

# A New Theology of the Cold War

J. R. Campbell

**A**N American economist and economic historian, Mr. Walt Whitman Rostow, has written a book entitled *The Stages of Economic Growth* which has thrilled *The Economist* from the crown of its head to the soles of its feet. In fact, it could not wait until the book came off the press but had to publish a very extensive summary in two issues last August. One gets a slight idea of the cause of this excitement when one realises that the sub-title of the book is "A Non-Communist Manifesto". Mr. Rostow with true American modesty says that if his system "is to challenge and supplant Marxism as a way of looking at modern history it must answer, in its own way, the question posed under the rubric of 'imperialism' by the Marxist analysis as elaborated by Marx's successors." The "stages of growth" he tells us in another place "constitute an alternative to Karl Marx's theory of modern history." Hence the sub-title "A Non-Communist Manifesto".

Such an undertaking is not the first and will not be the last of its kind. It has, however, become important to the Western imperialists, who are fighting to influence, not only the working class in the capitalist countries, but also the people of the ex-colonies. The imperialists have no intelligible explanation which links the economic and political events of this century. There have been two great devastating wars and an economic crisis of unprecedented dimensions. The century started with a fierce struggle between monopoly capitalist states for the possession of colonies. It is now witnessing the fierce struggle of many colonial peoples for political and economic independence. The world is now in the throes of a nuclear arms race, which is creating tremendous alarm everywhere. At the beginning of this century, no socialist states were in existence. Now socialist states cover one-third of the world. Imperialist writers have never been able to give a coherent explanation why these events, which are obviously inter-linked with each other, occurred. They offer *ad hoc* explanations of every major event. The war of 1914-18 was due to the growth of German militarism; of 1939-45 to the rise of fascism, and there is a struggle for colonial liberation, which each particular writer interprets

in his own fashion, but a coherent interpretation of the events of this century there is none. Obviously, if imperialist apologists could arrive at an explanation of all these phenomena which is coherent and plausible, and if this explanation absolved them from any responsibility for the sinister events which have been happening in this period, it would satisfy a long-felt want of the monopolists and their governments. If, in addition, this explanation could offer to the workers in capitalist countries and the peoples in the ex-colonies a reasonable perspective it would make all capitalist propagandists happy. All this Mr. Rostow proposes to do by substituting his view of history for that of Karl Marx.

## New Theories

Now Mr. Rostow, who was Professor of Economic History at the Massachusetts Institute of Technology, has been labouring in this quarry for quite a long time. He worked on the Economic Commission for Europe from 1947 to 1949 and then began to pour out a series of books such as *The Process of Economic Growth* (1950), *Dynamics of Soviet Society* (1953), *Prospects of Communist China* (1951), and *American Policy in Asia* (1955). So the present compact study (166 pages) is in many ways an application and completion of previous lines of work. In it the following themes are developed:

A new theory of capitalist economic growth, which Mr. Rostow believes is superior to that of Marx. Whatever has been the case in the past, capitalism in its latest stage is advancing towards abundance for all. Casting his eyes back on the past, he believes that he has a clearer idea of the forces making for economic growth than Marx had.

Then there is a new theory about state relations in the late nineteenth century and today which he claims refutes the communist theory of imperialism.

Economic growth in the capitalist world is then compared with economic growth in the socialist world. The Soviet economy, he thinks, is not as competitive as is generally believed.

Then there are remarks about relations of the

capitalist world to the colonies in the past and its relations to the ex-colonies in the present. This is bound up with a discussion on the policy of peaceful co-existence.

Finally, Mr. Rostow's "mixty-maxy queer hotch-potch" is contrasted with Marxism-Leninism, to the very great disadvantage of the latter.

Let us begin with his stages of economic growth. Marx, according to Mr. Rostow, described the economic stages from feudalism to capitalism as follows: "Feudalism, Capitalism, Socialism and Communism." Mr. Rostow's categories are: 1. the traditional (or pre-capitalist) societies; 2. the pre-conditions for capitalist development (accumulated capital, science and "free" labour); 3. the take-off (when society begins to advance in many directions to capitalism); 4. maturity (the stage when the development to a fully fledged capitalist society has been reached); and 5. the era of high mass consumption (which the U.S. is alleged to have reached today). Other capitalist powers are hesitating on the threshold of this age.

In contrasting the two conceptions Mr. Rostow misrepresents Marx. "Marx's conception of feudalism" he says, "is too restrictive to cover all the traditional societies, a number of which did not develop a class of nobility, linked to the crown, owning large tracts of land. Marxist analyses of China, for example, have been strained on this point." But Marx (apart from primitive communism), distinguished slavery, *Asiatic society*, feudalism, and capitalism. In fact, he dealt in detail with the conditions of some traditional societies in Asia which Rostow accuses him of leaving out. We shall see that Mr. Rostow is only too prone to rash and shallow generalisations of this kind.

