that the second half of the twentieth century was ever an era of “the long peace.”⁸

It seems instead that the “capitalist” part of “capitalist peace” was far more important to the policymakers this book considers. The Truman administration was concerned with preserving and strengthening the capitalist system in the face of the Soviet Union’s emerging socialist world economy, and President Harry S. Truman was happy to fight for those aims in horrifically violent campaigns in North Korea. The Nixon administration may have spoken often of peace, yet he instigated deadly US operations throughout Asia and Latin America even as he extricated the country from the war in Vietnam. In practice, US policymakers were concerned with shoring up and protecting capitalism—and using peace as a way of justifying this.

Capitalist Peace provide a provocative entry point, then, for classroom discussions and scholarly debates alike. It makes an important contribution to the scholarship on trade and its role in international affairs, pushing us to consider the relationship between trade and diplomacy and how it has shaped the international system we have today.

⁷ In addition to the works cited by Zeiler, see, for example, Marilyn Young, *The Vietnam Wars: 1945–1990* (New York: Harper Collins, 1991).

⁸ On the “long peace,” see John Lewis Gaddis, *The Long Peace: Inquiries into the History of Cold War*, (Oxford: Oxford University Press, 1989). For critiques, see Odd Arne Westad, *The Global Cold War* (Cambridge: Cambridge University Press, 2012) and Paul Thomas Chamberlin, *The Cold War’s Killing Fields: Rethinking the Long Peace* (New York: Harper, 2018).

Review by Francine McKenzie, Western University

I have learned a lot from Tom Zeiler's scholarship about international trade and American foreign policy over the years. *Free Trade, Free World: The Advent of GATT*¹ was especially important for my own work. So, I was eager to read *Capitalist Peace*. This is a granular and nuanced study of the use of trade policy to support international and internationalist goals of the United States (freedom, democracy, and prosperity) since the 1930s. Zeiler's study explains that trade has been instrumentalized in service to foreign policy and it has been a political issue in its own right over which states have cooperated and clashed. The book's principal contribution, however, is to explain the underlying beliefs and overarching vision of American foreign policy and how free trade internationalism has supported that vision. I learned much from this study, but it also left me asking questions.

What Exactly was the Capitalist Peace?

Zeiler nods to political science literature on the capitalist peace theory,² but he does not align his study too closely with it. Rather he employs capitalist peace as a grand strategy to explain how and why successive American governments used trade policy to support international objectives, in particular promoting democracy and freedom, increasing prosperity, reducing conflict, and enhancing security. Zeiler provides extensive evidence that American presidents and their administrations idealized their trade and foreign policy objectives. They often referred to peace; interestingly, they rarely seemed to mention capitalism. Although the capitalist characterization is apt, it could be more fully developed by grappling with its contradictions and complexities. Capitalism raised standards of living for some people and exacerbated precarity for others; it led to uneven and inequitable economic growth; it stabilized some countries and undermined the sovereignty of others; it advanced and suppressed human rights. Sustained critical reflection about the idealization of the capitalist peace and the ways in which people have experienced it would strengthen the case for the capitalist descriptor.

As for peace, Zeiler defines it primarily in relation to international relations. In the 1930s and again from the 1990s on, that meant defusing tension and preventing war; during the Cold War, it meant security from Communism; since the 1960s it has also taken individual well-being into account, sometimes in connection to human rights. And yet, Zeiler's study makes clear that attempts to advance the liberalization of trade provoked disagreements with other countries, including allies and neighbours like Japan, Britain, the European Economic Community/European Union (EEC/EU), Canada, and Mexico. To countries trying to develop their economies, trade (and capitalism) perpetuated conditions of underdevelopment, compounded their vulnerability to global economic forces, and undermined their sovereignty. More discussion of the United Nations Conference on Trade and Development (UNCTAD), the New International Economic Order (NIEO), and development would have resulted in fuller consideration of how justice, equity, and inclusivity fit into the capitalist peace.

