"General Background on China", New York, special, 1952, 8 pp.

F. INSTITUTE OF CURRENT WORLD AFFAIRS NEWSLETTERS

A total of 42 numbered but untitled newsletters, written between September 1947 and November 1949, concerning developments in China. Of these, 23 are included in "China On the Eve Of Communist Takeover." The others deal with various aspects of both Nationalist and Communist China.

F. NEWSPAPER ARTICLES

Dr. Eckstein. Mr. Chairman, with your permission, I would like to touch on the following four aspects of the problem. First, the pattern of domestic economic development; second, the role of foreign trade in these developments; third, China's vulnerability to external economic pressure; and, fourth, the effect of this on China's capabilities to use foreign trade as an instrument of foreign policy. Starting with the first, the pattern of domestic economic development, it would be fair to say that Communist China experienced 10 great years of development, to use their own phrase, between 1949 and 1959. During this period the Chinese recovered from war devastation and made some impressive gains in terms of industrialization, industrial expansion, transport expansion, and general growth of the economy as a whole. However, this industrial growth took place at the cost of considerable agricultural stagnation. Agriculture grew very slowly. In spite of this, it is estimated generally by the best estimates we have available that during this period the average rate of economic growth in China was somewhere between 6 to 7 percent a year which is a very impressive rate, indeed. This is roughly the rate that the Soviet Union attained during the first two "5-year plan" periods, during 1928–37. However, as we know, beginning in 1960 and even in 1959, under the impact of the so-called Great Leap, this pattern of growth was reversed and China entered into the throes of a profound agricultural and economic crisis, which slowed down not only this growth but actually resulted in a decline between 1960 and 1962, and then since 1962 the Chinese economy has been slowly recovering again.

If we take into account this period of stagnation and reversal since 1960, and we project this backward to 1952, then from 1952 to 1965, we might estimate, very roughly, that the Chinese economy grew on the average at a rate of about 3 percent a year, which is not bad, but it is not in the range of impressive rates of growth.

What about the role of foreign trade in this development? In total terms foreign trade did not play an extremely large role. Foreign trade only constituted—that is, imports or exports—about 4 to 5 percent in relation to total national product. But in relation to investment which is, after all, the critical component from the standpoint of economic growth, imports indeed did play a very sizable and strategic role. This applies particularly, of course, to machinery and equipment imports, which constituted about 30 to 40 percent of total Chinese imports, up to 1960. These machinery imports, comprised, depending how one estimates this—and we don't have time to go into the intricacies of the estimates or would this be the occasion—
about 20 to 40 percent of the equipment component of China's investment. If China had not been able to import this machinery, her investment would have had to be reduced significantly and these imports played a very crucial role not only in investment, but they also served as an important highway, for the introduction of new technology, new industry and new goods into China which did not exist before, and which would have been very difficult to introduce in the absence of imports from abroad.

I have attempted, in a very crude way, to make an estimate of the effect of import cessation. In effect, I asked myself the question: "What would have happened if China had not been able to import any goods from anywhere and if China had not been able to import any machinery?" This kind of estimate of course is hazardous and I am presenting it purely in a speculative spirit, rather than something that is firm. In these terms, one can estimate roughly, that China's economic growth may have been halved between 1952 and 1959-60.

Since 1960, imports played a very different, but also a crucial role, however, not in development. Since 1960, development has markedly declined under the impact of the economic crisis and machinery imports have practically disappeared from the Chinese import bill. They were replaced by large-scale imports of grain. These grain imports, in turn, have played a very important role in enabling the Chinese to recover the standard of food consumption from near-starvation levels in 1960-61 to something approaching, more or less, normal 1957 levels. Also these imports, of course, have played a crucial role in maintaining political stability during a very critical period; that is, at the depths of the agricultural and economic crisis. These grain imports contribute about 3 to 4 percent to the total grain supply of China. This may not seem to be a large percentage, but they contribute 30 to 40 percent to the grain supply of the cities and of the army. So one of the functions of the grain imports is to take off the pressure from agricultural collections and to guarantee the supply of grain to the high-priority sectors of the economy and society; namely, the urban and the defense sector.

Just a word about China's vulnerability to external pressure. As it is already clear from what I have said, if there had been an embargo, if all countries had embargoed China trade, China's economic growth might have been halved and China's stability may have been undermined during the depths of the crisis. Also there is no doubt that these imports—in this case mostly from the Soviet Union—contributed importantly to the state and reequipment of the Chinese defense establishment.

One might ask why did China not suffer these consequences. China's trade, up to 1960, was preponderantly with the Soviet Union and Eastern Europe. However, even by that time about 40 percent of her trade was with the non-Communist world and, of course, in the late fifties increasingly non-Communist countries were prepared to trade with China because, for economic reasons, this was for some of them quite an important market.

Since 1960, with the decrease in trade with the Soviet Union and Eastern Europe under the impact of the Sino-Soviet split, trade with Western Europe and Japan had been increasing considerably. Thus
Western Europe and Japan have moved partly into the gap which was left by the withdrawal of the Soviet Union. I see my time is about up.

Mr. ZABLOCKI. You can expand on that later in the session.

(The biography of Dr. Eckstein is as follows:)

CURRICULUM VITAE OF DR. ALEXANDER ECKSTEIN

Institutions of higher education attended and degrees obtained: Ph. D., University of California, 1952; M.S., University of California, 1941; and B.S., University of California, 1939.

Academic background: Professor of economics, the University of Michigan, 1961-; visiting professor of international economics, University of Rochester, 1959-61; lecturer and research associate, Harvard University, 1958-59; research associate, Russian Research Center, Harvard University, 1953-56; teaching fellow in economic statistics, University of California, 1941-42.


Professional and honorary societies: Member, the American Economic Association; member, the Association for Asian Studies; member, the Association for the Study of Soviet-Type Economies; member, American Association for the Advancement of Slavic Studies; member, the Council on Foreign Relations.

National committees and offices in professional societies: Member, the Council on Foreign Relations.

National committees and offices in professional societies: Association for Asian Studies: Director, 1961-62, 1963-64; program chairman, 1964 meetings; member of executive group, Committee on American Library Resources on the Far East, 1963-64; Social Science Research Council, Joint SSRC-ACLS Committee for the Study of Contemporary China, member; SSRC Committee on the Economy of China, member; Association for the Study of Soviet-Type Economies, member of executive committee; International Committee for Chinese Studies.


PUBLICATIONS

BOOKS


MONOGRAPHIC CONTRIBUTIONS TO BOOKS


ARTICLES


"On the Economic Crisis in Communist China" *Foreign Affairs*, July 1964.

**CURRENT RESEARCH**

Working on a study of economic retardation and growth in modern China under the sponsorship of the Social Science Research Council. In this connection have just completed a paper dealing with some aspects of this problem to be presented at the SSRC Conference on Economic Trends in Communist China in October.

Mr. Zablocki. Dr. Lindbeck.