Because he neglects to analyse the emergence of the bourgeoisie in feudal society, he jumps stages and commences with a description of capitalist society, virtually in being.

"Some men must be able to manipulate and apply modern science and useful cost reducing inventions." This, we presume, refers to scientists and inventors.

"Some of the men must be prepared to undergo the strain and the risk of leadership, in bringing the flow of inventions into the capital stock.

"Some of the men must be prepared to lend their money at long term, to back the innovating enterprisers . . . in modern industry.

"And the population at large must be prepared to accept training for—and then to operate—an economic system whose methods are subject to regular change."

### Sources of Accumulation

This method leaves out of consideration the source of some of the accumulations of wealth, which were used to initiate developments in a capitalist direction. The robbery of the monasteries, the enslavement of the population of Latin and Central America, the looting of India and South East Asia by the English and the Dutch, the astronomical profits made in the slave trade, the development of plantation systems in the colonies which were worked by slave labour, the establishment of unequal trading relationships between the metropolis and the colonies; all these were the basis of the accumulations in the hands of the rich, which helped to launch capitalism on its career.

And "the population at large [which] must be prepared to accept training" was provided by the dissolution of the monasteries; the disbandment of the feudal retainers; the repeated enclosures which drove masses of peasantry off the land; and (at a later stage) the ruin of handicraftsmen by the competition of the factories.

Indeed, Rostow's conception of the conditions of the capitalist "take off" is very similar to those ridiculed by Marx. "In times gone by there were two sorts of people; one, the diligent, intelligent, and, above all, frugal elite: the other lazy rascals, spending their substance and more in riotous living. Thus it came to pass that the former accumulated wealth and the latter had at last nothing to sell but their skins. And from this original sin dates the poverty of the great majority that, despite all its labour, has up to now nothing to sell but itself, and the wealth of the few that increases constantly, although they have long ceased to work." (*Capital*, Vol. I, Chapter 26.)

In actual life, however, it is the masses of the people and not the would-be capitalists who had to undergo the "abstinence" which made accumulation possible and it was the deprivation of the peasant of his land, and the separation of the handicraftsman from his means of production, that created the propertyless working class which had no alternative but to "accept training" for capitalist industry.

The fantastic thesis of Rostow can only be given a certain plausibility by underplaying the actual class structure of society, and the resulting exploitation of the workers and peasants, which channels the surplus value created by the masses into the hands of the capitalist class, partly for further accumulation and partly for a degree of wasteful luxury living, which far surpasses that attainable by other exploiting classes in previous class societies. The capitalist, or the capitalist firm,

endeavours always to accumulate as a condition of survival. But it is wrong to assume that the capitalists are only concerned with accumulation, and not with maintaining a standard of luxury living that is in glaring contrast to the living standards of the majority of the people, and also (in our day) with the niggardly standards of the social services.

For example, one of the conditions for the development of capitalist society is described by Rostow as follows: "The income above minimum levels of consumption, largely concentrated in the hands of those who own land, must be shifted into the hands of those who will spend it on roads and railroads, schools and factories, rather than on country houses and servants, personal ornaments and temples." Here the expenditure of the capitalists on productive resources and schools, is contrasted with the luxury and prestige expenditure of pre-capitalist landed nobility. This conveys a dangerous half-truth. Certainly the activities of the capitalist class in accumulation are in marked contrast to the consumption expenditure of the feudal rich. But in addition to their activities in accumulation the capitalist class were able to achieve a degree of luxury expenditure on "country houses and servants, personal ornaments", not to speak of Rolls Royces, yachts and private planes which make the spendthrifts of feudalism look very small beer indeed. This question is not an academic one. Rostow is advocating a capitalist style of development for the economically underdeveloped countries which will involve them in tolerating a lower standard of life, and a lower rate of growth, because they will have to carry such a rich exploiting class on their backs.

### Capitalist Colonial Record

The great imperialist powers have the aim of keeping these economically backward countries which have just achieved their political (but not economic) independence within the orbit of the capitalist system. They are handicapped in doing this by their past history in the colonies, which was one of brutal repression. Many active leaders in those backward countries accept an explanation of the operations of the imperialist powers in the colonies, which in some respects coincides with that of the Communists. They believe that colonial exploitation is connected with the capitalist system and that this system is seeking in countries which have recently achieved independence to continue colonial exploitation by other means.

Further, when imperialist propaganda seeks to depict the Soviet Union as a menace to world peace, the colonial peoples cannot forget: (1) that it was the so-called Western democracies and their

ally, Japan, which subjected them by force and fraud and (2) it was the civilised West which started the two great wars in this century. This is the formal indictment which Mr. Rostow has to answer, and he does not succeed.