¹ Thomas W. Zeiler, *Free Trade, Free World: The Advent of GATT* (Chapel Hill: University of North Carolina Press, 1999)

² Zeiler refers to the work of Katherine Barbieri, *The Liberal Illusion: Does Trade Promote Peace?* (Ann Arbor: University of Michigan Press, 2005), Daniel Egan, "Democracy, the State and Global Capitalism" in *Democratic Peace in Theory and Practice*, ed. Steven W. Hook (Kent, OH: Kent University Press, 2010): kindle edition, and Bruce Russett, "Capitalism or Democracy: Not So Fast," *International Interactions* 36:2 (2010): 198-205.

How Strong Was American Support for Free Trade Internationalism?

The United States was not a strict or consistent adherent of liberal trade practices. Zeiler contrasts idealized political rhetoric about the United States as the defender of democracy, prosperity, human rights, and free trade internationalism and frequent adjustments to trade policy in response to domestic and international economic pressures. Declining competitiveness, rising unemployment, restricted access to foreign markets, run-away inflation, balance of payments problems, disadvantageous exchange rates, and pressure on the dollar prompted administrations to introduce caveats, supports, and restrictions, such as raising tariffs on imports in sectors under strain, forcing allies like Japan to “voluntarily” restrict their exports to the United States, and ending the Bretton Woods system of fixed exchange rates (see, for example, 135-136, 177, 192, and 197). According to Zeiler, free trade internationalism was supplanted by the more flexible concepts of “neo-mercantilist fair trade” (170) or “embedded protectionist fair trade” (205).

As for the American public, *Capitalist Peace* shows that trade liberalization and the instrumentalization of trade policy elicited determined and relentless opposition in the United States, which was often expressed as support for protectionism.³ Discussion of the pushback to trade and capitalism could be expanded to include people like the sociologist and civil rights activist W.E.B. Du Bois, who connected capitalism and trade to imperialism and injustice,⁴ and *No Logo* types like Naomi Klein, Bernie Sanders, Michael Moore, and Ralph Nader, who decried the rapacity of multinational corporations as well as the socio-economic inequities and environmental devastation caused by capitalism.⁵ On the flipside, it would be helpful to know more about who supported free trade internationalism, how they articulated their views and lobbied for their interests.⁶

Was the Trump Presidency a Radical Departure from Capitalist Peace Thinking and Practice?

Zeiler notes that before 2016, many presidents had been skeptical about international trade. Presidents Richard Nixon, Bill Clinton, and Barack Obama acknowledged the harmful effects of trade for the United States and its citizens. According to Zeiler, they continued to subscribe to the capitalist peace vision, but no longer believed that trade liberalization was the way to achieve it. Zeiler’s narrative shows that support for free-trade internationalism was fluid. Even so, he presents President Donald Trump’s “nihilistic” (271) endorsement of a zero-sum nationalistic approach to America’s engagement in world affairs as a decisive break with capitalist peace thinking. However, he adds that presidents who endorsed capitalist peace and trade liberalization also put American interests first (271). No doubt, there were significant changes in

³ See Susan Ariel Aaronson, *Taking Trade to the Streets: The Lost History of Public Efforts to Shape Globalization* (Ann Arbor: University of Michigan Press, 2001) and Douglas A. Irwin, *Free Trade Under Fire* (Princeton, N.J.: Princeton University Press, 2005) for deep dives into the reasons people have feared and resisted trade.

⁴ W.E.B. Du Bois, *The World and Africa and Color and Democracy: Colonies and Peace in The World and Africa/Color and Democracy*, ed., Henry Louis Gates Jr. (New York: Oxford University Press, 2007).

⁵ Naomi Klein, *No Logo: Taking Aim at the Brand Bullies* (Toronto: Vintage Canada, 2000), Bernie Sanders with Huck Gutman, *Outsider in the House* (London & New York: Version, 1997); *Roger and Me*, directed by Michael Moore (Warner Bros., 1989); and Ralph Nader, ed., *The Case against Free Trade: GATT, NAFTA and the Globalization of Corporate Power* (San Francisco: Earth Island Books, 1993).

