

Reflections on Contract

Malcolm P. Sharp

I

Since the time when I first studied contract forty-five years ago, its controlling ideas have very slowly become, as it seems to me, somewhat simpler and more general. The odd and intuitive outlines of consideration have faded, while failure of consideration has more completely escaped the quirks of earlier formulations and found its place with mistake, impossibility, and other ideas designed to further the controlling purposes, so far as they can be discovered, which people have in making promises. The most appropriate activity of contract law for me has been the refinement of the familiar idea of promise. Common sense treatment of lapse and rejection adequately serves the bargain-making function of the offer, and common sense explodes the mystery of revocability.

Promises may be found in the home, in business, and in international relations. Freedom to commit oneself is the general rule, at least in business matters. This freedom is expressed in a treatment of apparent commitments in such a way as to give effect to the parties' purposes and yet to protect other parties in conducting business on the faith of appearances. Economic duress as an excuse is likely to be supplemented by refusal to give any protection to adjustments of undisputed obligations when the adjustments are produced by threats to take advantage of the imperfections of litigation. Excuse for mistake or lack of foresight is subject to liability for the consequences of change of position when verbal commitments go beyond what the parties, or one of them, can be supposed to have gambled on.

The general outlines of liability for negligence, including the limitations of contributory negligence, are for the most part adequate to deal with liability for change of position. But where participating parties are equally negligent or free of negligence, contribution and a sharing

Malcolm P. Sharp, Visiting Professor of Law, University of New Mexico, and Professor Emeritus, The University of Chicago Law School, is a member of the New York bar. He received his B.A. from Amherst College in 1918, his M.A. from the University of Wisconsin in 1920, and his LL.B. and S.J.D. from Harvard Law School in 1923 and 1927 respectively.

of tort or reliance losses are likely to prevail in time. General observance of the principle of equality is both a logical necessity, as a principle of rational and purposive classification, and a minimum requirement of humanity and justice, as a principle of equal treatment for individuals with equal attainment but different colored hair or skin. A modest application of the principle would require like treatment of equally faultless or faulty participants in a relationship. Where the parties' relationship is one of simple participation in contract, the treatment of premiums and losses in partnership is a persuasive analogy, though like all analogies imperfect and of itself inconclusive. In other commercial relationships, such as owner and bona fide buyer, the analogies of contribution among joint tortfeasors and of comparative negligence are suggestive. In all these situations there are limited and defined groups within which it is feasible to require the simple equality which the principle requires; though on a larger scale there is as yet no practical means of implementing that equality. If neither party is at fault, the loss is ideally one for insurance. But it will seldom or never be possible to determine with assurance, even after litigation, that neither is at fault. Where both are at fault, consistent application of the reasons for, and principles of, liability seems to require contribution. This is particularly true where the net loser is not simply a bystander but is related by consensual transactions to the other.¹

Two oddities of liability, the product of treatises rather than cases, persist. One is the popular notion that when a party's substandard use of language misleads another party, warranty or benefit of bargain damages are recoverable regardless of change of position. The decided

¹ Lord Justice Devlin, dissenting in *Ingram v. Little*, [1961] 1 Q.B. 31, 73-74 (C.A.), has indicated the course which legislation and decisions on such matters is likely to take. The plaintiffs brought an action for return of personalty or for damages for conversion against a buyer in good faith from a person who had purchased the personalty from the plaintiffs under the influence of impersonation. The Court of Appeal affirmed a judgment of damages for the plaintiffs on the ground that the plaintiffs had made an offer to sell to the person the buyer had represented himself to be, not to the buyer himself, and that hence there was no contract between the plaintiffs and the buyer. The Justice argued that the loss should be divided equally between the plaintiffs and the defendant if they were both equally faultless or negligent.