He does not distinguish the various stages in the subjection of the colonies. One never quite knows whether he is referring to the old colonial system of the 17th and 18th century, based on looting, on the plantation system, and on unequal trade, or the more recent colonial systems, following the development of monopoly capitalism and distinguished by the export of capital.

"Why was not trade conducted without the creation of colonies?" he asks. His answer is that the wars of the eighteenth century were dynastic wars to enlarge the territory of one royal family, controlling a national state against the other royal families. The wars for colonies in the eighteenth century were a kind of "side-show". "In part the wars in the colonies were derived from those larger competitive compulsions [the aforesaid dynastic wars—J.R.C.]; the compulsion not merely to advance a national interest positively but to advance a national interest negatively by denying a source of power to another nation. The creation of a trading monopoly in a colonial area was one way to do this, once the new areas were discovered or old areas rediscovered." If, however, colonies had not been looted, if plantations worked by slave labour had not been established, if huge profits had not been made by unequal trading, there was no point in debarring a rival from going in for them. It was because the emerging capitalist class had gained much from the colonies it already had that it was prepared to go on expanding, and to do its utmost to prevent its rivals from establishing any, as, for example, the wars of the French and the British in India and North America.

However, the main reason for the establishment of colonies, in Rostow's scheme, was not due to the profit seeking of the capitalists. It was all due to the failure of the colonial peoples to organise themselves properly. "Colonies were often established initially, not to execute a major objective of national policy, not even to exclude a rival economic power but to fill a vacuum." (We will find that filling vacuums is an explanation that is resorted to frequently in this book.) "In the four centuries preceding 1900, however, the native societies of America, Asia, Africa and the Middle East were at various stages, structured and motivated neither to do business with Western Europe nor to protect themselves from Western European arms; and so they were taken over and

organised. Some economic group wanted to expand its purchases or its sales [Rostow is shy about using the word profit]—it encountered difficulty in arranging the conditions for efficient business; it encountered also gross military weakness; and it persuaded a government which looked kindly on its efforts to take responsibility for organising a suitable political framework to ensure at little cost, the benefits of expanded trade." Not a word about super-profits. As a description of the relations between a colony and the imperialist metropolis this is really laughable. Certainly the occupation of India increased trade (as well as tribute) between that country and Britain. But the type of trade conducted was calculated to benefit the metropolis and most definitely distorted the normal development of the colony. The metropolis obtained food and raw materials, in exchange for manufactured goods. Those factory manufactured goods destroyed India's world-famed textiles industries (based on handicraft) and no other industries took their place.

For decades British imperialism resisted the granting of a tariff which would enable the Indian bourgeoisie to protect its nascent industries from foreign capitalist competition. This was a policy which definitely halted Indian economic and social development; which encouraged all the backward and reactionary forces in Indian society; which frowned even on the moderately progressive bourgeoisie; and which therefore strangled Indian development for many years. Rostow has a section on the development of Japan, but never asks the pertinent question why Japan was able to engage in independent economic development, while India on a high level of civilisation was not. It was not that Japan possessed the social forces capable of absorbing the technical achievements of the West while India did not. The forces were there in India but imperialism halted their development. This strangulation of the development of historic societies is mentioned by Rostow in such phrases as "imperial powers pursued policies which did not always optimise the development of the preconditions for take-off", but excuses them by saying that "they could not avoid bringing about transformations in thought, knowledge and institutions—as well as in trade and in the supply of social overhead capital—which moved the colonial society along the path towards take-off." But Japan acquired the "thought, knowledge and institutions," and developed its own social overhead capital (means of transport, etc.) without ever being a colony. Left to themselves other Asiatic countries would

have done the same. The occupying imperialists stopped them.

Naturally Rostow does not spoil his idyllic colonial picture by referring to the export of capital to the colonies, or the super-profits earned on it, which were, and are drained from the colonial and ex-colonial countries and become the basis for capital investment and luxury expenditure elsewhere. But this is old history Rostow says. Mature capitalism is less dependent on colonies. "While colonialism is virtually dead, capitalism in the Western Hemisphere, Western Europe and Japan is enjoying an extraordinary surge of growth." This of course turns on the word "colonialism". The United States has never admitted that the tremendous economic dependence of Latin American countries on the U.S.A. for capital investment (from which the United States monopolists derive super-profits) and for markets for food and raw materials, is a form of colonialism. Yet enormous tribute is extracted from these countries; accumulation and independent economic development is hindered because of this tribute, the economy of the country is distorted and governments are made and unmade by the United States pressures and concealed intervention. Even though the client states of the United States which are scattered all over the world are not dubbed colonies, their colonial status is only too evident. The same essential relationship is being assumed between Britain and a number of its former colonies—Nigeria, for example. Monopoly capitalism is still operating in the former colonies and imperialism so far from being dead is assuming new forms.