⁶ In a fascinating Pew study of global public opinion about trade and foreign investment, the results suggest that the highest degree of skepticism about trade was in the United States, Italy, Japan, and France, whereas developing countries were the strongest supporters of trade. Pew Research Centre, Faith and Skepticism about Trade, Foreign Investment,” September 2014, <https://www.pewresearch.org/global/2014/09/16/faith-and-skepticism-about-trade-foreign-investment/>.

American foreign policy during the Trump presidency, but the rupture over trade policy might not be as unprecedented or stark as Zeiler suggests. It might be more apt to conceive of the historical trajectory of free-trade internationalism as a balance between national and international spheres and economic and political goals in need of periodic recalibration (as Zeiler does in places) rather than as a continuum that came to a sudden end.

How Did Governments and People Outside the United States Respond to the Capitalist Peace and Free Trade Internationalism?

This might be an unfair question, since *Capitalist Peace* is told from an American point of view. But this perspective becomes problematic because other countries were more than foils or backdrop in the story. Occasionally, the perspective shifts to other countries. For example, Zeiler chalks up American criticism of Japan's protectionist, managed, and mercantilist policies to the fact that "Japan was simply a better competitor" than the United States. He concludes that "Americans scapegoated the nation [Japan] for its own failings" (205). More shifts in perspective would remind the reader that this is a study of how Americans and their leaders saw themselves and the world; it does not describe the trade and foreign policies of other countries, let alone their grand strategies. It would also refine the portrayal of other nations as more than obstacles to the realization of trade liberalization and capitalist peace. Zeiler's study shows that while American leaders disregarded or minimized the domestic economic disruption caused by free trade internationalism in other countries, they introduced trade restrictions in order to support their own domestic economic well-being. Domestic economic conditions were a high-stakes political matter. As Zeiler writes about Nixon, "textiles equated to politics" (173). Exactly. It was the same with bananas, rice, wheat, shoes, rubber, steel, cars, wine, films (the list goes on) elsewhere.

Presenting the United States as the champion of the capitalist peace and advocate of trade liberalization and other countries as difficult, non-compliant, or obstructionist is problematic. Assumptions about America's role and policies need to be more consistently interrogated and the ways in which many countries were also believers in and practitioners of free trade policies, perhaps even adherents of capitalist peace, could usefully be integrated into the analysis and narrative.

Did the Capitalist Peace Work?

Zeiler concludes his study with an assessment of the achievements of the capitalist peace grand strategy. He acknowledges its shortcomings, inconsistencies, and imperfections, and admits that the United States was "surely guilty of propagating conflict and inequality beyond its shores" (284). Still, he concludes that "Trade liberalization, derived from the capitalist peace paradigm, built economies, integrated nations, provided security through military pacts, and ultimately, brought peace" (285). I am not convinced that Zeiler needs to take a stand on the success or failure of the capitalist peace. As Zeiler himself explains, his book is a study of "ideology, beliefs, and perceptions and their effect on foreign policy" (5). More persuasive and more useful than an evaluation of its success or failure is his description of free trade internationalism as a faith or theology.⁷ (He also describes it as a doctrine, dogma, ideology, and paradigm.) Like other faiths, there might

⁷ Other scholars and experts have also described belief in economic doctrines as faith. See Robert Gilpin, *The Political Economy of International Relations* (Princeton, N.J.: Princeton University Press, 1987), 41, and Orin Kirshner, ed., *The Bretton Woods-GATT System: Retrospect and Prospect after Fifty Years* (Armonk, NY: M. E. Sharpe, 1996), x. I have also

not be hard evidence that proves core beliefs, in this case that free trade internationalism strengthened democracy, improved standards of living, advanced human rights, and made the world more peaceful. But free trade internationalism is well worth studying because it explains what people and politicians believed and how they behaved.

examined the belief in free trade as a faith. See Francine McKenzie, "Faith, Fear and Free Trade," *International Journal* 69:2 (2014): 233-245.