The Court of Claims in *National Presto Indus. v. United States*, 338 F.2d 99 (Ct. Cl. 1964), *cert. denied*, 380 U.S. 962 (1965), adopted an approach similar to Lord Devlin's. In rendering judgment for a contractor in his action against the government to recover the amount he lost in the production of shells for the defendant as a result of using a process which at the time of contracting both parties did not think would be necessary, the court divided the extra costs between the parties. Although this case arguably goes too far in relieving a contractor of risks, its treatment of chance taking and contribution seems on the whole admirable. *But see* 65 COLUM. L. REV. 542 (1965).

cases do not fully support this proposition. In all but one of the cases relied on by English and American authors to establish this notion, there was in fact a change of position.² In some there was a simple change of position. In others contractual obligation was conceded and performance thus assumed, and the dispute was about the meaning of terms. In some insurance cases, the verbal confusion was discovered when loss had occurred and when it was hence too late for an uncomplicated suit for cancellation. It is true that the language of the courts has commonly contained no reference to these features of the cases, and on a defensible theory of *ratio decidendi* a correction of this language would in many jurisdictions require what might be called a partial overruling. On the other hand, the *ratio decidendi* in these cases has one of the serious defects of dictum—the absence of well-considered argument and reflection on the significance and appropriate treatment of change of position or its absence in these as well as other cases of mistake and lack of foresight.

The other oddity is the curious and instructive peculiarity of contracts by correspondence. The practical justification of the rule that the offeror's power of revocation is limited by the dispatch of the letter of acceptance is also the justification of current statutory and judicial limitations on the traditional power of revocation of offers. As slight acquaintance with European law will remind us, this justification has no application to the offeree's power of rejection.³ In fact only two

² See generally Sharp, *Mr. Justice Holmes: Some Modern Views—Contracts*, 31 U. CHI. L. REV. 268, 273 n.14. In the one case which may be most persuasively cited in support of the familiar statement, *C. H. Pope & Co. v. Bibb Mfg. Co.*, 290 Fed. 581 (S.D.N.Y. 1921), there apparently was a markedly fluctuating market. Where there is a fluctuating market, the burden of showing that there has been no change of position or the burden of coming forward may properly be placed on the party who claims there was none. The *Pope* case indicates the usefulness of Professor Fuller's observations about benefit of the bargain damages as a protection of the reliance interest and the course which the law of promissory estoppel and of mistake may both follow. In the other case which is cited in support of Williston's statement of the rule, *Allen & Co. v. Monroe County Hay Exch.*, 123 Miss. 502, 86 So. 297 (1920), change of position, it seems to me on further reflection, appears clearly enough in the report to indicate its presence in the record or at any rate in the court's view of the record. And in *Kehler Flour Mills Co. v. Linden*, 230 Mass. 119, 119 N.E. 698 (1918), which is cited by Professor Page in his treatise as support for the traditional statement, I PAGE, *CONTRACTS* § 264 (2d ed. 1920), the plaintiff seller, doing business in St. Louis and relying on a reasonable understanding of correspondence with a buyer in Sweden, had made commitments to enable it to manufacture and sell the flour in question at the time the controversy arose.

³ An admirable article by Professor Macneil makes more concessions than I would to authorities cited on the other side. Macneil, *Time of Acceptance: Too Many Problems for a Single Rule*, 112 U. PA. L. REV. 947 (1964). Three of the cases dealt with acts treated, rightly or wrongly, as the completion of executed, not promised, payment. *Cohen v. First Nat'l Bank*, 22 Ariz. 394, 198 Pac. 122 (1921); *Sutton Elec. Supply Co. v. Fourth Nat'l*

cases treat the dispatch of the letter of acceptance as terminating the offeree's power of rejection. An obscure New Zealand case, which is relied on by English writers, illustrates the unsoundness of the supposed rule by holding ineffectual notification of a girl's rejection of an offer of marriage sent after a letter of acceptance but arriving ahead of it.⁴ The other case produced a recent Florida opinion based on the erroneous view that dispatch of a letter of acceptance must have all or none of the possible effects of legally operative acceptance.⁵ The authors of the *Restatement* apparently plan to perpetuate some of the legends on the subject of contracts by correspondence. The problems about *ratio decidendi* noticed in connection with "objective theory" appear again in the cases on rejection and acceptance by correspondence.