**STATEMENT OF DR. JOHN LINDBECK, ASSOCIATE DIRECTOR, EAST ASIAN RESEARCH CENTER, AND RESEARCH FELLOW, CONTEMPORARY CHINESE STUDIES, HARVARD UNIVERSITY**

Dr. Lindbeck. Mr. Chairman, I appreciate the invitation I received to appear before the committee. The role of science and technology is crucially important for the future of China, and her modernization. Because of this, I would like to limit my remarks to this aspect of China's relations with the outside world. China's use of science and modern technology will determine in great measure her capacity to deal with her problems, present and future. It also will affect her power in international affairs.
China, like much of the world, is a country with a retarded scientific and technological culture. Modern science is a foreign import, Western in origin, which is only beginning to take root in what the Chinese Communists themselves describe as a "backward" society.

Also, like much of the world, the ambition of the Communist leaders of China is to industrialize China's economy and modernize her society as rapidly as possible. The transformation they seek calls for the replacement of traditional ideas, beliefs, and myths about nature with scientific concepts and perspectives, and the introduction of modern, scientifically based, technology.

The process of this transformation, China's leaders understand. It involves several steps. First, the appropriation or importation from abroad of knowledge, technical skills, and equipment. Second, the diffusion of this knowledge and these skills among her people. Third, the incorporation of science and technology for working and productive purposes, whether this be for population control, or for the production of weapons, food, communication systems and cultural media.

When the Communists came to power in 1949, the initial steps in this process of appropriation and diffusion of science and scientific technology had scarcely begun. Only a very small corps of people who had college training existed in the country. In 1949 there were in China approximately 10,000 individuals with degrees—that is, A.B. degrees—in the natural sciences, 25,000 in engineering, 10,000 in agriculture, and 7,000 in the field of medicine. Many of these had received their training in Japan, Western Europe, and the United States. At the specialized graduate-school level almost all had to go abroad to acquire the knowledge they needed.

Of the 190 very senior physical and natural scientists in China in 1949, about 150 had received their training abroad.

At that time, the system in China of diffusing and incorporating this new scientific knowledge was extremely weak. There were two small academies of science with a total of 21 research institutes. These centers permitted a small handful of men to foster some scientific programs, but there was no comprehensive, modern school system, and only the beginnings of the use of modern technology in the economy and society at large, principally in limited areas where modern technology had been developed for productive purposes by the Japanese or by Westerners in coastal or river ports.

In 1949, when they came to power, the Communists decided to organize and to accelerate the infusion into China of science and modern technology. Rather than working out a variety of arrangements with groups and agencies in several countries, as the Russians had done in the late 1920's and early 1930's, the Chinese decided to depend almost entirely on the Soviet Union in the modernization process.

Between 1950 and 1960, a massive transfer of science and technology took place from a developed country to an underdeveloped country, from Russia to China. Some 10,000 to 12,000 Chinese students received advanced training in the Soviet Union. Whole plants were put together in the Soviet Union and shipped to China. Thousands of Chinese workers and technicians were trained in the Soviet Union
to man these plants. An international nuclear facility was established in Russia to diffuse knowledge and nuclear technology among scientists from Communist countries. The Chinese were major contributors and beneficiaries at this installation. In China itself, thousands of Russian scientists, teachers, and technicians helped the Chinese to develop modern academies of science and medicine for research and training and to improve teaching and to plan a comprehensive, countrywide educational system; to build nuclear reactors; to establish modern industries; and to work out ways of channeling Russian scientific and technological literature into China on a regular and continuing basis.

As a result of one decade of transfusions from Russia into China of modern science and technology, China now has acquired a small but still substantial group of scientists. The further modernization of China depends on the way the talents of these men are used, in particular to train more skilled men and women and to apply their knowledge to China's existing and future problems.

The Sino-Soviet rift, it must be noted, produced a major setback to the Russian-supported process of transforming China into a modern power. Withdrawal of Russian scientists and technicians from China and the cessation of programs for training Chinese in the Soviet Union, plus the disruptions of the Great Leap and subsequent economic and administrative confusions to which Mr. Eckstein referred have produced a major setback in China.

The Chinese are not able, with their own resources, to maintain the pace of modernization which they planned and set in motion at an earlier date. For continued rapid progress, China, like other underdeveloped countries, needs external assistance. The Chinese have not yet found real substitutes for the aid, now lost, they once received from the Soviet Union. It is true that the Chinese have shown growing interest in the resources of non-Communist countries. This, again, was referred to by Mr. Eckstein, such as trade with Japan and trade with other parts of the free world. They also have initiated small and tentative programs designed to train a few Chinese in non-Communist countries. For example, there are five Chinese nuclear physicists working at the Neils Bohr Institute in Copenhagen; over 100 Chinese are studying in France; and a couple of score students and scientists are in the United Kingdom. But these arrangements are mere openings to the West and are not important for sustaining major programs of modernization.

The Chinese are now operating under the slogan of "self-reliance." This means that with the country's inadequate scientific and technological resources, the leaders of Communist China have had to decide how to use these scarce resources. Current indications point to the diversion of a very large part of China's scientific and technical capacities to military purposes rather than to the general economic and social development of the country. Should this be true, China may make rapid progress in areas related to military technologies, but very slow advances in other fields.

Mr. ZABLOCKI. Thank you, Mr. Lindbeck.

(The biography of Dr. Lindbeck follows.)
CURRICULUM VITAE OF DR. JOHN M. H. LINDBECK, ASSOCIATE DIRECTOR, EAST ASIAN RESEARCH CENTER, HARVARD UNIVERSITY

Born: July 8, 1915, Kikungshan, Honan, China.

Early education: American School, Kikungshan, China; American School, Hankow, China; public school, Brahnam, Minn. (1924-29); and Rederoff-Kikungshan High School, Kaling, Kiangsi, China (1929-33).


Additional postgraduate study and research: University of Michigan, Ann Arbor; 1938 (scholar of American Council of Learned Societies). Columbia University, Naval School of Military Government and Administration, April-October, 1944; Harvard University; Rockefeller Foundation fellow in oriental languages and history, 1946-48. Yale University, Humanities Faculty Research fellowship, 1951-52.


Occasional lecturer: Foreign Service Institute, Department of State, 1954-57; Army War College, Washington, D.C., 1955; School of International Affairs, Columbia University, 1958; Canadian Defense College, 1960; Bernadotte Lectures on International Affairs, Gustavus Adolphus College, 1961; and others. Harvard University: Research fellow in Chinese studies, 1959-60; field research in Hong Kong, 1961-62; lecturer in government, 1963-

Experience in Department of State: Public affairs adviser on Chinese and overseas Chinese affairs, Bureau of Far Eastern Affairs, 1952-55. Naval experience: Lieutenant, U.S. Naval Reserve, active duty, 1942-46, censor and liaison officer, radio and cable censorship (New York); temporary Chinese language course (Monterey, Calif.); staff officer in charge of Legal and Educational Plans Section, Military Government (Pearl Harbor); instructor, Naval School of Military Government (Columbia); instructor and lecturer, School of Military Government (Princeton); intelligence officer, Far Eastern Division, OSS (Washington).

Publications include—


Chinese Representation in the U. N. and Anglo-American Relations, English-Speaking Union Fact Sheet No. 11, September 1961.


Mr. Clubb. Mr. Chairman and members of the subcommittee, as I am the last speaker, there will be some repetition of what has been said before, but this may have some value as reinforcement.

I start with two basic premises: I hold the Chinese Communists to be more Chinese than Communist; and I hold further, that verbal bellicosity is not necessarily to be taken as a true expression of their actual policies.