If one takes the oil, the food, the raw materials, flowing to the monopoly capitalists from Asia, the Middle East and Africa it is greater than ever. There is no diminution in the investments of monopoly capitalism in these areas nor in the profits earned by the monopoly capitalists overseas. True, the economic grip of imperialism is under heavy attack but the battle has still to be won, and the Rostow policy is designed to prevent it being won by the peoples who have recently attained a measure of political independence.

### Monopolists and War

Having whitewashed imperialism in relation to the colonies, Rostow proceeds to do the same in relation to the great wars of the twentieth century. Marxism-Leninism demonstrates that the development of monopoly capitalism expresses itself in the growth of tariff barriers, in the scramble for colonies as a sphere of investment and a source of raw materials, and in the growth of political

reaction. It is noteworthy that the word fascism seldom occurs in this book. The main struggle in the First World War was that between the satisfied colonial powers, France and Britain, and their challenger, imperial Germany. Most bourgeois historians agree that this war had something to do with Germany's drive for a large colonial empire and that the German effort to challenge Britain in a naval armaments race was a necessary part of that drive. This view was completely confirmed when the victorious allies after the First World War stripped Germany of its colonies. Rostow will have nothing of this. The two great wars of this century were about "the Eurasian power balance". Germany, Tsarist Russia and Japan were growing to be major industrial powers. But there was not a similar growth in the countries in Eastern Europe in which Rostow appears to include Poland (divided between Russia, Austria and Germany), the other countries in the Austro-Hungarian empire and the Balkans. These countries were therefore weak and it was a terrible temptation to Germany to seize them. China was lagging in economic growth and so Japan had a similar temptation in the Far East. Hence First and Second World Wars. Germany had the possibility of going in for peaceful development and an era of high mass consumption but was prevented by the grip of the Kaiser and the reactionaries, who, in turn, were the product of the "reactive nationalism" which had dominated Germany from 1848.

Rostow seems to imagine that his own specific theory of "reactive nationalism" is a wonderful discovery which sheds a new light on the problems of war in the past and of the emergence of new nationalities in Asia and Africa in the future. What set Britain on the way of capitalist development, he infers, was the emergence of new productive forces and new social groups *within* the dissolving feudal society, in other words, the transformation from feudalism to capitalism brought about internal forces and pressures. But once capitalism was in being in Britain, its superiority for war, diplomacy and trade, was in effect a pressure on countries in a more backward state of economic development. Some of the rulers of those countries, who are not capitalists out for the maximum profit, but were soldiers and statesmen, began to favour capitalist economic development, because it increased the power of the state. There is nothing new in this. In the *Communist Manifesto* Marx and Engels had pointed out that the bourgeoisie "compels all the nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it

calls 'civilisation' into their midst, i.e. to become bourgeois themselves. In one word it creates a world after its own image." Or the remark of Lenin that "by their colonial looting of Asian countries the Europeans managed to harden one of them—Japan—for great military exploits that assured it of an independent national development."

### Alibi for Capitalists

Rostow's view, of course, gives German monopoly capitalism and the Ruhr magnates a perfect alibi in both wars. It was the Junkers and other nationalist groups, who had originated in a previous stage of development, who were responsible. As for the French, British and American imperialists and monopoly capitalists, they had no responsibility for the wars at all, they merely intervened to prevent Germany tipping the "Eurasian power balance". Thus all the conflicts over colonies from China to Africa are wiped off the slate, the Anglo-German conflict over the Middle East and the Berlin-Baghdad railway, the German-French conflict over Morocco which nearly brought the war in 1911, are all ignored. This theory is tailor-made to prove that monopoly capitalism, or "mature capitalism" as Rostow calls it (he denies the growth of monopoly in America) never caused any of the wars in the past and will therefore cause no wars in the future. There could scarcely be a more blatant attempt to distort history for cold war purposes.

Of course, the conflict of Tsarist Russia, the Austro-Hungarian empire and Germany played a role in the First World War, but it was subordinate to the fight for empire between British and German imperialism.

### Marxism and War

Marxists have always emphasised that German capitalism came belatedly on to the world stage. By the time that German re-unification was completed, in the aftermath of the Franco-Prussian war, the economically underdeveloped countries in the world had already been divided amongst the other imperialist powers, either as colonies or client states. German monopoly capitalism had therefore to content itself with the colonial leftovers of the other powers, or it had to begin a struggle for a redivision of the colonial territories of the world. It was not the Junkers, the representatives of the traditional elements, but the great magnates of the Ruhr and other industrial centres, who supported the development of a German navy which would challenge Britain's mastery of the seas and its possession of the world's best colonies. Indeed, the recklessness of the magnates

caused disquiet amongst some Junker elements who felt that it was dangerous and premature to challenge Britain on the seas. No—German monopoly capitalism was a ruthless driving force in both wars and is one of the most impenitent warlike forces in the world today.