The cases on risk of loss or delay of the letter of acceptance are equally unpersuasive. The leading case is an early New York commercial case illustrating the unfairness and unnecessary simplicity of the supposed rule that the risk is on the offeror once the letter of acceptance is posted.⁶ Another is a case in which the circumstances indicate that the offeror-lessor and the offeree-lessee's representative saw one another from time to time during part of the critical period and lived in the same city, so that it would have been simple prudence for the offeror to ask the representative of the offeree about its deci-

Bank, 145 Kan. 160, 64 P.2d 34 (1937); *Farmers' Guar. State Bank v. Burrus Mill & Elevator Co.*, 207 S.W. 400 (Tex. Civ. App. 1918). The familiar cases to the contrary on the narrow point of payment are thus the more remarkable. See Macneil, *supra* at 961 n.38. A Canadian case involved what was conceded a contract by ordinary common law tests, and the question at issue was the adequacy of a letter to satisfy a statutory requirement of a record. *Ellard v. Waterloo Mfg. Co.*, 20 Sask. 601, [1926] 1 D.L.R. 81 (1925). In an Iowa case notice of acceptance was held to have reached the offeror's (and offeree's) agent in the transaction ahead of effective acts of final rejection. *Hayne v. Cook*, 252 Iowa 1012, 109 N.W.2d 188 (1961). The two other cases which I should doubt involve other questions. In a Texas case, in view of lack of "authorization" to use an agency of transmission, the power of rejection was recognized. *Scottish-Am. Mortgage Co. v. Davis*, 96 Tex. 504, 74 S.W. 17 (1903). An Illinois case dealt with the power of revocation of an offer, not the power of rejection. *Geary v. Great Atl. & Pac. Tea Co.*, 366 Ill. 625, 10 N.E.2d 350 (1937).

Professor Farnsworth cites *Postal Tel.-Cable Co. v. Willis*, 93 Miss. 540, 47 So. 380 (1908), on the point. JONES, FARNSWORTH, & YOUNG, *CONTRACTS* 138 (1965). Here, however, the decision was simply that despite a delay in delivery of the wire a telegraph company was not liable to an offeror who was simultaneously informed by telephone of the offeree's rejection and of the dispatch of a wire of acceptance by the offeree and who in the same telephone conversation agreed to disregard the wire of "acceptance." The decision is thus arguably consistent with the view that the wire of acceptance was, under the circumstances, ineffectual, as the parties agreed.

⁴ *Wenkheim v. Arndt*, 1 *Juris Rep.* 73 (N.Z. Sup. Ct. Otago & Southland Dist. 1873).

⁵ *Morrison v. Thaelke*, 155 So. 2d 889 (Fla. Dist. Ct. App. 1963).

⁶ *Vassar v. Camp*, 11 N.Y. 441 (1854).

sion.⁷ Another case involves the exercise of an option to employ a performer⁸ and is inconsistent with the more persuasive cases saying that a notice of the exercise of a contractual option must reach the offeror to be effective in determining risk of loss or delay.⁹ The other cases traditionally relied upon as support for the supposed rule will be found to involve notice of an arguably agreed-to act affecting "property" interests,¹⁰ payment,¹¹ or the attachment of risk in insurance.¹² Independent justifications for these cases can at any rate be urged.¹³

On the whole, teacher and practitioner are safe in counting on a relatively simple and workable scheme of contract law. Research may devote itself to stating the outlines and implications of the scheme. The three formidable American treatises on contract are subject to some further refinements of statement.

The history of contract in any jurisdiction affords an interesting and even useful subject for research, as Professor Lawrence Friedman's history of contract in Wisconsin shows.¹⁴ Among other things, his book reminds us of the curious and rather special circumstances in which the case law develops and of its relatively superficial relation to business affairs. An equally interesting and perhaps still more useful study, an examination of current business ideas about agreements and contracts, is being carried on at Wisconsin by Professor Stewart Macaulay.¹⁵ We are reminded of the great ocean of transactions in which litigated cases are a small ripple. More important, we are informed of the variety and range of business standards, which may be as important for a student or an adviser as the standards of the courts.

⁷ *Corcoran v. Leon's, Inc.*, 126 Neb. 149, 252 N.W. 819 (1934).

⁸ *Shubert Theatrical Co. v. Rath*, 271 Fed. 827 (2d Cir. 1921).

⁹ See cases cited in Macneil, *supra* note 3, at 973-75.

¹⁰ See, e.g., *Household Ins. Co. v. Grant*, 4 Ex. D. 216 (1879). Cases involving problems of delivery of deeds, goods, or commercial instruments raise questions which are not under consideration here.

¹¹ See notes 3, 10 *supra*. See also Macneil, *supra* note 3, at 948 n.1.

¹² *Id.* at 976-78.

¹³ *Ibid.* Professor Macneil's treatment of this problem seems to me fully persuasive. In many, though not all, of the actual or hypothetical cases used to test our views, there is no evidence of fault, negligence, or any significant chance taking on either side. The cases seem, therefore, appropriate ones for equal contribution by participating parties to tort or "reliance" losses.