Communist China's foreign policy is a compound of past ideology and new political concepts, reactions to the world environment in which China finds itself today, and revolutionary aspirations regarding the future. It is different for three broad sectors of the world; namely, the Communist bloc, the non-Communist-developed countries, and the developing nations of Asia, Africa, and Latin America.

China inherits from the past, first, the feeling derived from the Confucian order that China is superior culturally to other nations and possesses a political "truth" of universal applicability; second, an emotion-packed modern nationalism taking the form of strong resentments relevant to the inferior position it occupied under the "unequal treaty system" so recently left behind; and third, the belief that China should properly have within its borders all territory belonging to the empire as ruled by the Manchus at their strongest.

The Chinese as a nation, in sum, have an urge toward national rehabilitation and national aggrandizement, and the Communist regime that came into power in the postwar world felt that it could provide the leadership for such national expressions. It has been and remains determined that China shall be a first-class economic and political power, and it has added an interpretation of Marxism-Leninism by Mao Tse-tung by virtue of which China is destined to provide the emerging nations of the world with a pattern for Com-
nunist revolutions, with a great China eventually to lead "world revolution" to victory over "world imperialism."

This conceptualization of China's world role determined Peiping's original policy vis-a-vis the three different world sectors. From the Communist bloc, China sought, first, economic aid for its transformation into a powerful, industrialized, and self-sufficient state entity; and second, military protection during its period of transition into the ranks of the first-class military powers.

In the second sector, China began by considering that all industrialized—and, therefore, "capitalistic"—countries were its natural enemies, with whom for the time being it would follow the Trotskyist policy of neither peace nor war.

In the third sector, that of the emerging nations, Peiping proposed that there should be Communist-led revolutions to overthrow the bourgeois nationalist governments in power.

In all three areas, China over the years suffered setbacks. This subcommittee last year dealt with Sino-Soviet relations in detail, and I pass over this aspect quickly, merely remarking that Peiping's quarrel with Moscow from 1957 onward having militated against its obtaining substantial Communist aid after 1960, China now focuses on getting military protection, by the indirect route of diversion, to which I shall refer again.

Given the development of that Sino-Soviet dispute, China in January 1964 shifted its policy respecting the second sector, that of the non-Communist industrialized states, to the strategy of the "intermediate zone," proposing in effect peaceful coexistence with even capitalist countries, if on an interim basis, implemented through regular diplomatic relations and, especially, trade.

Peiping excludes the United States from the benefits of that strategy, as entitled, in the character of China's so-called enemy No. 1, to no peaceful coexistence with China, in either the short or longer term.

In the third sector, after the Korean war demonstrated that Asia was not as ripe for revolution as Mao Tse-tung had first thought, there was a shift to the Bandung policy of peaceful coexistence and economic cooperation. Here, China has endeavored to assume leadership through exploitation of revolutionary potentials, offering political inspiration and guidance, and a modicum of economic aid, all predicated, however, upon the concerned countries adopting a friendly attitude toward China.

In this sector, however, various emerging nations have now concluded, on the basis of Peiping's performance, that the friendliness required by Peiping's doctrine of peaceful coexistence means, in reality, the adoption of the Chinese international line, that Maoism may or may not be good for China but it in any event falls short of offering desired solutions in the vastly different conditions prevailing in, say, Africa, and that the economic aid which China is able to give is a crumb compared to the needs and, if China preaches self-reliance instead, why, the emerging nations can obtain such preachments anywhere.

China's military and economic weakness, that is, blocked it from attaining its foreign policy goals by the strategy employed in the beginning. The changes made subsequently still do not bring national objectives within practical range of the nation's capabilities, and it is at this juncture that China is faced with two major tasks:
First, to resume the work of industrialization by the third 5-year plan beginning this year; and, second, to gain time to achieve at least a nuclear defensive capacity, in circumstances where China lives under threat of a war with the United States.

Consideration of the first problem does not fall within my area of inquiry. As regards the second, the evidence is that Mao Tse-tung and his colleagues, feeling that they have burned their bridges behind them in the dispute with Moscow, are reduced to the desperate device of endeavoring to embroil the Soviet Union in a quarrel with the United States over Vietnam. Here, however, both politics and geography are against the Chinese, and it is hardly probable that Peiping will succeed in getting the United States and the Soviet Union to engage in a war of mutual destruction over Vietnam for the benefit of China.

The danger of a direct confrontation between the United States and China itself then increases, for China's natural inclination, faced with the threat of growing American military power on its periphery, is to attempt, when political manipulation has failed, to achieve the desired diversion by fomenting and supporting revolutionary movements on the American flank in southeast Asia.

The potential for a Sino-American war is, therefore, great, and such a war could only be a tragedy for the two peoples, and for humanity. The Chinese are a great nation, with great accomplishments behind them, with great tasks of national construction ahead of them. Their revolution, which has already been in course a century, is still continuing.

As suggested by U Thant of the United Nations a few days ago, the Chinese leaders are at present suffering from something like a neurosis. The continuing growth of American military bases on their periphery hardly contributes to their peace of mind, and their isolation from the organized world community can only increase their fears.

Be it granted that China itself has contributed in no small measure to its own isolation. The problem is nevertheless to help fit it into the world community. The Chinese were also difficult in the 19th century, and offered problems for Occidental diplomacy, but it was found possible to live with them to the present day.

Communist China's foreign policy has demonstrably undergone changes over the years. More changes can be expected, in national objectives, per se, as well as in strategy. As I said before, the Chinese revolution is still continuing; with the passing of Mao's revolutionary generation, the next generation of Chinese leaders, concerned inevitably with the immense tasks of domestic construction, may prove much less paranoid, much more ready to fit into a world pattern of coexistence, be it peaceful or competitive, than Mao Tse-tung and his captains.

But this will surely depend in large measure upon the degree to which China is actually introduced into a universal system of world law and order. The policy of other countries, and especially of the United Nations, toward China, can logically be expected to contribute in important measure, in one way or another, to the direction Peiping's policy takes in the future. In that process, the United States inevitably bears responsibility for playing a major role.
Thank you.
Mr. Murphy. Thank you, Mr. Clubb.
(The biography of Mr. Clubb follows:)

**Biographical Sketch of O. Edmund Clubb**

Personal: Born South Park, Minn., February 16, 1901; U.S. Army 1918-19; University of Minnesota, B.A. 1927; graduate work, University of Minnesota and George Washington University; California College in China, M.A. 1940; married.

Foreign Service: Appointed U.S. Foreign Service officer, May 17, 1928; Department of State, July 1928-February 1929; language attaché, Peking, China, 1929-31; Vice Consul, Hankow, China, 1931-34; Third (then Second) Secretary of Embassy, Peking (Peiping), China, 1934-39; Secretary in charge Nanking Office American Embassy, Nanking, China, 1939; Consul, Shanghai, China, 1939-41; Consul at Saigon detailed Honoi, Indochina, 1941-42; Second Secretary of Embassy at Chungking detailed Lanchow, China, 1943; Consul, Tihwa (Urumchi), Sinkiang, China, 1943; Department of State, 1944; Consul General, Vladivostok, U.S.S.R., 1944-46; Consul General, Mukden, Manchuria, 1946-47; Consul General, Peking, China, 1947-50; Director, Office of Chinese Affairs, Department of State, 1950-52; retired from U.S. Foreign Service, with rank class 1 Foreign Service officer, effective from February 12, 1952.


