My Dear Mr. President

ROCKEFELLER WRITES TO EISENHOWER

On February 15, 1957, the Berlin newspaper "Neues Deutschland" published the full text of a letter written in January, 1957 to President Eisenhower by Nelson A. Rockefeller, heir to the Standard Oil millions, and a key figure in the making of American foreign policy. The letter is so revealing in relation to the motives behind the "Eisenhower doctrine" and American plans in Africa and Asia, that "Liberation" has decided to reproduce it in this issue. Apart from our own sub-heads and emphases, the text is that in the possession of "Neues Deutschland", which stated in an editorial note that it came from a source of "undoubted reliability."

Dear Mr. President,

I am reluctant to revert to that lengthy and tiresome discussion which took place in Camp David in connection with my proposal regarding a bolder programme of aid to under-developed countries. However, recent political developments have shown that our discussion was not a sterile one and that the time has now come when I should state some points that have occurred to me which though they do not pretend to be original may all the same be of some help in approaching one of the most important problems of our foreign policy.

First of all I would like to express my deep satisfaction with the new Bill increasing the allocation for aid to underdeveloped countries. If I am not mistaken the Bill obtained your approval following Sir Anthony Eden's visit to Washington. The Bill was well timed, particularly in the light of Ambassador Cooper's recent reports emphasising the catastrophic drop in American prestige in India especially after Mr. Dulles' statement that Portugal should keep Goa.

I am sorry to have to point out that my arguments in favour of expanding our economic measures were misinterpreted. I have not, and never had, any fundamental differences with the Administration as regards the general line of our foreign policy. I appreciate as much as anybody does the importance of military alliances, but I believe that they call for an

approach different from that of the State Department so far. We should not shut our eyes to the fact that military alliances are becoming increasingly unpopuplar just now because of the active foreign policy offensive launched by the Russians.

We must face the fact that during the past two or three years the policy of building up military alliances has sustained serious setbacks. SEATO may serve as an example of this. The main Asian countries have refused to join it.

The fate of our most recent military project has been even worse. I refer to the Bagdad pact, considered by Dulles as an important success for American diplomacy — something claimed by the British as well.

True, on paper and on the maps the Bagdad pact looks well enough. It ties up four Middle East countries into a single military union, well disposed towards us. These countries are located directly on the southern perimeter of the Communist world and present valuable reserves of strategic raw materials and man power.

GOOD FOR STANDARD OIL

However, one of these four countries, Turkey, is already connected with our system of defence through NATO, and another, Pakistan, is a member of SEATO. At the same time, most of the Arabian countries have not joined the Pact, holding that the Pact is by its very nature contrary to their national interests.

The creation of these alliances in fact did not secure the ends desired by us either in South-East Asia or in the Middle East since we failed to include in the Pact or in the Organisation countries whose membership was vital for success. In saying this I do not mean to say that these organisations are of no use to us, that they should never have been created. It is not the pacts that I criticise, but the methods chosen for their establishment. I will not use the well known paraphrase: "What is good for Standard Oil is good for the USA", but all the same I cannot ignore the fact that neither the Bagdad pact nor SEATO guarantee us the use of the valuable resources of areas concerned. What is more, they do not guarantee even the security of those potentially vital bridgeheads.

The failures in our post-war policy in Asia are the more glaring when seen against the background of the visit by the Russian communist leaders to India, Burma and Afghanistan and the readiness shown by the Soviets to undertake largescale economic co-operation in this region. These Russian moves which we have so far regrettably failed to counter in any effective way may have far-reaching economic and political consequences for the future of all the countries of Asia. Therefore if we are not only to consolidate existing military alliances and arrangements but also to create new ones — assuming such pacts are a convenient form for our relations with other countries — we must begin to act in conformity with the new situation that confronts us.

The discussion which culminated at Camp David and which resulted in my resignation concerned not so much the essence of our relations with under-developed countries at the present moment or, rather, was not concerned with the theoretical principles of our policy in the backward areas so much as with the means and ways and pursuing that policy. I refer to this dispute because some of my arguments apparently had a favourable effect and contributed to the approval by you of the Bill providing for the increase of aid to underdeveloped countries. It is in this connection that I have tried once again in this note to formulate my opinion on the changes that seem to me essential in our policy in Asia.

To put the problem in a nutshell — our policy must be both "global" i.e. embrace every part of the world and also "total" i.e. include political, psychological, economic, military and special methods integrated into one whole. In other words the task is to hitch all our horses in a single team. To illustrate my point of view better I want to attempt some analysis — even if it is a superficial one — of some aspects of our foreign policy as it has been conducted in Europe and Asia.