¹⁴ FRIEDMAN, *CONTRACT LAW IN AMERICA* (1965).

¹⁵ See Macaulay, *Changing a Continuing Relationship Between a Large Corporation and Those Who Deal With It: Automobile Manufacturers, Their Dealers, and the Legal System* (pts. 1-2), 1965 WIS. L. REV. 483, 740; Macaulay, *Non-Contractual Relations in Business: A Preliminary Study*, 28 AM. SOCIOLOGICAL REV. 55 (1963); Macaulay, *The Use and Non-Use of Contracts in Manufacturing Industry*, 9 PRAC. LAW. 13 (1963); mimeographed materials used with KESSLER & SHARP, *CASES ON CONTRACTS* (1952) at the universities of Wisconsin and Chicago.

II

Contract provides an opportunity for considering irrational elements in the law. Form, for example, serves familiar rational purposes, but it is hard to see why a single form such as a sealed writing "delivered," while sufficient for these purposes, should also be necessary. Why not, in addition, a thrown shoe or a handshake or the spoken or written words, "Do you promise?" "I promise," or "I intend to be legally bound"? A stubborn confusion of the sufficient and the necessary resists innovation and still appears in the evolution of consideration and of the formal requisites for negotiability, however constructive and influential the progressive provisions of the Uniform Commercial Code on these matters may prove to be.

Legal thinking is often given superficial clarity and critical confusion by premature appeal to the principle of the excluded middle, a principle making mutually exclusive classifications an ideal of organized thought. Nature, however, is not always ready for such classifications. The liability of the insurance company for its agent's acts is often readily explicable on grounds of *respondeat superior*, a principle characteristic of tort; yet we have been used to classifying the insurance company's liability for the actions of its agent under the head of contract.

Much legal reasoning depends on the illusory force of the argument by analogy, which logicians of different systems all recognize as fallacious. Analogical reasoning sounds like science, but is not, and saves judges and us from trying to understand the factors in experience which make us think or feel, for example, that security in some offers is desirable in spite of objections. If analogy leads us to rational and purposive classification, its legitimate and logical purposes are served. The difficulty is that analogy tends to cause us to dispense with the critical examination of purposes which rational classification often requires.

Analogy is independent of the usefulness of an ideal system of precedent. Everything in the world is like and unlike everything else, but a judge may explain the principle of a decision in such a way as to communicate some guidance, at least to the bar, for the future. The practical value of such guidance, as in the cases of objective theory and contract by correspondence, is considerable. It is a reason for caution in using the power to overrule which American judges have come to recognize as useful at times. The teacher doubtless tends to minimize the number of situations in which the language of opinions, read in the context of the facts, affords useful guidance or warning to the practitioner concerned with precautionary advice.

The hard entity of "title," legal or equitable, is a striking example of the role of magic in commercial law. In the case of assignments, title has been somewhat softened by the Code's provisions for notice filing. How much practical difference the Code's provisions will have made in case of some un hoped-for depression remains to be seen. When used in the law, magic, a system of imaginary physical and causal order not subject to critical verification, commonly implies fiction, though fiction may occur independently, as in the fictitious lease in ejectment which, unlike magic, fooled no one. Magic may arise from metaphor, as the "root" or the "heart" of a contract, though metaphor may of course be used without confusion. Magic is an unnecessary result of the indispensable minimum of reification which helps us all in dealing with abstraction; yet reification and abstraction, as in contract or corporation, may be used with pragmatic clarity. Magic may trick the most sophisticated. Judge Hand's rejection of promissory estoppel in the materialman's bid case occurred in an opinion which appears, though not unmistakably, to say that an irrevocable offer is in the nature of things impossible.¹⁶ Justice Traynor's opinion to the contrary, while depending on analogy, is admirable.¹⁷

III

For my part, I have had throughout my teaching life an interest in relationships which is perhaps inappropriate for a teacher of contract. For some years I spent considerable energy in dealing with the general ideas of college students. More recently, under cover of a semirespectable interest in so-called international law, I have occupied myself with problems of war and peace. In connection with both interests I have spent some time in the last three or four years in reading the *Bible*. The Judaeo-Christian tradition is often referred to by Americans, and for a naturalist like me the relationships between the great structures of religion and law have an elusive fascination.