But whatever caused the First World War—“power vacuum” in Eastern Europe or the struggle for world empire, the German monopolists were in it. They were obviously the aggressors in the Second World War. Now they have been put back into power by the Americans, aren't they still dangerous?

Once again Rostow drags in the “power vacuum” to prove that they are not. It appears that this vacuum no longer exists. “Key areas in Eastern Europe (notably Poland and Yugoslavia)” in Rostow's opinion, “are hardening up”, and so “the arena over which the First and Second World Wars were fought and the first phase of the cold war as well, no longer exists.” So Rostow deliberately shuts his eyes and ears to the clamour of the West German monopolists, their henchmen and their dupes for a revision of the post-war frontiers at the expense of Poland and Czechoslovakia. Power vacuum or not, West Germany is the main dissatisfied power in the world today.

### Soviet and U.S. Industry

When Rostow turns to the situation in the Soviet Union the confusions and inconsistencies in his argument multiply. There is a long muddled economic section sustaining the propositions: (1) that the Soviet Union is not likely to catch up to the U.S.A. economically as fast as some people think, (2) nevertheless, unless the Western capitalist world can generate more rapid growth, the imperialists will be in a difficult position, (3) there is nothing to prevent the Soviet Union catching up but there is no great danger if it did, provided the capitalist world can do certain things that it has not yet shown itself capable of doing.

To understand this one must realise that a great deal of attention is being devoted to the question of American and Soviet economic growth by the U.S. Congress, whose Joint Economic Committee recently engaged in an exhaustive study of this question. The experts on the Joint Committee revised Soviet statistics *downwards*. One of the periods of Soviet economic growth that is studied is from 1928 to 1955. Some U.S. economists point out that this was a rather unfair comparison, for it included the war years when German forces had occupied large areas of the Soviet Union and had systematically destroyed Soviet industry during their retreat. Nevertheless even when the war years are

included the Soviet industrial production increased, according to the Joint Economic Committee of Congress, by 7.7 per cent per annum.

The best years of American economic growth that the committee could find were from 1867 to 1907 and from 1922 to 1927. In those periods the annual increase of American industrial production was 5.2 per cent in the first period, and 5.3 per cent in the second.

If one takes another period from 1928 to 1955 (which includes the Great Depression in the U.S.A.) then the annual increase in industrial production was only 3.6 per cent—exactly half of the Joint Committee estimate of the annual increase in Soviet industrial production.

There is, however, a short period from 1950 to 1955 when the Joint Committee is prepared to concede an increase of 9.9 per cent per annum of Soviet production, as compared with an increase of 4.4 per cent per annum of U.S. production. It is on this basis that it stated that “the U.S.S.R. in the short run present [from 1950 to 1955] appears to be expanding its industrial output at a rate about twice as great as that in the United States, while over the longer period the rate has been about 50 per cent greater than in the United States”.

However, if we omit from the Soviet side the years 1941-46—the years of the destruction and reconstruction of Soviet industry—then the results of the Joint Economic Committee survey would give a rise of Russian industrial production of about 10 per cent for the 1928-55 period (minus the war years). Another American authority, Mr. D. Hodgman of California University, has given figures for the same years which add up to 12 per cent annual increase in Soviet production. The Soviet figures for the same period give an annual increase of 15 per cent. In the 1950-55 period Mr. Hodgman's figures of annual increase of 10.9 per cent, and Soviet figures are 13.1 per cent, so that the annual Soviet increase in production is between two and a half and three times greater than that of the United States.

If one wants to know the reason for this then one must go back to the basic difference between the two systems. Soviet industrial progress has not been halted by a series of economic crises—large and small—and there is no rich capitalist class, no well-to-do coupon-clippers, wasting an ever-increasing proportion of the national surplus in luxury consumption.

But Mr. Rostow, having already omitted the role of capitalist luxury consumption in an earlier period of capitalist development, naturally forgets to introduce it now. We will see that he also

refrains from doing it in relation to the development of the ex-colonies. In fact his only real argument against giving too much weight to Soviet economic growth is that sooner or later the Soviet people are going to demand more consumer goods and this will slow down capital investment. But the Soviet peoples are getting more consumer goods, yet Soviet economic growth continues to exceed that of the U.S.A. This means that in any struggle to influence the uncommitted world the Soviet Union will exert a tremendous weight. What does Rostow suggest should be done?

Monopoly capitalism need not fear Soviet competition, he holds, (1) provided that it can maintain full employment, and (2) provided it can prevent inflation and rising prices by measures which do not prevent economic growth.