In Europe we started with economic aid. It is quite possible that without the Marshall Plan we would have found it more difficult to form NATO. What in fact happened in this case was that a co-ordinated foreign policy, using every kind of pressure, resulted in the creation of what we hoped was a solid military union. Even critics within NATO itself say that it suffers from undue emphasis on the military aspects at the expense of the economic factors which played such a big role in its formation.

In Asia our efforts were far less successful. The principal reason for this can, I believe, be clearly stated: the conception of force was too nakedly shown, too much stress was laid on the military side while we largely ignored the importance of preliminary economic preparations for the alliances we wished to make.

FOUNDATION OF SAND

This underestimation of the vital economic aspects on the part of the State Department has led to the creation of SEATO and the Bagdad pact on a foundation of sand. And I would prefer to see the sand cemented. The American tradition has been that "the flag follows trade". In spite of this wise tradition all our energy was directed to building up the military side of SEATO. It is hardly plausible, however, that the members of SEATO would want to be involved in a war with communist China, with the US backing Chiang Kai-shek. Yet this apparently was the State Department's calculation.

I confess that I am gratified when I see that more and more people in the Administration are coming to the conclusion that ill-considered military steps sometimes weaken and even totally destroy the effect of economic measures the necessity for which you have come to see for yourself.

But the same military measures will often be found objectionable if the way to them is paved with economic aid.

You of course know, Sir, that in the vast underdeveloped regions of the world the most serious problem of all is the lack of capital, equipment, administrative personnel and technical specialists. We must always take this fact into account in all our planning. If we believe in military arrangements we should be prepared to pay for them.

However the 'payment' must be done in a different way from that followed hitherto. Thus, for example, although economic and technical aid to underdeveloped countries last year ran to more than $1,000,000,000 in fact more than half of this sum was concentrated in three countries where military and political rather than economic considerations were the controlling factors. These countries were South Korea, Formosa and South Vietnam.

I am happy to see that the Administration has at last ceased to sit on the fence, as it were, of military alliances, impotently watching the growth of nationalism among Asian peoples who are simultaneously in receipt of American armaments and Russian technical aid. I am pleased to see that the Administration, even though under the influence of external factors, has at last paid due attention to the economic side of our military alliances, has recognised that economic policy is inseparable from military policy.

The most significant example in practice of what I mean, was the Iranian experiment with which, as you will remember, I was directly concerned. By the use of economic aid we succeeded in getting access to Iranian oil and we are now well established in the economy of that country. The strengthening of our economic position in Iran has enabled us to acquire control over her entire foreign policy and in particular to make her join the Bagdad pact. At the present time the Shah would not dare even to make any changes in his Cabinet without consulting our Ambassador.

To sum up, the considerations stated here have brought my friends and myself to the conclusion that our political programme must be based on the following fundamental considerations:

1. We must continue the measures designed to create and strengthen our military alliances. For these alliances, while potentially useful in warding off any communist aggression and in preventing nationalist outbreaks, consolidate our entire pposition in Asia and the Middle East.

We should not ignore the vital fact that virtually all of our natural rubber, manganese, chromium and tin, as well as substantial proportions of our zinc, copper and oil and a third or more of the lead and aluminium we need comes from abroad, and, furthermore, that it is chiefly drawn from the underdeveloped areas of Africa and Asia, which are in the orbit of one or other of the military alliances built by the US. This is also true of a major part of our "superstrategic material" (uranium ore, in particular).

2. In order to strengthen and, if possible, to broaden these alliances we must draw up a programme of economic development extensive enough for us to have in Asia, Africa and other underdeveloped areas a political and

military influence as great or greater than that we obtained through the Marshal Plan in Europe. That is why the main flow of our economic allocations for underdeveloped countries should be channelled through bodies set up to serve our military alliances. This should serve to make the alliances themselves more attractive. If necessary, certain changes in the form of these alliances should be considered.

STEP UP THE PRICE

In other words, wherever possible we should emphasise the economic aspects of our alliances. We should widely and wisely make use of economic aid to those countries which we intend to draw into alliances with us, but we should do it more flexibly and carefully than hitherto. In the past we have sometimes tied up the provision of economic aid with demands to join one or other of our alliances in such a crude manner that many potential allies were alienated. It is necessary for us to act carefully and patiently, and in the early stages confine ourselves to securing very modest political concessions in exchange for our economic aid (in some exceptional cases even without any concessions in return). The way will then be open to us, but at a later stage, to step up both our political price and our military demands.