**Publications**

Author of about 70 papers and articles on Asia. Writings on China (except book reviews), 1961-65.

**Book**


**Articles**

"Living with China as a Great Power," the Annals, January 1964.
(Contributions in) "Red China," John A. Lejeune Forum, Marine Corps Gazette, October 1965.

Mr. Zablocki. Mr. Broomfield from Michigan.
Mr. Broomfield. Dr. Barnett, this morning's issue of the New York Times carries the story that Chinese analysts are becoming concerned about statements from Chinese leaders that war between Red China and the United States is likely.

Do you believe there is an immediate danger of such a clash?
Dr. Barnett. Actually, the Chinese started about last summer what one could consider defensive preparation for war. Late last
summer they began moving people out of some south China cities, they began indoctrinating the population particularly in south China about the dangers of war.

I think there is some cause for concern. But as I said earlier, my own estimate would be that this is not preparation for a conscious, provocative, initiative to create a major conflict. I would guess that it is motivated essentially by defensive considerations.

I think that the Chinese may feel that the situation in Vietnam is one with great dangers of escalation, which they might not initiate, to the point where there would be a clash between the United States and China of a fairly direct sort. I think they are prepared to respond if there is this kind of an escalation, and this kind of clash, although here one is in the realm of speculation, obviously.

I do not think that they look forward to a confrontation of this kind, and I think they would like to avoid it if it is avoidable.

Mr. Broomfield. Dr. Eckstein, I would like to ask you a question relative to some of our allies, such as Britain and France, who have traded with the Red Chinese now for a number of years. Do you think this trade has had a softening effect on Red China's attitude on foreign policy toward these countries?

Dr. Eckstein. I think it is hard to generalize in this respect as to all periods. Chinese foreign policy vis-a-vis these countries has not been completely consistent during the whole period since 1949. I think it would be fair to say that, for instance, France, since her recognition of Communist China, and since the period that she has started more actively trading with China, has not really had significantly more cordial relations or closer relations with China than other countries.

Mr. Barnett might want to comment on this, too, but my impression is that really both France and Britain are kept very much at their distance in Peking. It is possible for Frenchmen and for British subjects to go to China, unlike Americans, because of diplomatic relations, but the relations are not one of close cordiality or close consultations, anything of that kind. That is my impression.

Mr. Broomfield. What is your frank opinion about the United States eventually considering trade with Red China, or do you believe the hatred for America is so great that this would not be possible?

Dr. Eckstein. My own feeling is that there would be a great deal to be said for lifting the embargo. I would favor lifting the embargo really primarily on two or three grounds.

First, I think the embargo is totally ineffective; that is, it doesn't hurt China at all. I mean the U.S. embargo, not the allied trade controls for delivery of atomic materials and weapons. I am talking about the total U.S. embargo.

Since China can obtain virtually everything other than weapons and defense materials from other countries, it seems to me all that our embargo does is it creates the illusion among the American public that we are, through the embargo, hurting China without any reality behind it. It gives us, apparently, a sense of satisfaction to labor under this illusion, but I think it is just an illusion.

Therefore, my first point is that it is ineffective. One of the additional reasons for this is that, for some of our allies, Hong Kong, and to some extent Japan, trade with China is of much greater importance and urgency, economic urgency than it is for us. We are not going
to have a large trade with China even if the embargo is lifted. Even if there are no political obstacles, I doubt very much that China would be a major market for American products, or that there would be much that we would import from China.

I think lifting the embargo is one move that we could take unilaterally without any negotiation. It would be a very cheap concession and it would, I think, serve as a signal, as an important signal to the world at large that the U.S. posture vis-a-vis China is changing. I am in favor of this because I personally feel that our posture vis-a-vis China should change.

Mr. BROOKFIELD. Do you also include in that statement the selling of surplus food to Red China, too?

Dr. ECKSTEIN. This is a more difficult problem. I am not sure that I would be prepared to say yes or no on that off the top of my head. I would like to think about that. I am not sure about that.

Mr. MURPHY (presiding). Mrs. Bolton. Mrs. Bolton is the ranking minority member of the full Committee on Foreign Affairs.

Pardon me. Mr. McDowell.

Mr. McDOWELL. Go ahead.

Mrs. BOLTON. I would rather not.

Mr. McDOWELL. Thank you, Mr. Chairman.

Dr. Barnett, you state that Chinese policy is aimed at avoiding direct confrontation with the superpowers. Will you relate this to the current situation in Vietnam?

Dr. Barnett. I, myself, would say that the Chinese action in Vietnam so far would confirm this, as I would say their past actions in a number of different crises would support this view. It seems to me that the Chinese have been extremely careful to avoid large-scale direct Chinese involvement; that they, in effect, have said to the North Vietnamese, “We will give you what backing we can as long as we don’t get involved directly ourselves, and you should be self-reliant and continue the fight indefinitely against the United States.”

There is some evidence, I would say, that this is the cause of some dissatisfaction in North Vietnam. I think the Chinese would much prefer to avoid, and to date have avoided, very large-scale direct Chinese involvement.

Mr. McDowell. Do you think if this is a policy, this policy would be continued if there were a threat that North Vietnam might be defeated and, therefore, there might be U.S. military forces on their border?

Dr. Barnett. No; I do not. I think there would be a point—and it is extremely difficult to try to predict and be specific about it, but I do believe there would be a point—at which the Chinese would feel compelled to intervene. Certainly if they thought the North Vietnamese regime was on the point of collapse, they would intervene.

I would say that in the most limited sense the Chinese objective would be to preserve a buffer state oriented toward China in North Vietnam. I think they have more extensive objectives, obviously, than that, but this is the minimum objective from their point of view which, if threatened, would compel them to intervene, I think.

One can ask many kinds of really unanswerable questions as to what—short of the threat of the complete collapse of the North Vietnam regime—might cause the Chinese to step up their involve-
ment. There are no clear answers, but I think it is probable that escalated bombing, including bombing of Hanoi and Haiphong, would be a symbolic act raising the level of conflict sufficiently to force the Chinese to feel that for a variety of reasons they would have to escalate their own involvement.

Mr. McDowell. Of the three largest and strongest countries in southeast Asia, which of these three do you think has a greater potential of emerging as the dominant country in Asia in the future—Japan, China, or India?

Dr. Barnett. This is a very difficult question. I think there is no doubt—

Mr. McDowell. We want to have every advantage of your great background and information on this subject to guide us now. We can't wait for that future.

Dr. Barnett. My feeling is that China will develop and play an extremely influential role, and in some respects will be the most influential of these three powers. At the same time, I think there is no doubt that Japan, which has far greater industrial strength than China, is a much more modern state, and is emerging from a kind of isolationism that has characterized the Japanese in the postwar period, will have a growing influence also, particularly in economic fields, but conceivably in the long run in political fields as well.

My own guess is that India is not likely to play as influential a role as either of these two other powers in the near future. I think that since Nehru’s death, and since the Sino-Indian border conflict, India’s regional and international influence has declined, and at least for a period of years ahead the Indians are going to be so preoccupied with overriding domestic problems that they will not be as important a force in world affairs as they were briefly during the Nehru period.