The Sermon on the Mount must be read with interest as well as caution by anyone teaching contract in a contemporary school of law. Though more ambivalent than it at first appears to be, the Sermon can be cited to support a theory of protection for the helpless, a theory which is associated with modern doctrines seeking to minimize individual choice and maximize collective decision. We are all more or less helpless, and yet what most of us want, and should therefore by an appropriate application of the Golden Rule be given, is not protection

¹⁶ James Baird Co. v. Gimbel Bros., 64 F.2d 344 (2d Cir. 1933).

¹⁷ Drennan v. Star Paving Co., 51 Cal. 2d 409, 333 P.2d 757 (1958). See Macaulay, *Justice Traynor and the Law of Contracts*, 13 STAN. L. REV. 812, 839-43 (1961).

but the opportunity for friendly and sociable self-direction and self-support. Whatever the meaning of the Sermon in its original context, it has been appropriately supplemented by the observations which give us the controlling ideas of the War on Poverty.¹⁸ This program may be

¹⁸ The program suggests a scheme of socialism arguably suitable for a society adhering closely to the traditions of nineteenth century liberalism, which is opposed to anything more than minimum control of individuals by groups, including the state. In principle, a high degree of "equality" could be combined with a high degree of "liberty," although in practice the two associated sets of values tend to conflict.

Professor Milton Friedman has estimated that by use of one-half of the amounts presently spent for social welfare by government, a somewhat more tolerable minimum income than the present could be established by payments of money to the poor. The figure for this minimum income is usually stated as \$3,000 a year for a statistical family of three persons. I think, however, that a more interesting result can be obtained if one thinks of a minimum income of \$4,000 for each actual family of three or four. Concern for actual families rather than statistical families represents an opinion that the individual not in a family should not be helped by the negative income tax device. He will sometimes be young and his ambition to look out for himself should be encouraged; he will sometimes be old and in a position where he should receive whatever supervision the indigent get today; he will sometimes be of an intermediate age and ordinary principles of social work as well as an individualist system of motivation would indicate doubts about his eligibility for cash income supplements without supervision. Similar though somewhat less persuasive considerations apply to families limited to man and wife, whether young, old, or intermediate. The actual family of three or four would include only a man and his wife with one or two children but not more. It would include a widow or widower with one or two children but not more, though in this case an argument could be made for increasing the number of children in the hypothetical family to, say, three. It would exclude a single unmarried parent with illegitimate children, not for moral reasons, but because rough observation suggests that in at least one numerous type of family association, the Negro poor, a single mother or father with illegitimate children is likely to need whatever supervision by trained social workers is now available. If in any one of the eligible families suggested the number of children increases beyond two, or in the case of the widow perhaps three, the family should lose the benefit of the payments proposed. This could perhaps be justified on grounds of encouragement to family planning; but it can also be justified on the less debatable ground that at the levels of income suggested a family which came to exceed the number specified would be likely to need supervision by public agencies.

These suggestions have been discussed with a senior economist and a senior tax man, and I am satisfied that they are not demonstrably impracticable. One of my consultants has made inquiries of experienced people in Washington and has been assured that there are no figures available even in Washington to test accurately the hypotheses about income and taxes which help support the suggestions. The economist, on the other hand, insists that this cannot be the case, and he has sources of information in mind which he is planning to propose to graduate students for investigation of the matter.

I am told that people in the poverty program have considered such proposals as these and rejected them on grounds other than the inadequacy of statistics. The pressure of poor people excluded from the proposals would, in the judgment of these officials, be a fatal defect. The proposals represent our traditional views about "private property" at their simplest but also at what might be their most vulnerable from a political point of view. While I think the proposals are the only conceivably tolerable form of socialism appropriate for the American scene, I have likewise come to the conclusion that they are not ones which I would advocate even if they prove feasible on the surface. If, however,

expected gradually to supersede some questionable views about the treatment of poverty which have influenced our wage policy. It may also forestall and supersede the still more questionable ideas which foreshadow the use of fiscal powers in such a way that political influence may significantly affect the distribution of resources among the relatively well-to-do, suggested by some applications of agricultural adjustment and urban renewal. Individual contract as distinct from group contract and administrative decision may appear again as the appropriate means of business decision in a society still influenced by the Judaeo-Christian tradition.