You seemed to be ruled by these considerations when you agreed to offer economic aid to Egypt to help it with the construction of the Aswan Dam. If the Nasser Government accepts this aid a situation will be created in which Egypt will inevitably become bogged down in over-ambitious construction and will need our support for a long period of time. I think it logical to extend this type of co-operation to other countries. And in particular never to forget the theory of cumulative rather than immediate political demands on which it is based.

HOOKED FISH NEEDS NO BAIT

3. In line with this I suggest that those countries to which US economic aid is to be extended, should be divided into three groups, different methods and forms of economic co-operation being applied to each of these groups.

First of all, we should pick out the countries with anti-communist governments friendly to us, which are already bound to the US through stable long-term military agreements. In this case governmental subsidies and credits may take the form mainly of military appropriations. The hooked fish needs no bait.

Here I agree with the State Department, that the allotment of extensive economic aid, say, to Turkey, might under certain circumstances bring results exactly the opposite of those intended, might, that is, strengthen its tendency to independence and to weakening its existing military alliances. Such countries may be given direct economic aid as well but we must give them only as much as is necessary in order to keep suitable governments concerned in power and to check any hostile opposition elements.

In this connection it will also be necessary to regulate private investment. The government should make use of and encourage private investors, seeing that many political objectives can be secured with their help. In the long run such private investments should allow us to eliminate or neutralise any disloyal opposition or resistance to our policy, and to put increased economic pressure on only local business interests which show uncertainty or hesitate to support us. At the same time economic support for those strata of the local business community which are ready to co-operate with the US should be increased, and the necessary conditions should be created for businessmen of this type to be put in key economic positions and accordingly for their political influence to be increased.

INTERNAL SUBVERSION

The second group includes those countries which pursue or tend towards a neutralist policy. In this case the main emphasis in economic assistance as regards government subsidies and credits should be on creating conditions in which eventually the economic relations established by us would work for and make it natural for these countries to join military pacts and alliances inspired by us. The essence of this policy should be that the development of our economic relations with these countries would ultimately allow us to take over key positions in the native economy. In neutralist countries we should support any tendencies to seek our help in launching extensive economic plans which go beyond what is really practical (e.g. the case of Egypt, mentioned above). By this means we can hope to divert the foreign policy of these countries in a more desirable direction.

In encouraging private investment in these countries support should be given to those sections or individual persons who oppose the present regimes. We should thus lay the basis for the orientation of the policy of those countries in a more healthy direction.

The most important member of this second group is, of course, India..

The third group should include colonial countries still directly dependent on their mother-countries (e.g. Morocco, the Belgian Congo and Equatorial Africa etc.) Side by side with measures designed to encourage private investment for these countries, support should be given, in particular cases and within due limit, to native businessmen, who are struggling against their colonial status. In the first stage such aid might take the form of establishing joint enterprises. In supporting such elements we should proceed from the fact that if we do not support them we lose all hope of exercising a restraining influence on them until too late. If this happens the desire for independence may result in a nationalism so strong as to escape not only from the control of the old colonial powers but also from our own control.

"SINCERE AND DISINTERESTED"

Extensive economic aid to all three groups of countries should always be presented as the expression of a sincere and disinterested desire on the part of the USA to help and co-operate with them. We cannot afford to econo-

mise in ramming home by every propaganda means available to us the disinterested nature of US policy as regards aid to underdeveloped countries. We do not economise on our anti-communist work.

Meanwhile our investors, our technical experts, and other specialists should make it their business to penetrate every branch of the national economy of backward countries, and to develop them with due respect for our own interests and encouraging the national ambitions of those native businessmen whose political loyalty is not in doubt.

It seems to me that provided all these recommendations are carried out the result should be not only to strengthen the international position of the US as a whole but would also considerably facilitate the fulfilment of any military tasks that may confront us in the future by strengthening existing military arrangements and breathing new life into them.

I would not have written this letter and I certainly would not have written at such length, if I had not been confident of your sympathy with the ideas expressed here, and if I did not hope that these ideas would help us in shaping our policy along sound lines.

Naturally, in this letter I have not been able to put down all my arguments in favour of switching the emphasis of our foreign policy. It is my deep hope however that you and also those responsible for drawing up the budget are now convinced of the need to take measures which will strengthen our position in Asia and perhaps more important, in the Middle East, and have decided to revise the priorities given to the different aspects of this central problem. As my friend put it, we cannot allow future historians to say that in the second decade after World War II freedom throughout the world died of a balanced US budget.

Yours sincerely,

Nelson A. Rockefeller.