But these are precisely two of the problems that capitalism has not solved, and Rostow doesn't suggest any solution. There have been three crises in the U.S. since the war—the last of which lasted longer and was more severe than its predecessors (though still not of the 1929-33 vintage). This crisis was preceded by a period of dear money to stop inflation, but which also stopped economic growth. The recovery from that crisis had hardly got going when the banks, raising the cry of the inflation danger, began to demand that the brakes be put on again. The various speeches of the Chancellor, above all his Budget speech, show that a similar policy is being pursued in Britain. It is absurd to argue that monopoly capitalism need not fear Soviet economic growth provided that it succeeds in doing two things that it has never yet done.

### Soviets and Peace

In discussing the Soviet Union's role in relation to peace, Rostow embroiders the old theme that Russia is out to conquer the world. "For forty years now men have been told in Russia that fixed laws of history decree that the external world is implacably hostile *and must ultimately be conquered*". [Italics ours.] People in Russia are also told "that this struggle is inescapable". "Russia is a nation seeking to convert its maturity into world primacy by postponing or damping the advent of the age of mass consumption." Can you believe it? Almost every economic periodical in the U.S.A. is discussing the Soviet claim that it can catch up and surpass the United States in production and *consumption* per head of the population. A plethora of articles are devoted to analysing whether this can be done, and in the midst of this, in steps Rostow to declare that the Soviet Union is not only not aiming to surpass the U.S.A. in consumption per head but it is actually damp-

ing down high mass-consumption, and it is doing this (1) because it wants "world primacy", and (2) because that's the kind of society communism is. Yet not a single sentence is quoted from any Soviet speech or document, past or present, justifying the statement that the Soviet Union is out ultimately to conquer the world.

In another part of the book we are told that the Soviet Union was peaceful in those pre-war days when it was developing its five-year plans. When, then, did it go in for aggression? Here our old friend the "power vacuum" comes in again. There was after the Second World War a "power vacuum in Eastern Europe" and there were "evident opportunities for communism in China". So Stalin was tempted and he fell. He could have inaugurated an era of high mass-consumption. Instead "he gave a high priority to expanding Soviet power in the world arena."

Think back to 1946. The Soviet Union had half of its industry destroyed in the war. It was to take it four years to restore its industry, all round, to the pre-war level. It was at this moment that Churchill in his famous Fulton speech outlined the anti-Soviet cold-war policy; it was in this year (1946) that Britain and America commenced to object to the amount of reparations that the Soviet Union was seeking to extract from Germany; it was in this year that the United States began to incite the bourgeoisie in France, Italy and Czechoslovakia to drive the Communists out of the government. (When two years later the working class of Czechoslovakia drove the bourgeoisie out of the government, this was represented as Soviet aggression.) The following year (1947) was to see the inauguration of the Marshall Plan, with its attempt to detach the governments of Eastern Europe from the Soviet Union. Rostow will have it that the United States was entirely peaceful in this period. It was of course actually demobilising a lot of its infantry, but he fails to mention it was flaunting its air- and sea-power and engaging in atomic blackmail. The later stage of United States strategy, the rebuilding of German militarism, and the Dulles policy of "liberation" are not of course mentioned.

### The Nuclear Stalemate

However, Rostow now recognises that "there is, at least, interim stalemate", and proceeds to discuss what to do next. A new situation, he holds, has come into existence because it is a nuclear stalemate. The Soviet Union, he holds, has an interest in stopping the extension of nuclear weapons to new states because such an extension would make nuclear war most likely. Ignoring the powerful efforts of the Soviet Union to get an agreement on the banning of nuclear weapons,

with appropriate control, Rostow stresses the alleged difficulties of persuading the Soviet Union to accept that policy. Why? Because the success of this policy would lead to the possibility of a large-scale increase in consumer goods in the Soviet Union, and "communism is likely to wither in an age of high mass-consumption". Why this should be is never explained. So far from fearing this era of high mass-consumption, the Soviet Union, as we have pointed out, is striving to reach it at the earliest possible moment.

### War Danger Now

Leaving communism to wither amidst a plethora of consumer goods, Rostow says that even if there was a disarmament agreement between the Soviet Union and the Western Powers there would still be the danger of war. This would come from China, South-East Asia and Latin America in the not so distant future when they would become mature industrial nations. So Rostow suggests that the Soviet Union should cooperate with the imperialist states—he calls them "the great mature nations of the north"—in order to prevent China from following in the footsteps of "the Kaiser and Hitler and the Japanese militarists and Stalin". (Note that the Soviet Union, which was attacked in the Second World War, is bracketed with the imperialists who started the war.)