Mr. Murphy. Mrs. Bolton.

Mrs. Bolton. Thank you very much, Mr. Chairman.

I have never been to China. I have been intensely interested all my life in China, their ways, their art, their background. They go so far back. For 20 centuries at least there has been China. It would be hard to think of the world without China.

We used to be great friends with the Chinese people. Many, many years ago I was intensely interested in China—in her long history, in her people. I knew something of what it meant to her to be able to send her young men to this country to be educated. They went back and there was a friendship between us. But we failed China at a crucial moment, failed the people. Surely there never should have been the animosity that was brought about.

Of course, as a woman, I have been tremendously interested in the changes that have come since the Communists have taken over, particularly in the situation of women. They don’t drown girl babies any more. They don’t do a lot of things they were accustomed to. Of course, if they are looking for more population, we are looking for less; of course, their girl babies are very valuable.

The schooling they are apparently getting today is tragic. We do feel that eventually we shall all have to recognize the fact that the Lord created of one blood all the children of man. Some way or other we shall have to get around to acting upon it although it may take 3,000 years.
China, as I have read history, and known her people some, I have found that she seems to evolve by thousands of years. She doesn't worry about what will happen in 20 years from now. We worry about what will happen 5 years from now. I think when Mao Tse-tung said, "What if you do send us a bomb and kill off 3 or 4 million, we will have 300 or 400 million left; that is all right with us"; that is a pretty powerful argument.

The methods we have used, and I don't mean to criticize our administration, but whether we can now bring about an understanding with China—what do you gentlemen think? Will science help that?

Dr. Lindbeck. We have a common interest in our humanity, as you pointed out, Mrs. Bolton. I think that the Department of State, in making its announcement about allowing people in the field of public health and medicine to travel to China, was recognizing that we also have a common interest in our health. However, the question of understanding, I think, is a little more complex than recognizing some of these common interests we share.

The current leadership in China, it seems to me, is one that has tended to view China's past in a way that is distinctive and new and also China's future in a way that is biased by what strikes me as the narrow lenses of Marxism-Leninism. I imagine some of my colleagues may differ as to the importance of ideological factors. But the way the Communists have set out modernizing China has been governed by certain kinds of perspectives which are borrowed from abroad and not developed in China. How useful they are for the modernization process in China seems to me to be a fairly large question. In the process of modernizing China it seems that the Communists have tended to minimize certain kinds of social and human values and to maximize other kinds of economic and power values. This is an abstract statement of one obstacle to understanding.

Being a little more specific, if I may take another minute of time, it would seem to me that in focusing attention on science we do have, in this area, some understandable common interests. Whatever the ideological preference of different groups of people, I think there is general recognition among all modernizing elites that science has to play a very major role in dealing with current problems and future problems, whether they be controlling population growth or creating the skilled populations needed to produce the kinds of goods that will make life better and more worth living.

The Chinese have taken a great interest in American science. They spent about $9 million in 1955 and 1956 for scientific literature from the West to make up for a gap that developed after 1949 in China's holdings of these publications.

We are well aware of the fact that what we have in the field of science is of interest to them.

I think, secondly, that the Chinese also are interested in how we go about utilizing science for practical and productive purposes. It is true, of course, as Mr. Eckstein pointed out, that they are able to get from other modernized countries many of the kinds of equipment and the kinds of training that we could provide if there were no barriers between ourselves and the Chinese.

Finally, I would hazard a guess that it will be in the scientific and scholarly fields that new contacts, which I think are inevitable between Americans and Chinese, will emerge. I should like to see American
academics and scientists take more initiatives in trying to get in touch with Chinese scientists and scholars because this field of activity need not be overlaid with political overtones, although in China today I think that no action is divorced entirely from some sort of political implication.

Mrs. BOLTON. May I ask this of any of you: Do any of you know whether there is a residue of the old philosophies anywhere in China? In any of the universities? The Confucian question, the Tao, the other religions, they do come into our understanding.

Dr. BARNETT. Could I respond briefly to that and then perhaps respond to Mrs. Bolton's earlier comment? On that specifically, it seems to me, that it is terribly important to realize that the revolution in China did not start in 1949 and that for a century, as Mr. Clubb said, there have been fundamental changes going on in China. Therefore, many of the old religious traditions, Confucianism, Taoism, and so on had begun to be seriously weakened, and had been openly attacked and rejected by most modernizing Chinese, even before 1949. So I think the answer is that one is struck by the relative absence of these traditions in their old form.

On the other hand, I think there is no doubt that imported ideology and imported ideas, including basic Marxism-Leninism have undergone and continue to undergo changes and perhaps a significant metamorphosis in the Chinese cultural setting.

Turning to your earlier comments I would like to take the opportunity to express my view on what I feel the general posture of the United States should be toward China. I certainly agree that it is a tragedy that such intense mutual antagonism has developed over the past decade and a half. I think in all realism, however, that one must recognize that there are serious clashes and conflicts of purpose, of goals, and of values between ourselves and the present rulers in China. But even accepting this—and if one accepts this one cannot have an overly optimistic view of how rapidly the situation can be changed—even accepting this, it seems to me, our national goal should be on the one hand to restrain and contain Communist China, to prevent it from taking certain types of action, but at the same time to strive in any way we can to increase the level of discourse, and the level of contacts, that we have with China, striving in any way we can, on our part, to search out possible areas of accommodation that do not require sacrifices of our vital interests or those of our friends. We should have what I would call a very mixed policy. It seems to me, on the other hand, that in areas where the Chinese Communists are trying to exert pressures or export violence or encourage revolution, we should pursue determined and firm policies opposing Chinese actions, but at the same time we should search for accommodation in all areas that do not, as I say, compromise our interests or those of our friends.

Translating this into more specific terms I would say that in Vietnam it is essential for us to have a patient, long-term commitment to the defense of a non-Communist regime in Vietnam. But I would also say that we can and should, without sacrificing our national interests, do everything we can on our side to try to establish greater contacts, that we should remove our trade embargo for a variety of reasons, including those that Professor Eckstein has mentioned, that we should accept the fact that the Chinese Communists are going to be in the
U.N., because in the long run it is desirable and in the short run it is unavoidable, and try to work toward a formula that would be the best possible formula from our national interest point of view, which would be one which preserves representation for the Chinese regime in Taiwan.

I am struck by how many people feel it is illogical to have a policy with two differing elements. Personally, I think it is the only type of general posture and approach that seems—if one has a long-range point of view—to make good sense.

Dr. Eckstein. Actually, I would like to quote from Mr. Barnett with whom I discussed this question some weeks ago. It seems, apropos of what he just said, the policy we have been pursuing vis-a-vis China is a policy of both isolation and containment. The policy we have pursued vis-a-vis the Soviet Union in the postwar world has been a policy of containment but not isolation.

I think in effect what Mr. Barnett is saying, if I may add to what he said, or interpret what he said, is that there would be great merit in seriously considering policies which would diminish mutual isolation between China and the United States while still consistently pursuing, by the United States, a policy of containment of China.