Group agreements, on the other hand, include phenomena which express the most constructive purposes which contract can have—the critical agreements among nations, including the United Nations Charter. The study of contract may contribute something to an understanding of the disappointments which have so far attended the use of agreements to facilitate the settlement in advance of international conflicts of interest. In developed legal systems under the safeguard of an impartial judge, private parties are sometimes excused by the discovery or occurrence of unknown or unexpected facts, including law. In international affairs unprovided-for and more or less unforeseen events may threaten what are considered a national community's greatest interests, and thus the principle of *rebus sic stantibus* must be and is recognized. Application of the principle in critical matters cannot yet, even on paper, be adjudicated by any international court except by consent of the parties; no critical international agreement or treaty has the feature of contract considered essential in some definitions, enforceability by a court. Nor do most critical treaties or international agreements create the sense of dependability characteristic of what we usually call promises, for a nation's promises affecting its vital interests are inevitably subject to its own judgment about what action is needed in the course of changing circumstances, or changing knowledge of earlier circumstances.¹⁹

those who are appropriately skeptical about arguments for collective action on the part of farmers' associations, unions, managements and government wish to suggest a tolerable form of "socialism," the proposals constitute a model which may be worth some reflection.

¹⁹ Failure to recognize that a nation's promises affecting its vital interests are subject to its own judgment may be partially responsible for the dispute between President Truman and Foreign Minister Molotov over the Yalta Agreement. The dispute was about an agreement to meet to agree to hold in Poland "free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot."

The death of President Roosevelt and the succession of Truman changed things considerably for the Soviet Union. As a Senator, Mr. Truman at the time of the German invasion of Russia observed that, "If we see that Germany is winning we ought to help Russia and if Russia is winning we ought to help Germany and that way let them kill as

One way of expressing our greatest hope must still be to say that we want mutual undertakings indispensable for the health of civilization, such as the United Nations Charter, to be respected and perhaps even enforced. It may be suggested that an informal agreement, "things remaining the same," for great power majority voting and control in the Security Council and in a revived Military Staff Committee would be worth thinking about. With the United States and Great Britain on one side and the actual China on the other, it seems likely under present circumstances that critical decisions would be made by France and Russia. That is not ideal and might even worry us all into an old fashioned dark age. Even that, which would not be the same as a Nazi dark age, would be preferable to the thermonuclear dark age which limited wars of national liberation may well occasion. To a limited extent, the Judaeo-Christian tradition is one of devotion to peace, and a means of implementing its hope is agreement on a balanced control of international force. The contract teacher may close by encouraging us all to take another chance on contract or agreement comparable to the chances we are taking on our weapons.

many as possible." *N.Y. Times*, June 24, 1941, p. 7, col. 2. This observation doubtless affected the Soviet Union's views of the new circumstances.

In this setting, President Truman insisted that the Soviet Union "carry out" the "agreement," whereas Mr. Molotov claimed that there was only a basis for further agreement. See I TRUMAN, *MEMOIRS, YEAR OF DECISIONS* 70-82 (1955). In fact the Soviet interpretation seems more consistent with the understanding that existed at the time the agreement was signed. See LEAHY, *I WAS THERE* 314-16, 320 (1950). See also FLEMING, *THE COLD WAR AND ITS ORIGINS* 265-70 (1961); Round Table: Who Killed the Peace? (no. 625), March 12, 1950.

Various circumstances doubtless influenced President Truman. Our government had at the time, on the whole, a Stalinist view of the Marxist prophecies of inevitable crisis and conflict between the capitalist and communist powers. Another factor may well have been a realization that the balance of power had taken on characteristics corresponding in a curious way to those which Admiral Mahan observed in the first years of the century. Mahan's views led President Theodore Roosevelt to back Japan in securing her first firm position in Korea and Manchuria by assuring, through his diplomacy, the effective defeat of Russia in the Russo-Japanese War. The result of this diplomacy was to turn Germany, as Admiral Mahan foresaw, from a possible ally into a primary threat, replacing Russia in this role, and to prepare the way, as Admiral Mahan later observed, for the German wars and the reemergence of Russia as a principal contender for primacy as a world power.

The controversy over the Yalta agreement seems to have crystallized the suspicion which proved pervasive and led each power to mistrust the other in a long sequence of events involving Iran, Manchuria, Berlin on various occasions, Cuba, and Vietnam.