Review by Marc-William Palen, University of Exeter

Capitalist Peace innovatively builds upon Thomas Zeiler's previous studies that had already established him as the leading historian of twentieth-century US foreign trade policy.¹ Its timing coincides with a resurgence of scholarly interest in the intersections of ideology, foreign policy, and global capitalism.² In this timely book, Zeiler makes clear from the start that this is a history of US free-trade internationalism, not "an international history of trade." In other words, it is "about ideology, beliefs, and perceptions and their effect on foreign policy—and on history itself" (5). The chronologically organized story that unfolds is also a history of political and ideological conflict, as numerous subscribers to capitalist peace sitting in the Oval Office battled it out with protectionist congressmen and lobbyists as well as protectionist forces in Europe, the Soviet sphere, and the Global South. US policymakers, Zeiler argues, "devised liberal trade policy using an ideological lens defined by the needs, aims, and strengths of the capitalist and democratic world" (2). As the latter element highlights, "democracy was pivotal to" capitalist peace. He writes, "from the Great Depression through the Cold War and the era of modern-day globalization to the 2016 election, the capitalist peace tied a free-trade agenda to the US alliance with democracies" (10).

Cordell Hull, who was secretary of state during the administration of Democratic president Franklin Roosevelt, overhauled US foreign trade policy in the 1930s. Based on his understanding of the First World War, Hull was the century's premier capitalist peace ideologue in the United States. "It was Hull who really took up the peace-through-trade banner that Roosevelt approved but did not wave vigorously" (20), Zeiler asserts. "Hullian capitalist peace" (22) required an extraordinary reformation of US foreign policy at a time when the world was turning ever more inwards economically. First up was the nation's Latin American policy, which had long been pockmarked by US imperial meddling. At the 1933 Pan-American Conference, however, Hull pledged that the US would no longer coercively intervene in the Western Hemisphere. The following year, the US Congress passed the Reciprocal Trade Agreements Act (RTAA), an economic policy of non-discrimination and tariff decreases that laid the groundwork for subsequent freer-trade internationalist planning. The RTAA was essentially "a revolutionary first step in a decades-long victory for internationalists" (24).

However, from the perspective of capitalist peace subscribers (and, subsequently, protectionist Republican critics), Hull's freer-trade efforts arrived too late to halt the coming world war. The RTAA was not able to slow fascism's autarkic spread, nor was it able to stop the British, who had formerly been the leading free-trade proponents of capitalist peace, from retreating to imperial trade preference. Coupled with Britain's own 180 degree turn on free trade, Hull had a tough time keeping trade liberalization on Roosevelt's radar, as he became more concerned with military preparedness. Roosevelt himself admitted that he had even forgotten to include free trade as the fifth freedom but "that is the fifth, very definitely" (41). Roosevelt's subsequent inclusion of the open-door principle within the Atlantic Charter may have made up for the earlier omission, but trumpeting for equal market access and trade opportunities also raised the hackles of the British, who remained wedded to imperial trade preference during and after the war, as did even former free traders like John Maynard Keynes and Winston Churchill.

¹ See, for example, Thomas Zeiler, *Free Trade, Free World: America and the Advent of GATT* (Chapel Hill: The University of North Carolina Press, 1999); Zeiler and Alfred Eckes, *Globalization and the American Century* (Cambridge: Cambridge University Press, 2010); Zeiler, "Opening Doors in the World Economy," in Akira Iriye, ed., *Global Interdependence: The World after 1945* (Cambridge, MA: Harvard University Press, 2014), 203-362.

² See, for example, Christopher McKnight Nichols and David Milne, eds., *Ideology in U.S. Foreign Relations: New Histories* (New York: Columbia University Press, 2022); and Christopher R. W. Dietrich, ed., *Diplomacy and Capitalism: The Political Economy of U.S. Foreign Relations* (Philadelphia: The University of Pennsylvania Press, 2022).

Capitalist peace advocacy was not entirely the domain of Democratic administrations. During the interwar years, some in the GOP began to buck the party's long-time protectionist trend. According to Zeiler, before the passage of the protectionist Hawley-Smoot Tariff, Republican President Herbert Hoover had sounded more "like the ideal free-trade internationalist" (16). And the GOP's 1940 presidential nominee, Wendell Willkie, echoed Roosevelt's own position in support of capitalist peace, making it perhaps the first ever presidential election where both parties' nominees were largely in agreement on US trade policy.³ By the time of the Second World War, some GOP leaders were thus finding common ground with the Democrats on the free-trade front.