These measures of the reduction of isolation, if you like, might involve some of the kinds of things that we have talked about thus far, one of them being perhaps lifting of the trade embargo, greater commercial contacts without having illusions that this will suddenly result in large-scale trade between China and the United States, possibly increasing scholarly contacts of scientists and related professions as referred to by Mr. Lindbeck, and also facing up to the inevitabilities of the U.N. situation just referred to by Mr. Barnett. In a sense, not resisting China's admission to the U.N. but trying to channelize it to look at it positively rather than negatively, as an opportunity for reducing this mutual isolation between China and the United States without impairing the effectiveness of the containment policy.

Mr. Broomfield. Could I follow up your comment? I thought earlier in your statement you indicated that the imports to Red China amounted to about 4 percent.

Dr. Eckstein. Yes.

Mr. Broomfield. If I understood you correctly, some of this dealt with food. This food primarily went into the urban areas and also into the defense. If we lifted the embargo and our Government was permitting trade as far as surplus food is concerned wouldn't this possibly also aid the Chinese military?

Dr. Eckstein. The food imports have been important since 1960. Up to 1960, they were of virtually no importance. It is one thing to advocate lifting the embargo. It is another thing to advocate shipment of surplus food, because shipment of surplus food if it is done on a counterpart fund basis—I don't know if you meant the surplus food disposal program, that, in effect, represents a form of foreign aid and I am not at all sure that that would be warranted at this stage. I am not sure it is the kind of move that should be made in the early stages of resumed contacts. This might be envisaged sometime in the future. I am not sure that that is something that one would want to entertain at the present time. As far as the food imports helping the military, well, of course, everything, in a sense, helps the military. You have a total bundle of resources, part of which is food resources,
and the government always has the choice as to what portion of these resources it will divert to the military. If Canada and Australia did not export grain to China the government would probably still assign very high priority to provisioning the defense sector. All this would mean is that the people would be much more squeezed and it would be the people who would suffer more than the military.

Mr. Murphy. I would like to join in Mrs. Bolton's question. You gentlemen have mentioned an exchange of scientists and scholars. The real reason for the hostility in China today against the United States—is this predicated by the support of the United States for Nationalist China and the 7th Fleet in patrolling that area?

Dr. Barnett. This poses one of the greatest dilemmas—isn't that true?

Dr. Barnett. Yes, it is. This is one of the things I referred to when I said there are some basic clashes of interest which will not easily be resolved. This is part of the setting.

I agree it would be a good thing if we could carry out those proposals but the fact is you are faced with this feeling of the Chinese because they feel we are containing them and that we are the main force behind Nationalist China.

Mr. Murphy. I would like to direct a question to Dr. Eckstein.

You stated that the Red Chinese initiated a new plan this year. In the first 5-year plan they were very successful when they followed the Russian policy. However, they made the same mistakes as Russia because they did not take care of the agriculture. When they made the great leap forward program, which was a great debacle, and this is what Dr. Barnett said. In 1957-50 when the leap forward program failed, the Red Chinese found it necessary to shift back to an agricultural economy. Now, we find that the second 5-year program could not be carried out. We know also what took place in that period. Today, it is necessary for the Chinese to spend their moneys for foodstuffs and for the importation of rice instead of spending for improvement of their technology. Now, Dr. Eckstein, what do you think will happen to the next 5-year plan when they will have less money than they had in the first 5-year plan? How will they carry out this program?

Dr. Eckstein. You are quite right, of course, Mr. Chairman, that the Chinese did announce that they were launching a third 5-year plan beginning this year.

However, nothing much has been said about this beyond the fact that it has been announced. No details, no targets have been announced. I am not at all certain that in fact as of now China is operating under a new 5-year plan. I suspect that what is happening is that maybe they have launched a 5-year plan and are awaiting to see how it goes. If it goes reasonably well then they will announce the details of it. If it doesn't go well, they may not announce it at all and we will never, or at least for a while, know what happened. What I am trying to suggest is that we can't necessarily take it for granted that in fact such a plan is now actually operational. But coming back to the other part of your question, Mr. Chairman, which really involves the point as to what kind of policy are they going to have, regardless of whether it is a 5- or 1-year plan, but what kind of policy are they going to pursue over the next few years, it would seem to me that the Chinese Communist leaders have learned
something from the failure and the debacle of the great leap. They have probably even learned something from the first 5-year plan which has been relatively successful; namely, that you can't industrialize in a country like China amidst a total neglect of agriculture. I suspect that, in fact, when the details of the third 5-year plan are announced it will show much greater emphasis on agriculture than the first 5-year plan did. This will probably mean a slower rate of growth in industry and perhaps a slower rate of growth in the economy as a whole, at least in the short term, but a higher rate of growth for agriculture. You might say in some sense it might be a more balanced pattern of economic development, more balanced in the sense of greater mutual complementation between industrial and agricultural growth. The acute imbalances which developed during the first 5-year plan and even more during the great leap, which almost wrecked industrial growth itself may then perhaps be avoided.

Mr. MURPHY. I believe Dr. Lindbeck mentioned the population explosion. I understand that the population is increasing about 12 million a year in China. They have a shortage now. They must import foodstuffs. Consideration must be given to the feeding of its people in the future. I am certain that the Chinese will have to plan greater emphasis on agriculture and this is being done by more fertilizer plants in order to build up production.

Dr. LINDBECK. I would like to go back to two things: First, to Mrs. Bolton's second question, for a moment, dealing with the conditioning of the new by the older tradition, religion, and other values that stem from the past.

Mrs. BOLTON. May I interrupt you for a moment and say I am not unaware that that has been pretty thoroughly set aside. Thank you very much for what you are going to say.

Dr. LINDBECK. The current leadership does have a problem with the past as you have indicated, as you recognize, and they have not really come out with any answers about what they are going to do with their past.

On the other hand, it seems to me that in a philosophical sense this is a very important question because how the past conditions the present and the future will partly determine how we will get along with the Chinese: That is, one of the hopes I assume we have for our containment policy, which has been referred to at this table several times, is that there will be moderating and conditioning influences at work that will tend to blunt some of the rougher and harsher values that are now adhered to strongly by the Chinese leadership.

Going back to the other point that has been discussed, it seems to me there may be one factor that will distort the plans that the Chinese are developing for the next 5 years, and that is the military factor. While the evidence is not very conclusive, there certainly are a number of indications that the Chinese are now diverting many of their resources to military or defense types of activities. Their industrial programs, their use of scientists and skilled manpower seem to be increasingly directed to strengthen their military technology and in militarily useful industries. This, it seems to me, looked at in human terms is a sad situation. But this trend is one that can change radically.

Mr. Barnett referred to the possibility that when the current leadership disappears from the scene we may have a massive reconsideration and reappraisal of policy. It is very hard at this moment
to predict what China is going to do and how she is going to allocate her resources, let us say, over the 10-year period that this committee is thinking about. At present she seems to be moving toward increasing militarization.

Mr. Broomfield. I would direct this question to anyone if they care to answer. What do you see as the principal weakness in China's existing foreign policy as to the three broad world sectors, the Communist bloc, the non-Communist developed countries, the developing nations of Asia, Latin America, and Africa, and do you expect any sweeping changes in the next few years?

Mr. CluBB. May I springboard it by saying that I think one of the main weaknesses is the dogmatism that governs the people in Peiping. One of the hopes for change would come when the rule passes from the present generation. But these people are governed by their revolutionary past and by the dogma that Mao Tse-tung has set up and consequently find it very difficult to adjust. Adjustment comes only when it is forced upon them.

