

number of Soviet spies: There may have been in excess of 500.

Despite all this detail, the story that really emerges is one of KGB failure. Consider the case of the OSS: This American intelligence agency created the foundation for what is now the CIA. The authors argue that the KGB developed “an astounding number of sources” within the OSS—they identify a dozen. By this standard, the CIA ought to have been riddled with Soviet spies from its inception in 1947. Yet it was the 1960s before the agency was afflicted by a mole hunt for KGB agents—now thought to have been spurious—and the 1980s until significant KGB penetrations of the CIA were actually uncovered. Similarly, the signal KGB success of World War II—uncovering American atomic secrets—was not matched by any consequential espionage presence in the United States’ Cold War—era nuclear programs. For all the naming of names, the Soviets took home no secrets they had not gained in World War II or before it. The balance of power in the Cold War remained exactly what it had been then.

During the 1930s, when the Soviet social enterprise still seemed attractive, the democracies appeared to be threatened by fascism, and the impending conflict was epitomized, for many, by the Spanish Civil War, recruits for the Soviet

spymasters were legion. Most of the relationships detailed in *Spies* date from that period. Joseph Stalin’s purges, which also cut deeply into the KGB, affected management of its American networks. His 1939 deal with Adolf Hitler soured the pot. The rising disaffection and Soviet paranoia led the KGB, before the end of World War II, to actively work to cut the CPUSA out of its spy operations. A series of spy cases that began in 1945 with the defection of a KGB operative in Canada and the surrender of a CPUSA cutout to the FBI completed the destruction. The controversial Hiss and Oppenheimer cases took their public toll at a moment when KGB espionage in the United States was near its nadir.

These observations are not so new. And the interpretations of individuals’ roles in *Spies* are different mostly in nuance from what has appeared already. Material on the actual Soviet intelligence gains from all this espionage remains sparse, with the exception of the activities of the atomic spies. So I wonder about the value of this book. The number of spies has swelled from 349 to 500? This is angels on the heads of pins. It is time to stop bogging down in the Stalinist era and move on into the Cold War.

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Rubber Baron

Reviewed by Paul Maliszewski

IN JULY 1925, HARVEY FIRESTONE, THE founder of the Firestone Tire and Rubber Company, traveled to Dearborn, Michigan, to have lunch with his friend Henry Ford. Firestone wanted the automaker to ally with him against the European rubber monopoly. Winston Churchill, then secretary of state for Great Britain’s colonies, had established a cartel to control production and sustain a higher price. Rubber was running \$1.21 per pound in the

United States, up from 20 cents three years before. But Ford, then in his early sixties and independent to the point of being isolated, saw no benefit in a partnership with Firestone. After their meal, he instructed his personal secretary, “Find out where is the best place to grow rubber?”

FORDLANDIA:
The Rise and Fall
of Henry Ford’s
Forgotten
Jungle City.

By Greg Grandin.
Metropolitan.
416 pp. \$27.50

Ford's decision launched his company on a 20-year, \$20 million misadventure. While Firestone started a successful plantation in Liberia, Ford acted on his secretary's advice and turned his attention to the jungles surrounding the lower Amazon. Until the late 19th century, Brazil had held a monopoly on rubber production. That was when Henry Wickham, a British citizen, stole 70,000 rubber-plant seeds from Brazil and handed them over to the Royal Botanic Gardens, where scientists nurtured seedlings that became the basis for a burgeoning rubber market in the British colonies of Southeast Asia. Wickham, who perhaps exaggerated the derring-do required to smuggle the seeds, nonetheless earned a knighthood and doomed the rubber trade in South America.

Ford wanted to accomplish more in the Amazon than just establish an affordable source of rubber. He was driven to carve his plantation out of the jungle by two beliefs: that the traditional American way of life could and should be exported to less developed countries, and that this same way of life was coming undone at home. He was, at once, a utopian dreamer and an embittered critic. His ill-advised foray in Brazil is detailed in Greg Grandin's *Fordlandia*, an engaging and passionately written history that takes its title from the name Brazilians called Ford's first settlement. Grandin is alert to the tragedy and the unexpected moments of comedy in the story, which is at times reminiscent of both Joseph Conrad's *Heart of Darkness* (1902) and Mark Twain's *The Adventures of Huckleberry Finn* (1884). Though Grandin, a professor of Latin American history at New York University, occasionally muddles his tale with repetition and confusing chronology, he appears to have read every relevant document in the archives at the Benson Ford Research Center, the repository for Henry Ford's papers and his company's corporate records.