By war's end, establishing a capitalist peace moved from a bilateral to a multilateral project. The newly-created United Nations provided one such forum for freeing world trade. The US business community wanted more than this, however, and had the ear of Hull's ideological successor in the new Truman Administration, Democratic Assistant Secretary of State Will Clayton. But Clayton also took capitalist peace in new directions owing to his "evolving focus on national security and defense rather than on Hull's vision of universal peace." Clayton's shift in State Department priorities "proved to be the most significant transformation in capitalist peace ideology in history" (57). The State Department first tried to marry freer trade to US economic security through the failed International Trade Organization. The second attempted marriage was successfully consummated, giving birth to the General Agreement on Tariffs and Trade (GATT) in 1947, a multilateral trading forum that enshrined unconditional most-favored-nation principles for its members.⁴ And at first, it seemed as if the Soviet Union might even count among them.

But then came the Cold War, which, Zeiler asserts, fused capitalist peace with capitalist security, stymying any remaining postwar hopes of a US-Soviet trade relationship. Reactionary protectionist forces in Congress remained a powerful stumbling block to capitalist peace, as did the closed markets of the Soviet world. Yet capitalist peace policies survived, with support from presidents of both major political parties. "Roosevelt had reversed protectionism and launched the postwar trade order," and then "Truman had introduced trade liberalism to the security structure of the Cold War." According to Zeiler, Eisenhower next "solidified free trade with military policies as a servant of national security for the next four decades" (97). Not to be outdone, Democratic President John F. Kennedy spearheaded the next big shift when he proposed his "Grand Design of capitalist peace," the Trade Expansion Act, which Zeiler calls "the most transformative trade legislation since 1934" (141). Democratic President Lyndon Johnson remained a believer too, despite rising challenges from leaders of the Global South who were disillusioned with the GATT, as well as the geopolitical fallout of the war in Vietnam. Elements of Kennedy-Johnson-style capitalist peace were carried forward into the pragmatic internationalism of the Republican administration of Richard Nixon via its policy of détente with China. But Nixon gave capitalist peace a sizeable strategic demotion following his "neo-mercantilist, fair trade approach" in responding to the economic crises of the early 1970s (170). Presidents Gerald Ford and Jimmy Carter, despite facing their own sizeable economic crises, kept capitalist peace alive, even as the latter of the two became more receptive to the demands of the Global South.⁵

Capitalist peace, according to Zeiler, steered US foreign policymaking in a big way from the 1980s to the 2016 election of Donald Trump. The "capitalist peace paradigm" of the 1980s continued to play "a major role," this time in helping to bring an end to the Cold War and to the Soviet Union (201). Reagan believed, "with an

³ Willkie's penchant for free trade also appears in Samuel Zipp's recent biography, *The Idealist: Wendell Willkie's Wartime Quest to Build One World* (Cambridge: Harvard University Press, 2020).

⁴ See, also, Francine McKenzie, *GATT and Global Order in the Postwar Era* (Cambridge: Cambridge University Press, 2020).

⁵ For a powerful recent counter-narrative, see Christy Thornton, *Revolution in Development: Mexico and the Governance of the Global Economy* (Oakland: University of California Press, 2021).

ideological fervor, in free markets and in enlisting free trade to serve his anti-communist foreign policy” (206). As a result, in “shedding the rogue tough-guy image,” he “increasingly drew on capitalist peace thinking by holding out carrots rather than slapping with sticks to coax cooperation from Moscow” and, to an extent, China (204). Protectionist Japan, with its newfound status as manufacturing rival, was not so fortunate. Similarly, during George H.W. Bush’s Republican presidency, anti-Japanese fearmongers in Congress “rendered the capitalist peace argument moot” (218). Nevertheless, Bush and his Democratic successor Bill Clinton would vindicate the capitalist peace by overseeing a post-Cold-War “positivism about openness, interdependence, and connectedness” (222). And their bipartisan backing of the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO) strengthened their oversight powers considerably. For Clinton, the WTO also provided the “building blocks of democracy, the objective of capitalist peace ideology” (236). Despite growing anti-globalization opposition, Republican President George W. Bush was no exception. According to Zeiler, Bush “worshipped at the capitalist peace altar, sanctified by free trade” (248). Democratic President Barack Obama, although more moderate and tempered in his approach, yet maintained capitalist peace’s defense. Donald Trump, who had long embraced an older zero-sum beggar-thy-neighbor Republican view of geopolitics, instead cultivated support from capitalist peace’s loudest domestic critics when he unveiled his “America First” foreign economic policy, replete with tariffs and trade wars. Trump’s repudiation of nearly a century of US free-trade internationalism has also ensured that the battle between capitalist peace and its detractors “will continue to rage on” (280).