Mrs. Bolton. It seems to me that in all your discussion which is so intensely interesting, there is one thing that stands out. We have to find this understanding. They don't understand us any more. We certainly don't understand them. Unless something can be brought about as a bridge between us, not only intellectually, but very much apart from that, it seems to me it is going to be a very long time before we can expect friendship with China. We have slammed the door in her face several times. She does have an amazing memory. I would like to have you comment a little on that part of it. How can we find understanding?

Mr. CluBB. One of the first procedures would be to question some of the first premises, I believe. For instance, is China in the longer term inevitably an enemy of the United States? A second approach would be to establish actual contacts. Unless you have contact it is rather difficult to get understanding. One of the problems before us at the present time is to establish channels of communication.

Mrs. Bolton. And to do it without danger to either one.

Dr. Eckstein. I was just thinking of the question posed by Mr. Broomfield. It seems to me that one weakness of China in respect to certainly the third world is her economic backwardness. While China does have a foreign aid program, it is a foreign aid program of a very limited scope, and China is at a very grave disadvantage in many situations to meet Soviet competition, particularly in African countries, even in some Asian countries. This, of course, has become quite immediate in relation to North Vietnam. Even in North Korea we see more recently that the North Koreans seem to be pulling away from a completely Chinese orientation to a somewhat more neutralist position which I think is part of China's fundamental weakness. I think in one sense China's economic weakness does to some extent contribute or weaken its capabilities for carrying out some of their foreign policy objectives. On the other hand, I think China has been in some ways very ingenious in converting necessity into virtue. Take, for instance, the case of some of the African countries. The Chinese have been preaching self-reliance as Dr. Barnett has indicated. The Chinese have gone around, sometimes with some success, to various countries saying "Well, you shouldn't
accept U.S. aid. You shouldn’t accept Soviet aid, because this limits your independence. You should rely on your own resources and we will come and help you to learn how to rely on your own resources. Also our experience after all is much more applicable to your conditions. Since we are just as backward as you are our experience is more relevant than the experience of the Soviet Union or the United States which are technologically much more developed and are introducing a range of techniques which have only limited applicability to your conditions.”

Mr. Murphy. I would like to ask the panel this question. Who do you believe will succeed Mao Tse-tung?

Mrs. Bolton. Can I jump in there first before you get into that and just have a word about Africa? It has been interesting, it seems to me, that China hasn’t been very successful in Africa. She has gone in and tried to help and she has been bowed out from a number of countries—not always just pleasantly. Isn’t that so, Dr. Barnett?

Dr. Barnett. I would say the Chinese have unexpectedly encountered more obstacles and had more setbacks than they would have thought possible a year or two ago.

Mrs. Bolton. Nor has the white man done too well in Africa. When China went in there the fact that they were not white would prove to be of more help than it has seemed to me. Africa has been my beat for some years and it has been fascinating to see how wisely the African has summed up what he was getting and not getting from all of us—China and Russia and America. I don’t think they are accepting any of us very happily.

I heard a song recently, “What Color Is God’s Skin?” I think it is rather applicable to a good many places in our lives today.

Thank you, Mr. Chairman.

Mr. Murphy. I would like you to respond to my question.

Dr. Barnett. Mr. Chairman, I would like to respond if I might because I think it is a very important question, particularly if one broadens it somewhat and asks not only “Who will succeed Mao Tse-tung?” but what kind of succession will take place in a more general sense.

In answer to the first part, I think there is a good basis for expecting that the succession in a limited sense could be one of the smoothest of any totalitarian regime. I think Mao Tse-tung, since the mid-1950’s, has been consciously grooming a particular person as heir. This person is Liu Shao-ch’i, who is now chairman of the government, while Mao Tse-tung remains chairman of the party. Mao himself at one time held both of those positions. I think the tradition of cohesiveness among the small, top, aging group of leaders is such that there will be a strong inclination to have a managed, smooth succession to Mao in the top position when he dies.

This is not totally predictable but I do think there is some basis for estimating that this might be the case.

Mr. Murphy. Do you believe that the Red Chinese might follow the Soviet line and, instead of having one strong personality, like Stalin, govern as a group?

Dr. Barnett. I was going to continue and get to this point, because it seems to me that Liu Shao-ch’i, and the same would apply to any other leader, will not really be able to move into Mao’s position in a total sense. Mao has been the undisputed leader of the revolution since the 1930’s and has a unique prestige; where there are differing
It seems to me that whoever takes over when Mao dies, he will not be able to fill Mao's shoes in any full sense, and there will be a basically changed situation. I would expect certain trends—which I think perhaps have not been fully recognized in the past few years—to come to the fore and result in a great deal more competition in China among people with different policy recommendations.

This is a question I have been doing some worrying and thinking about myself recently. I am convinced that under the surface there has been, in the past few years, a steady emergence of groups with quite different sorts of general outlooks or at least varying outlooks. To pinpoint crudely the poles of the possible groupings, it seems to me that there is a group in China that is primarily concerned with ideology and political control, and there is a group, or rather a number of groups, concerned primarily with economic development, technical and scientific improvement, with a wide range of practical problems.

To a certain extent there is already evidence of these differences, but the evidence is not wholly clear, partly because Mao Tse-tung himself has dominated the scene. I am convinced that when a succession takes place, groupings of this sort will become clearer, there will be more competition between them, the situation will become much more fluid, and there will be a new element of unpredictability and possibilities of change in China.

Mr. Murphy. Any other gentleman care to comment?

Mr. Clubb. I agree very heartily with what Professor Barnett has said. It does appear to me that the longer range, however, is the one that we should look at. I think Professor Barnett was talking about the more immediate, when Mao Tse-tung goes. The problem is, what happens in the next generation; that is, say 10 years from now, when all of these people at the top have passed?

One doesn't know what else is going to happen politically so we can't project very far. Looking at the Soviet experience, one would tend to guess that something in the nature of the Soviet pattern might be followed—if there is no war that intervenes to disrupt the whole prediction.

Mr. Murphy. Thank you, sir.

Dr. Eckstein. Just one comment. Not about who is going to emerge, because I think beyond Liu Shao-ch'i—

Mr. Murphy. Before you go to another subject—are you going to speak to this subject?

Dr. Eckstein. Yes. I was going to say while I wouldn't venture to predict who would emerge after Liu Shao-ch'i, I think we might speculate intelligently about some of the possible characteristics of the leadership that might succeed the present top leadership. The present top leadership is between 60 and 70, so 10 years from now there should be a fairly major change in this top leadership group.

One of the characteristics obviously of the present leadership group is that, as it has been referred to by Dr. Barnett and others before, there are the Great March veterans, the founding fathers, who are imbued by great revolutionary fervor. These attributes are likely to be much less pronounced in the next generation and this is indeed what worries and concerns the present leadership.
The next generation is likely to be more, I think—one would expect—is likely to be more bureaucratized and more routinized. It doesn’t mean necessarily it would be any softer or harder. I think this is hard to say in terms of foreign policy. It may be more insulated in some respects. Some of the leaders in the present group have had some foreign exposure. This is less visible in the next leadership group.

Where this all comes out, I wouldn’t presume to say. I think there are these variables one might take into account.