Here, however, the United States imperialist attitude to China is expressed in all its arrogant crudity. Consider the sequence. The United States emerges from the Second World War as the dominant power in the Pacific. It aims to reduce all China to the status of an obedient satellite, governed in American interests by the Chiang Kai-shek clique. When the Chinese revolution dispels this pipe-dream, the U.S. Navy is sent to protect Chiang Kai-shek in Formosa. Truman declares that the United States Navy and Air Force will attack the forces of the Chinese People's Republic should they attempt to take over Formosa (Taiwan). The United States then mobilises its European and Latin-American client states in the United Nations to support it in declaring that the Formosa clique is the real Chinese government and that the People's Republic of China must not be recognised. It then supports its puppet, Syngman Rhee, in the Korean War and virtually obliterates all the industrial establishments in North Korea. It is only prevented by the resistance of its European allies from atom bombing the North Viet-Nam forces. It stands sullenly aside when a peace is agreed to, and then U.S. advisers in South Viet-Nam encourage the government to tear up the peace treaty. Yet

Rostow pretends that the danger to peace in Asia arises, not from these American activities but from China asserting itself once it has reached industrial maturity. Isn't it curious how the "stages of growth theory" always justifies whatever policy the State Department is pursuing?

### The Colonies Today

How to prevent a communist breakthrough in the uncommitted ex-colonial world occupies a considerable amount of his attention. "Societies in the transition from transitional to modern status are peculiarly vulnerable to seizure of power" [by the Communists] he says.

Firstly, there is the ruling class of the traditional society, resisting advance to modernisation, and *there is the conflict of interests and opinions* amongst those groups who would move forward. "It is in such a setting of political and social confusion . . . that the seizure of power by communist conspiracy is easiest." Why call it communist conspiracy? Why not seizure of power by a communist mass movement, or by a democratic mass movement led by the Communists. "For those who would prefer to see the aspiring societies of the world not follow this particular road to modernisation—in Asia, the Middle East, African and Latin America—the communist technique for mobilising power and resources poses a formidable problem, almost certainly what historians would judge the central challenge of our time; that is, the challenge of creating, in associating with the non-Communist politicians and peoples of the pre-conditions and early take-off areas, a partnership which will see them through into sustained growth on a political and social basis which keeps open the possibilities of progressive democratic development."

Look around the world at the American client states—South Korea, Formosa, South Viet-Nam, Siam, Pakistan, Persia, Turkey, Greece, Saudi Arabia. Are the rulers of these states "keeping open the possibilities of progressive democratic development"? The rulers of these states are non-Communist politicians certainly. They also, however, represent the most backward, reactionary forces of the traditional society—forces which are determined to hang on to their privileges as long as possible. Indeed, wherever there are "non-Communist politicians" who seek a genuinely independent economic development for their people, who seek to loosen the grip of the American or other monopolists on their economy of their country, the State Department and the NATO states are invariably against them. Witness the hostility to the Castro regime in Cuba.

The "creation of a partnership" is a synonym

for a new type of imperialist relation between the imperialist state and the economically backward countries. What, however, is the reality? In most economically backward countries there are large-scale monopoly capitalist enterprises—oil wells, mines, plantations, etc.—from which enormous profits are extracted. Those profits find their way to the imperialist countries where they may often be used for luxury expenditure.

In other words, a surplus is drained from the under-developed country, so that it is not available for its all-round economic development. The best thing that imperialist capitalists could do to promote the development of these countries would therefore be to get off their backs and stop bleeding them white.

How are these countries to be helped to “take-off” and become fully-fledged capitalist states? In his sketch of capitalist development in the past, Rostow notes that some capitalist countries built up an agricultural or mineral surplus, which they exported. This provided the resources for their subsequent industrial development. Rostow recommends this to the present under-developed countries as a route to be followed. He forgets that such surpluses have long been in existence in many of them (Cuba’s sugar and Iran’s oil), but they have been controlled by the imperialist firms and are not available for independent economic development. Therefore a prerequisite for genuine economic development would be for the people in the under-developed countries to get control of these surpluses. However, even when some part of these surpluses are in possession of the inhabitants (or a section of them) the advice to further the development of their agricultural or extractive industries as a first step, is by no means correct. In another section of the book Rostow alleges that capitalism has now acquired the techniques for mitigating economic crises. Well, in the recent economic crisis, it was clearly revealed that it had not lost its skill in transferring the lion’s share of the burden of the crisis on to the shoulders of the under-developed countries. Such countries in the sterling area lost as much in the course of a year through the fall in the price of their food and raw materials, as they received in the form of “economic aid” in the whole post-war period. They have by no means recovered, and it is likely that the chronic agrarian crisis which was such a feature of the period between the wars has again emerged as far as agriculture (food and raw material crops) is concerned. For a mass of countries to make their main object the increase of agricultural crops for export might only aggravate this crisis. Those countries have therefore every reason to be sus-

picious of any advice which seeks to get them to defer industrialisation meantime, until they have developed their agricultural production further. Under the new Rostow dispensation of partnership with “the mature countries of the north” it appears that they are expected to fulfil their old function of being raw material appendages to the capitalist states, united to exploit the former colonies in a new way.