Capitalist Peace refreshingly makes sure that the role of ideologies remains front and center. On this point, how does Zeiler account for the GOP’s post-1945 ideological embrace of capitalist peace theory at the executive level? For example, what does Zeiler consider to be the main reason for Dwight Eisenhower’s predisposition for “free enterprise”? This appears to have been a momentous ideological conversion, considering that his Republican presidential predecessors, as well as many of his Party’s congressmen, had remained so loyal to economic nationalism: a protectionist opposition that Zeiler masterfully accounts for throughout the book. The fact that Cordell Hull and the Democratic Party took a shine to capitalist peace isn’t all that surprising, considering the party’s historical association with free-trade ideas. Eisenhower’s bipartisan embrace of free enterprise, however, was not only crucial to capitalist peace’s survival during the early Cold War: it could be argued that it also helped lay the ideological groundwork for the Reagan Revolution and the post-Cold War neoliberal age. If this question were approached more broadly, the book contends that every president from the 1930s onward subscribed, to varying degrees, with the capitalist peace; what, then, was it about the executive branch that made its intentions more amenable to capitalist peace than the legislative branch, such that Republican presidents were willing to challenge their party’s long-standing saber-rattling penchant for protectionism? Connected to this, how do we reconcile capitalist peace’s stated defense of democracy, as it is introduced and traced here, with the anti-democratic policies of multiple US administrations that subscribed to capitalist peace? Here again Eisenhower provides a useful example, considering that his presidency oversaw coups d’état of democratically elected leaders in Iran and Guatemala, neither of whom represented a real and present danger to US national security. Free trade’s Cold War divorce from democracy promotion would appear to represent a substantial reworking of Zeiler’s own definition of capitalist peace for numerous presidential adherents, although it does align with the growing literature on neoliberalism.⁶

Zeiler has once again produced an important work. Historians of US foreign policy, trade, and peace will need to engage with *Capitalist Peace*’s highly revisionist interpretation that often runs counter to prevailing accounts. The same goes for its provocative conclusion that “trade liberalization, derived from the capitalist

⁶ Most recently, see, for example, Quinn Slobodian, *Crack-Up Capitalism: Market Radicals and the Dream of a World Without Democracy* (New York: Random House, 2023); Fritz Bartel, *The Triumph of Broken Promises: The End of the Cold War and the Rise of Neoliberalism* (Cambridge, MA: Harvard University Press, 2022); Gary Gerstle, *The Rise and Fall of the Neoliberal Order: America and the World in the Free Market Era* (Oxford: Oxford University Press, 2022).

peace paradigm, built economies, integrated nations, provided security through military pacts, and, ultimately, brought peace” (285). *Capitalist Peace* challenges the historiographical consensus in no small part by giving due attention to top policymakers’ benign free-trade beliefs and intentions—even if their actions and results did not always reflect them.

 Response by Tom Zeiler, University of Colorado Boulder

I count Elizabeth Ingleson, Francine McKenzie, and Marc-William Palen as colleagues and friends as well as peers who have taught me a lot over the years. *Capitalist Peace* would not have come to fruition, at least as a passable history of American trade and diplomacy, without my good fortune of knowing them and being able to draw on their work.¹ Their scholarship has made me think, and re-think, my assumptions—and their reviews here have done the same. So, thanks to the three, including their kind words that overlay their shrewd assessments of this book. And I appreciate as well Charles Kupchan’s introductory remarks.

