

Testimony of W. W. Rostow  
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My name is Walt Rostow. I teach economic history in the Graduate School of Economics at M. I. T. and do research at the Center for International Studies. I have studied, in recent years, the Soviet Union and Communist China, as well as certain of our problems in military and foreign policy.

I have been asked to appear today and to give testimony on two matters: the place of the Soviet economic offensive in total Communist strategy in the underdeveloped areas; and on the implications of that strategy for American policy.

I shall try to deal directly with both points. But first it is essential to define what is happening in these areas; for it is the process at work in Asia, the Middle East, Africa, and Latin America which controls Soviet strategy and which should determine American policy.

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Economically, the various parts of the underdeveloped areas stand somewhere along the path between a relatively static agricultural society and a society capable of applying promptly and productively the fruits of modern science to its natural and human resources. These transitional societies have absorbed varying degrees of modern economic activity; but they have not yet woven these modern strands

together in such a way as to make economic growth a regular, automatic condition: productive investment is not yet high enough regularly to yield increases in output substantially greater than increases in population. Politically, they are somewhere in the transition from regionally based, hierarchical societies, rooted in traditional land relations, to centralized states capable of providing a unified national framework for modern economic, social and political activity.

Both in the past and at present, the building of modern economies and centralized modern governments has been driven along less by the profit motive than by the aspirations for increased national and human dignity. Merchants and the profit motive played their part in the modernization efforts of Bismark's Germany, Meiji Japan, Witte's Russia, and Attaturk's Turkey; but soldiers, civil servants, and nationalism were the more powerful agents. And, if you think about it, our own Constitution was made by a similar coalition, uniting those who wanted the American states to be an effectively unified and stable economy and those fearful that the loose structure of the Articles of Confederation would permit foreign governments to fragment the United States and humiliate us in international affairs. And so it is today in Asia, the Middle East, Africa, and Latin America.

Nationalism, above all, has been the great engine of change. In these transitional stages, nationalism may be turned in varying proportions to these three objectives: towards the consolidation of the central power of the new state over the old regional interests (as with Diem and his sects in post-1954 Southern Vietnam); towards external adventure, to redress real or believed old humiliations (as with Nasser in the Middle East since

1955); or towards the economic and social modernization of the domestic society (as with the Indian Five-Year Plans). No successful politician in a transitional society can afford wholly to neglect any one of these tasks; that is, he must build up the power of the central government, assert a position of increased authority and sovereignty on the world scene, and launch some kind of program for economic and social modernization. And these three elements of policy cannot be clearly separated.

How do these objectives relate to each other? If the local political leader concentrates merely on consolidating his central power or on rallying his people around an external objective, he may well achieve short-run success; but he will not meet the demand for economic and social progress pressing up steadily from the grass roots. He runs the longer run risks of creating a centralized state without a viable political base; or of exhausting his popular mandate in efforts to assert the sovereignty and power of the new nations against the external world, efforts which fail to satisfy the rising expectations for material advance of his people. The successful politician in the transitional societies must, in the end, link nationalist fervor and the new centralized state to programs of economic and social substance.

The length of time and the vicissitudes of transition to modern economic and political status thus depend substantially on the degree to which local talent, energy, and resources are channelled on to the domestic constructive tasks of modernization. The powers of the

central government must, of course, be reasonably well established as a prior condition, and the government must present to its people a record of enhanced international standing; but the long-run influence of the central government in turn, depends, in the end, on its becoming a major source of energy, initiative, and resources for modernizing the economy--a lesson Sukarno is being taught, painfully and late.

Communist policy is based squarely on an understanding of this precarious transitional process. On the one hand--and increasingly since the summer of 1951--Moscow and Peking have sought to associate Communism with the aspirations of the political leaders and peoples of the transitional areas for national independence, economic development, and peace. On the other hand, Soviet diplomacy and propaganda have systematically sought to divert their attention from the tasks of modernization towards "bloody shirt" policies; that is, an obsessive concern to redress real or believed past humiliations--colonialism, Israel, Kashmir, West Irian, etc.