Fordlandia grew from the discarded blueprints of Ford's 1922 plan to build on the banks of the Tennessee River a city as narrow as Manhattan but 75 miles long. Residents of the proposed city in northwestern Alabama would never be far from hills and farmland. Ford would offer low-interest mortgages, pay high wages, build schools, and construct a shop-

lined road running from one end to the other. A magazine called it an "All Main Street" city. Ford just needed a land concession and the federal government's approval. Since the recession of 1920, which would prove to be a harbinger of the Great Depression, Ford had devoted some of his time and wealth to a "village industry" program, an attempt to generate year-round employment in rural communities and, as Grandin writes, "reconcile farm and factory work." The irony of Ford's

industrial pastoralism is that the automobile played a not inconsiderable role in fracturing those communities to which Ford felt an increasingly sentimental attachment.

Congressional deadlock shattered his dream. George W. Norris, a Republican senator from Nebraska and a committed progressive, argued that Ford's proposal should be undertaken not by private interests but by the government. Republicans were different animals then.

In the Amazon, Ford need brook no interference from the U.S. government. In 1927, the magnate sent a University of Michigan botanist to Brazil, where he selected a parcel of land bordering the Tapajós River that he thought ideal. It was 80 miles to the nearest city and six days by boat to the Amazon's mouth. With only vague instructions from headquarters, Grandin writes, two other advance men—a lawyer and a middle manager—asked Brazilian officials for everything: "the right to exploit the land's lumber and mineral reserves, the right to build railroads and airfields, to erect any kind of building without government supervision, establish banks, organize a private police force, run schools, draw power from waterfalls, and 'dam up the river in any way we needed to.'" And they secured an exemption from export taxes on rubber, latex, and anything else the plantation shipped abroad. The state government offered 2.5 million acres, a million less than requested. "That acreage," a *Harper's* reporter wrote, "was about five-sixths the size of Connecticut, but when compared to the colossal Amazon basin it was a mere garden patch."

Henry Ford wanted to export to the Amazon a traditional American way of life that he believed was coming undone at home.



A factory building on Fordlandia, Henry Ford's rubber plantation in the Amazon, stands as an overrun relic of his ill-conceived experiment.

Ford agreed to plant rubber on a thousand acres of his garden within the year and pay \$125,000 for half of the land, as it was privately held. The other half, public land, he received gratis.

Ford's vision for his outpost was grand: a town complete with schools and Cape Cod-style houses as well as high wages and health care for all, both the American managers and the Brazilians attracted by word that the company was hiring people by the thousands. Ford would encourage workers to grow flowers and vegetables and eat only whole-wheat bread and unpolished rice. He would bring electricity to the jungle, and with it, telephones, washing machines, record players, and refrigerators. Some of his goals seemed quaint, such as staging poetry recitations and promoting ballroom dancing, with square dances on weekends. Others were downright peculiar, such as his intention to have nurseries feed soymilk to babies because, after growing up on a farm, he despised cows. Ford wanted to create American towns, Grandin writes, that just happened to be in the Amazon, with "central squares, sidewalks, indoor plumbing, hospitals, manicured lawns, movie theaters, swimming pools, golf courses, and, of course, Model Ts and As rolling down their paved streets."

Expectations, fueled by company press releases, ran high. *The Christian Science Monitor* reported

Ford would plant five million acres. *The Washington Post* had Ford's plantation ("Bigger Than New Jersey" read the headline) yielding enough rubber to make tires for two million cars every year. *The New York Times* predicted Ford's land would one day produce six billion pounds of rubber a year, an extraordinary feat of hypothetical productivity.