All three basically accept the premise of *Capitalist Peace*: that US leaders envisioned, even idealized, free trade as a basis of foreign policy over the past near-century, though each reviewer critiques this ideology (or dogma, as McKenzie reminds us, in reference to my repeated reliance on a thesaurus). That is, free trade was, and is, linked to even larger ideas of peace, security, and development. To be sure, Ingleson takes me to task in drawing on the New Left’s justifiable argument that the United States caused much damage in the Global South by its neoliberal globalization. Still, thoughts are different than actions; ideology is different than policies and outcomes. And we did not always think globalization was a bad thing. There was a time, up to the late 1960s, when free-trade internationalism was backed by Democrats, Republicans, and even socialists. Into the late 1990s, the liberal split gapped larger, though I imagine even Senator Bernie Sanders would side with internationalism over nationalist-populism, of which fair, liberal trade is a key component. My only defense is that while I agree with Ingleson’s conclusion (and McKenzie alludes to it in wondering why I didn’t address the United Nations Conference on Trade and Development [UNCTAD], the New International Economic Order [NIEO], and the like, and why also I omitted the views of left-liberals like scholar W.E.B. Du Bois and political activist Ralph Nader), the intention of the book was to examine faith over results. Still, I believe that there were, overall, successful results in the defeat of fascism and Communism, the unity of the so-called Free World into a prosperous and secure bloc of nations, and some progress (though not enough) in serving democracy and human rights in the Global South through free-trade internationalism. There was much more to capitalist peace than profit and exploitation.

Protectionism. All the reviewers take note of how I dealt with that centuries-long movement. Its power and impact are fascinating, especially in a nation that prides itself on market capitalism. I certainly reacted to the Donald Trump phenomenon (and admittedly, wise manuscript reviewers toned down my most scathing criticism before the book went to press), but I do think that Trump returned to an emphasis on old-style protectionism without much concern for grander strategic implications. Protectionism was ever-present, waxing and waning, but 2017 witnessed a significant divergence in American trade policy. So, I disagree somewhat with McKenzie that that administration did not represent a stark rupture; I think much about Donald Trump’s administration deviated from the norm, including launching an ill-advised trade war with China, that was indeed, “unprecedented,” to borrow her word. Even President Richard Nixon, who comes in a distant second on economic nationalism, regretted his economic shock of tariff hikes in 1971. Unlike Nixon, Trump had no such remorse, nor, I imagine, much of an inkling of history.

I find it interesting that Palen would label me a “revisionist,” though in the historiographical times in which we live, I guess being somewhere between New Left and neoliberal is different. His intriguing question of why President Dwight Eisenhower forged beyond traditional Republicanism to embrace a bipartisan free-

¹ Elizabeth O’Brien Ingleson, *Made in China: When US-China Interests Converged to Transform Global Trade* (Cambridge, MA: Harvard University Press, 2024); Francine McKenzie, *GATT and Global Order in the Postwar Era* (Cambridge: Cambridge University Press, 2020); McKenzie, *Rebuilding the Postwar Order: Peace, Security and the UN-System* (London: Bloomsbury Academic, 2023); Marc-William Palen, *The “Conspiracy” of Free Trade: The Anglo-American Struggle Over Empire and Economic Globalisation, 1846–1896* (Cambridge: Cambridge University Press, 2017).

trade (and enterprise) approach is a good one. I think the 1930s and the Cold War, and the leadership thrust on the United States, convinced him that internationalism had come of age. Not only could America profit as the most competitively advantaged of nations, but free trade connected his interest in sending less aid abroad and relying more on the market in the emerging battle over capitalism and democracy with the Soviet Union. He certainly veered from democracy promotion, which gets us back to the New Left critique (and to even McKenzie's concern that I did not take the perspectives of other nations into enough account, which is fair enough, though I did not pretend to write an international history) that the Global South bore the brunt of US power.

There is obviously more work, and different perspectives, needed on the capitalist (and democratic) peace ahead for historians. My three colleagues have compelled me to think deeper about the issue and I thank them for their pointers