This strategy does double work for Moscow. In the short run, it creates costly disruption within the Free World; it threatens the supply of essential raw materials to Western Europe; it threatens to disrupt the American air base structure; and, on the colonialism issue, it further splits the United States from Western Europe. In the long run, it tends to create the conditions which will facilitate the Communist take-over of power. It helps create these future

conditions by diverting the energies of the new nations away from the tasks of economic and social modernization; and thus the people's hopes for improved welfare are frustrated. It is the Communist intent that, when these hopes for progress are sufficiently frustrated, men and women in these areas will turn to Communism. The local Communist parties are already steadily at work seeking to heighten and to exploit these frustrations.

The Communist policy being pursued in Asia, the Middle East, and Africa is modelled closely--and I believe quite consciously--after the Communist success in China. Sun Yat-sen turned to Moscow for guidance and support after he failed to get economic and political support from the United States. In the 1920's and 1930's Moscow did, to a degree, support the Kuomintang while seeking to give it an anti-Western cast; but at the same time, with Moscow's help and encouragement, the Chinese Communists pursued a policy first of infiltration of the Kuomintang and then of military and political obstruction designed to make it impossible for Chiang Kai-shek to achieve the social and economic progress which Chinese men and women ardently sought. And this double pattern persisted virtually down to the end: while the Soviet Union remained solemnly committed to support Nationalist China on the diplomatic level, captured Japanese arms were turned over in 1946 to the Chinese Communists. Chiang Kai-shek's view of reform as a second priority played, of course, into the hands of Communist policy throughout this sequence.

There is little doubt that Moscow and Peking regard Nasser, Nehru, Sukarno, and the other non-Communist leaders of the new nations as the Chiang Kai-sheks' of the future.

It is in this perspective--of short and long run Communist strategic objectives--that the Soviet economic offensive should be viewed. In Yugoslavia, Egypt, Syria, and Afghanistan, Moscow has urgent short-term strategic objectives; and those four countries get about three-fourths of Soviet aid outside the Communist Bloc. In India, Indonesia, Burma, Ceylon, and elsewhere, the amounts of aid doled out are sufficient to build up a measure of good-will and a favorable image of Communist intentions; but they are grossly insufficient to supply the foreign exchange requirements for a serious economic development effort.

Nevertheless, Moscow is laying out considerable capital in this effort at a time when there are ample alternative claims on Soviet resources for civil and military purposes within the Communist Bloc. The problem of getting agreement within the Soviet Presidium for this rather expensive program is undoubtedly eased by the increasing dependence of the Communist Bloc on imported foodstuffs and raw materials. Mikoyan is probably able to claim that he can make the effort virtually pay for itself: the old Soviet principle of balancing the foreign policy books every night can be roughly maintained.

Thus, in facing Communist policy, we are not engaged in a popularity contest or in a numbers racket centered on total figures

for aid and trade. We are confronted with a systematic total effort-- diplomatic, psychological, economic, and political--to exploit the weaknesses, confusions, and temptations of the transitional period so as to clamp Communism down firmly before steady economic growth and the political resilience of a modern state emerge.

Indeed, in the sweep of history, Communism as we have known it thus far in the twentieth century is likely to be viewed as a diseased form of modern state organization, capable of being imposed by a determined minority on a confused, frustrated transitional society; and conversely, a society which has passed through its economic take-off and restructured its political and social institutions around the requirements of modern statehood is likely to have a high immunity to Communist tactics and to Communist appeal. Russia almost made it, but the First World War came at a bad time in its evolution.

If this view is correct, the central objective of American policy in the transitional areas is to use whatever influence we can bring to bear to focus the local energies, talents and resources on the constructive tasks of modernization. American military strength must be used to give these nations relative security, with a minimum diversion of their own efforts; and when it is mutually judged necessary to generate local military forces, these in turn, should be made to contribute wherever possible to the constructive tasks of modernization. The nineteenth century role of the American Corps of Engineers is a suggestive guide; and I believe its example should strongly color our military aid effort.

Diplomatically, our stance should put a greater premium on the posture of governments towards the modernization of their own societies than on their day-to-day position in the politics of the Cold War. Finally, our economic foreign policy must make it both possible and attractive for local politicians to harness the aspirations of their peoples around long period programs of modernization rather than around the tempting but diversionary moods of "bloody shirt" nationalism.