So the underdeveloped countries are (1) expected to carry a lot of their semi-feudal rulers on their backs, (2) to sell their food and materials at crisis prices, (3) to carry the elements of a new capitalist class on their backs, and (4) to pay tribute to the old imperialist companies on their territory, (5) to invite new ones to participate in their development, and (6) ultimately to industrialise.

Yet all history demonstrates that for a state which tolerates a monstrous weight of parasitism, to attempt to industrialise is to impose the bitterest poverty on the mass of its people, and this bitter poverty will exist alongside the most monstrous luxury. What a hope Rostow has if he believes that this perspective will attract under-developed countries away from a genuine colonial liberation policy.

### The Essence of Rostow

What is the essence of this theory of the stages of economic growth? It is simply to take away from the political and economic development of capitalism all the contradictions and to present that development as being devoid of exploitation, class struggle, and the oppression of the majority of the people. It ignores the cost of the development of the productive power of a capitalist society in terms of the poverty and suffering of the mass of the people. It ignores the extent to which the robbery of colonial countries provided the resources for capitalist accumulation in the early stages of capitalism and its monopoly capitalist phase. Although the monopoly stage of capitalism is accompanied by tariff wars, exclusive rights to exploit colonies, special rights to export capital, super-profits for capitalist enterprises settled in colonies, and although all this was accompanied by a fierce arms race and political reaction, Rostow seeks to exonerate monopoly capitalism from responsibility for the great wars of this century, and blames it all on feudal hangovers in various countries. How he explains the ferocious imperialism of France, which had fewer feudal hangovers than most other countries, we are not told.

Rostow’s theory is that as capitalism develops the class struggle grows milder (exemplified no doubt in the four-month United States steel

strike), and it enters an era of high mass-consumption. How then does he explain the great depression of the 1930's? He tells us "the protracted depression of the United States in the 1930's was not due to long-term diminishing returns [i.e., to a steady fall in the rate of profit], but to a failure to create an initial setting of full employment, through public policy, which would have permitted the new leading sectors of suburban housing, the diffusion of automobiles, durable consumer goods and services to roll forward beyond 1929." Well, didn't Roosevelt try to do a lot in the way of a public employment policy, and yet, according to Rostow, there were still "17 per cent unemployed on the eve of the Second World War". How did the American monopoly capitalist economy get out of this situation? We are told that "the Second World War was a sort of *deus ex machina* which brought the United States back to full employment; and in the context of the post-war world—its institutional arrangements drastically altered by the New Deal and such legislation as that put through for veterans' housing—the United States went on to round out the durable consumer goods revolution in a decade of chronic full employment between, say, 1946 and 1956." How forgetful can one get? The role of veterans' housing in full employment is mentioned and not the role of the gigantic arms programme, which spent the equivalent every year of the entire national income of Britain. Is this omission because mention of the militarisation of the economy would not square with his picture of a peaceful monopoly capitalism? What of the crisis of 1957-58? Despite the militarisation of the economy, unemployment grew to 8 million—the severest crisis of the post-war world—and it has left behind a permanent army of about 3½ million unemployed in the "era of high consumption". Could not a

severer crisis than that of 1957-58 occur? The answer is "that the sluggish and timid policies of the 1920's and 1930's will no longer be tolerated in Western societies." But the 8 million unemployed appeared in 1957-58 whether tolerated or not, and 3½ million exist in the boom, i.e., the equivalent of one and one-sixth million in British conditions.

What Rostow is preaching to the world is something like this: If one ignores the seamier sides of American society, it cannot be denied that the population enjoys a fairly high standard of life. This we have reached under a capitalist system of society. You can do the same if you tolerate a capitalist system of society and don't seek a non-capitalist way of development. In all this the specific features of American development are left out. The empty continent, the profusion of easily worked raw materials, the flood of European capital (up to the First World War), the recurring shortages of labour (is this likely to happen in any ex-colonial country?), the gigantic profits made from the European capitalist states in the First and in the early part of the Second World War, all this enabled the Americans to achieve a fairly high standard of life (subject to terrifying personal insecurity), while carrying a profit-hungry capitalist class on their backs. These conditions are not present in the overcrowded colonial lands. To carry a huge burden of capitalist parasitism there is to accept terrifying poverty and to slow up development. No, the way to advance in the colonies and in Europe is to throw the parasites off our back and by eliminating them speed the way to planned growth in the interests of all. The Rostow theory is not a new theory of human development. It is simply a new theology of the cold war and as such it should be rejected.