Problems arose immediately. The first ships, carrying much needed supplies, arrived in September 1928, during the dry season, when the river is low, and so couldn't reach the settlement for several months. Workers started clearing the jungle during the wet season, when felled trees won't burn. Soil erosion and leaf blight dogged the rubber plantings, and rifts among the workers bedeviled the operation. Ford's principal manager felt he was inadequately compensated, and so siphoned cash from the plantation's coffers. Later, when waiters in the dining hall were replaced with cafeteria-style service, Brazilian skilled craftsmen protested. They didn't want to queue up for food with common laborers. A riot ensued, leaving Fordlandia in ruins. Many expected Ford to close the plantation, but he decided to rebuild, increasing his investment in the model city.

The central problem, though, was a culture of obstinacy fed by a track record of success. Ford, the company and the man, always knew best, even though Ford himself never once visited Brazil. Thatched roofs, the thinking went, indicated that civilization had yet to deliver its infinite blessings,

and so Ford built homes with metal roofs lined with asbestos. Intended to reflect the heat, the houses retained it, like Cape Cod-style ovens. A priest there described them as “hotter than the gates of hell.” Company managers, he added, “never really figured out what country they were in.”

Four years into the arduous work at Fordlandia, only an accountant thought to ask if it was “fair to assume that seeds which grew up in a forest will do as well when planted in a totally denuded area under a hot tropical sun.” Soon after, the plantation manager wrote Dearborn, “We are entering a gigantic proposition. . . . It would be well to have the opinion of the highest expert on rubber planting.” The expert wasn’t optimistic. After attempting to address the many problems, he recommended abandoning the settlement and transferring operations downriver, where the ground was flatter and the soil richer. With six years and \$7 million invested, the company all but shuttered Fordlandia, shifting its interests to Belterra, the proposed site. In Portuguese the name means “beautiful land,” but blight followed, as did swarms of caterpillars. In 1942, Belterra yielded just 750 tons of latex. “It wasn’t high-quality rubber,” Grandin writes, nor would it offset Ford’s yearly need for 25,000 tons.

In 1945, shortly after being named company president, Henry Ford II turned the plantations over to the Brazilian government. Estimates placed

their value at \$8 million, considerably less than the company had invested. Ford parted with the land for \$244,200, enough to cover the severance pay owed remaining workers. While his grandfather’s vision never became real, the towns did look as Ford had imagined them, golf courses and all. But they were not towns for the people who lived there.

Grandin cautions against seeing Fordlandia as a parable about the folly of arrogance. Ford’s dream, he says, was fueled not by hubris but by a utopian urge. The arrogance, Grandin writes, “is not that Henry Ford thought he could tame the Amazon but that he believed that the forces of capitalism, once released, could still be contained.” In the jungle, far from government, industry could thrive, and “solve whatever social problems arose from progress’s advance.” Looked at another way, Fordlandia illustrates the determination of business to seek its own profit, unfettered and unbothered—until profits prove elusive. What’s more, Ford’s principles were situational, if not ad hoc. He was staunchly in favor of privatized gains but wouldn’t refuse socialized risks. In this year of massive bailouts for banks and automotive manufacturers, the contradictions at the heart of Fordlandia are laid bare again.

PAUL MALISZEWSKI is the author of *Fakers: Hoaxers, Con Artists, Counterfeiters, and Other Great Pretenders*, published earlier this year, and *Prayer and Parable*, a forthcoming short story collection.

Oh, Behave!

Reviewed by Nick Schulz

BEHAVIORAL ECONOMICS IS THE HOTTEST thing in the dismal science. A parade of books and magazine articles in the last few years has informed us of its implications for business, politics, and public policy. The free-market orthodoxy that took hold in the West with Ronald Reagan and Margaret Thatcher has been tried and found wanting, or so the thinking goes. It’s time to bury homo economicus, invisible hands and all, in a shallow Scottish grave next to Adam

Smith, and to restore government to its rightful role in managing economic affairs.

Arguments about the demerits of free enterprise and the merits of government intervention in the marketplace are hardly novel. So what new wrinkle explains the recent flood of writing on the

ANIMAL SPIRITS:
How Human
Psychology Drives
the Economy, and
Why It Matters for
Global Capitalism.

By George A. Akerlof and
Robert J. Shiller.
Princeton Univ. Press.
230 pp. \$24.95