This incentive can not be created unless American resources available for economic development are sufficiently big and offered with a continuity and on terms such that a serious operating politician can plot with reasonable confidence a long period course. Such was the purpose of the policy Max Millikan and I outlined last year in A Proposal: Key to an Effective Foreign Policy.

Thus the American interest in Asia, the Middle East, and Africa is fundamentally political. The American interest lies in assisting the new nations to advance toward modern economic and political status while maintaining their independence and assuring the possibility of a domestic evolution which employs the political techniques of consent and safeguards the liberty of the individual. If we are prepared to recognize--as we should--that democracy is a matter of degree and the direction of change, then our objective can be described as a world of independent, democratically oriented states which have built economic growth into their societies as a



regular condition. This is an objective we should be prepared to state frankly, without embaressment. To achieve this objective requires an American economic development effort larger in scale, greater in continuity, with criteria for lending vastly less ambiguous (and economically more hard-headed) than our present programs. We are unlikely to get such an effort under way until its purposes in relation to Communist strategy are widely understood--unless we realize that what we face is not some sort of economic competition, but a purposeful, patient, systematic effort to reproduce--with whatever variations are necessary and appropriate--the story of Communist take-over in China throughout Asia, the Middle East, and Africa.

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Now, if I may, a few reflections on how this view of the matter relates to the ultimate American objective: a world which has passed through the Cold War without destroying itself, organized for peace.

There is little enough any of us can know for certain, as we peer ahead through the coming decades; but this we can say with some certainty: round about the turn of the century, China and India will have a population between them of about two billion souls; and they will be capable of bringing to bear on their resources the full capabilities of modern science and technology. They face many vicissitudes over the coming decades. Democracy is by no means secure in India; nor is Communism secure in China. But the take-offs of these two countries have begun; and they will certainly modernize their societies over the next half century: what is at stake is the kind of societies

they will be at home and the kind of objectives they will pursue abroad.

It took the United States about sixty years--from 1840 to 1900-- to move from the beginning of take-off to world industrial primacy. It took Japan about the same time from the beginning of its take-off around 1880 to the bombing of Pearl Harbor. It took Russia about the same time--from the beginning of its take-off in 1890--to the explosion of the first Soviet nuclear weapon in 1949. The take-offs of both India and China began about 1952, with their first Five-Year Plans.

It is as sure as anything can be that the central international problem for the future is how to organize peacefully a world society where the existing industrial areas--the United States, Western Europe, and Russia--are joined by powerful industrial states in Asia, Latin America, Africa, and the Middle East--in about that order.

Shall these new powerful states emerge to maturity from a totalitarian setting, their outlook dominated by bitter memories of colonialism and by memories of painful transition made without help, while the rich West sat by, concerned only with its problems of defense? Or shall these states emerge from a democratic setting, built on human values, shared with West, and on memories of shared adventure in the decisive periods of transition?

It may seem odd to raise this long term question with hard pressed working politicians, faced with many urgent decisions; but the outcome is likely to depend on what the United States and the West do now--this year and over the next decade--rather than on

what we do a half century from now; for the formative periods of transition are already under way. Toqueville suggested long ago that the growth of nations is somewhat like the growth of human beings: " . . . they all bear some marks of their origin. The circumstances that accompanied their birth and contributed to their development affected the whole term of their being."<sup>1</sup> We live at a time of birth, infancy, and adolescence for many nations. This gives a dimension to American policy towards the underdeveloped areas which, while it transcends the Cold War, should be brought to bear in fashioning the nation's economic foreign policy here and now.

But there is a second implication of this prediction about the turn of the century which relates directly to the Cold War and to its peaceful resolution.

If there were wisdom in Moscow now, the Soviet leaders would know that an overriding common interest binds Russians and Americans, as they look to the fate of their children and grandchildren. It

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The full context of this quotation, from Democracy in America, Vol. I, pp. 27-28 is:

"A man has come into the world; his early years are spent without notice in the pleasures and activities of childhood. As he grows up, the world receives him when his manhood begins, and he enters into contact with his fellows. He is then studied for the first time, and it is imagined that the germ of the vices and the virtues of his maturer years is then formed.

This, if I am not mistaken, is a great error. We must begin higher up; we must watch the infant in his mother's arms; we must see the first images which the external world casts upon the dark mirror of his mind, the first occurrences that he witnesses; we must hear the first words which awaken the sleeping powers of thought, and stand by his earliest efforts if we would understand the prejudices, the habits, and the passions which will rule his life. The entire man is, so to speak, to be seen in the cradle of the child.

The growth of nations presents something analogous to this: they all bear some marks of their origin. The circumstances that accompanied their birth and contributed to their development affected the whole term of their being."

is perfectly obvious that the emerging world of modernized states may well be capable of blowing itself up; but it is not capable of being dominated for long by any one power or group of powers. The diffusion of power is a fundamental fact of the second half of this century; and it is already proceeding and having its consequences beneath the surface of what appears to be a bipolar system, concentrated in Washington and Moscow. If we fail in our military and foreign policy, Moscow could, indeed, take over for a while to the great cost of ourselves and to the rest of the world's citizens; but it is not in the cards that any one power is going to dominate the world that is being born by the rapid spread of science, technology, and industry.

A wise Russian policy would thus direct its efforts to joining now in the creation of a system of international armaments control and concentrating its efforts--along with ours and others--on making that system so solid and secure over coming decades that it would guarantee a world of orderly politics by the time these massive new nations achieve industrial maturity. This would not be a world dominated by Americans, by Russians, or by both; but a world whose even-handed rules for armaments control were applied to all. It would be a world in which Moscow abandoned the effort to maintain its security by the direct political control and military occupation of other states and turned to the still unsolved problems of human welfare within Russia. It would be a Moscow which accepted the fact

that world domination was a pipe-dream and that the only realistic alternative--short of a war of mutual disaster--was acceptance of status as a major responsible nation-state in a world of powerful nation-states.

But the harsh truth is that the leadership in Moscow is not committed to such a policy. It is committed to the indefinite extension of the power wielded unilaterally from Moscow. How, then, are we going to persuade Russian leaders to begin to act on a more wholesome view of the alternatives open to it?

We must, of course, steadily hold out to those in power in Moscow--to those who may be in power over the next generation, and to the Russian peoples--a vision of the kind of world we seek and of the place of dignity and responsibility within it which Russia could have when divested of its present dangerous and impossible ambitions. Never losing the initiative--always ready with concrete proposals--we must maintain a running dialogue--or, if necessary, a monologue--with the Russians which makes clear what the American objectives are beyond the day-to-day tactics of Cold War conflict.

But by itself, monologue, dialogue, and negotiation will not work, no matter how clear and decent the American objectives are. We Americans must make clear, day-by-day, year-by-year, for however long it is required of us that their present efforts can only result in expensive frustration and that the only realistic alternative open to Russia is a true peace among independent nations. Specifically, we must demonstrate that we have the wit and the will, as well as

the resources to organize the Free World's military, political, and economic partnerships in such a way that the seizure of power world's balance of power by the Soviet Union is to be ruled out.

It must be ruled out at the level of major war; it must be ruled out at the level of limited war; and it must be ruled out by demonstrating in action that the United States, Western Europe, and Japan are capable, in concert, of helping the underdeveloped areas of the Free World through the transition into successful take-off without abandoning the political method of consent.

At this moment in Moscow, I suspect that of all the avenues to total power, the one that looks most promising is victory, on the Chinese model, in Asia, the Middle East, and Africa.

Just as we must maintain effective military deterrents at all levels, we must, then, make a creative demonstration that the democratic process--not Communism--is the wave of the future in these transitional areas of the Free World. This dual demonstration--military on the one hand, economic and political on the other--is a minimum condition for the act of persuasion I have in mind.

It is in the context of these ultimate objectives--of liquidating the Cold War and making a true peace--that the dangers of the present Soviet offensive in Asia, the Middle East, and Africa are to be assessed and an effective American policy mounted on that assessment. Such a policy must put our great resources to work on a large scale for the long pull; and it must be suffused by loyalty to the proposition that

problems can be solved by determined men who maintain their active faith in freedom. In that setting, we would have little to fear from the Soviet economic offensive or from any other aspect of their policy. At the moment, however, there is every reason to be apprehensive; and, more important, every reason to be up and doing.