Mr. Murphy. Would Peng Chen be in that group?

Dr. Barnett. The top leaders. Yes.

Dr. Lindbeck. I generally concur with the statements that have been made.

Mr. McDowell. Mr. Clubb, you have stated in your opening statement that you believe China is a second-class power in both military and economic terms. Do you believe that if China does not become engaged in any major military conflict in the next 10 years, that it could not emerge then as a major military power; in other words, they might develop the industrial complex so they could produce the modern weapons to equip their great manpower and therefore become definitely a major military power?

Mr. Clubb. My belief is that at the present rate of development the United States is going up much more rapidly in its strength than China. So is the Soviet Union. There is a gap in progress which the Chinese can never, it seems to me, close.

Nevertheless we must recognize that there is a certain absolute point, now possible to reach in terms of nuclear development, which gives a power the status of a first-rate power because it can then destroy the enemy even if the enemy can destroy him 10 times over. The testimony of Mr. McNamara on two recent occasions is fairly clear in regard to that. It does appear that, particularly when the Chinese are putting so much of their effort at the present time into developing a nuclear capability, they will probably reach that stage within 5 to 10 years. Then they will become, I believe, in terms of the absolutes, a first-rate military power.

They will never, as I say, catch up with us, but it doesn’t make any difference. The problem therefore is to bridge the period between now and the time when they become a first-class power, and by that time to have fitted them into the international community and somehow or other rendered agreeable to coexistence.

Mr. McDowell. Somehow or other I have great respect for the Communist ability to get things done. I can remember we went through the period in the 1930’s and the 1940’s when everybody was still saying the Russians would never become a great power. We were either wrong or badly fooled. I think it is rather amazing that China has made as much progress since 1949 as they apparently have. I don’t think we should ever discount the possibility of China being able to develop rather rapidly a great potential in the field of her industrial complex and all that goes with it.

The only question I would raise, it seems to me, I would like to have your comments or any of the panelists’ comments on this, whether at least the present possibility of not being able to control their population growth, and not having the opportunity, that is, within her borders to develop additional land to produce food, whether or not this might not be the greatest factor to prevent her development
overall, this problem of whether or not they can feed in the future this great population.

I would like to get your opinion, too. If this does come about, would the Communists in modern-day China do what happened in ancient China when many millions of people simply starved?

Could the Communist system allow this to happen?

Mr. Clwbb. I think the problem of the gap between population and food supply is one of China's major problems. It was recently reported in the New York Times Review of the Year on Asian economic conditions, that the production of food and grain, food grains, in China last year was thought to be about 185 million tons. That is just almost exactly what it was in 1957, namely 9 years ago. And in the interim, of course, they have had a population increase of some 100 million people.

So they do remain weak until they lick either the food production problem or the population problem. They at the present time seem to be concentrating with very considerable urgency, as Professor Barnett indicated, on this matter of development of their nuclear capacity, their defense establishment and the rest. These are certainly disturbing indications. What all this means, one doesn't know. It may be entirely defensive. One cannot see their going over to the offensive.

But until they solve these particular problems of national security and food supply they are going to remain in what U Thant said is something of a neurotic state. They might do some things by miscalculation that they would not do if they were in a less harassed frame of mind.

Dr. Eckstein. I completely agree with what Mr. Clubb said and I think Mr. McDowell, that you have put your finger on perhaps the most critical long-run economic problem that the Chinese are facing, that is, this very intractable problem of population and food supply. It is interesting that in the last 2 years at any rate, more and more clearly there is emerging a commitment on the part of the Communist regime to institute a fairly far-reaching population control program. As you might know in the past they have been very equivocal on this issue because population control runs counter to Marxist dogma.

But in the last 2 years at any rate as far as the cities are concerned, there has been a very considerable investment in family planning programs and also in abortion programs. At least this is what is reported by various Japanese delegations, medical and other delegations, whom the Chinese have invited partly to render technical assistance in the field of population control.

It is very hard to say how effective this has thus far been in terms of actually reducing the birth rate, because of course we have virtually no data on the Communist birth rate. This raises another problem which I would like to refer to. I would like to introduce a note of caution on this grain production figure of 185 million or any other figure. The fact of the matter is that none of us knows, in or out of the Government, what the level of Chinese food production is.

We have no adequate statistics on this. We didn't have adequate statistics on this even at the time that the Chinese Communists were not as secretive as they are now; that is, in the fifties. These figures that are published in the press and the figures which are being used in the Government by CIA, by the State Department, and others are subject to—I would say—very considerable margins of error.
Nevertheless, I am not trying to minimize the importance of the problem. I think there are no signs that there has been any large-scale increase in agricultural production in recent years. To bring about a significant increase in agricultural production is a very difficult matter, much harder than to bring it about in industry. I think this is a problem which is going to plague China for some years to come.

Mr. McDowell. What about the last part of my question? If this does come, if they face the problem, not having foreign exchange, not wanting to admit their failure, letting people starve, what effect would that have on the Communist government, which has to live by achievements?

Dr. Eckstein. I don’t think this is in a sense an either/or proposition. While the Chinese do face these difficult, long-run problems, nevertheless on the whole they have recovered reasonably well from the depths of the food crisis and economic crisis of 1960–62. To the best of our knowledge, the economy, while not progressing rapidly, is making some progress year by year. Also according to all indications, with the food imports they are able to maintain the situation in reasonable equilibrium. There hasn’t been any food shortage at present. Travelers report, people who have been to China, that at least in the cities the people seem to be reasonably well supplied with food.

As far as the famine is concerned, even at the depths of the food crisis precisely because the Communist regime does have considerable political and organizational control, this food crisis never reached, to the best of our knowledge, the classical famine-like proportions of traditional China.

I think it is unlikely that even if the food situation should turn bad again that it will not cause much trouble. One of the reasons you had these famines in the past is that the transportation system was so poor and the distribution network was so bad that you could have surpluses in one province and tremendous deficits in another.

Now this is much less likely to occur. I think in the short run that situation is in no sense desperate. In the long run this population-food problem is a very serious problem.

Dr. Lindbeck. Mr. Eckstein has just covered some of the points I was interested in making, though if I may just add one word, it would seem to me the Chinese are being rational in their approach to many of the problems they face.

Given the power and the kinds of control that Mr. Eckstein just referred to, it seems to me that it would be rather dangerous to count on the Chinese to be incapable of handling some of these very serious problems. I would think that the safer premise is to think they probably will, given their determination, general range of controls and general lines of policy—deal with these problems adequately and will come out, if not happily on top, at least walking along the ground with some sense of reality.

If I were to go on, I would merely be repeating points that have been made, but it seems to me one has to say that they have taken a fairly rational approach to some of their problems.

Dr. Barnett. I think I would endorse most of what has been said.

Mr. Murphy. I would like to ask a question. Do you believe the Sino-Soviet dispute is real?
Dr. Barnett. There can be absolutely no question about it. But you have to define what you mean by real. I think in the sense that there is a great deal of evidence of real clashes of interest on specific issues, such as nuclear aid from the Soviet Union to China, the question of Taiwan, and the Sino-Indian border; there is evidence of real differences on broad policies toward the West, and of specific policies toward a range of situations almost all over the world.

In addition to which there is enough material to fill a library, I am sure, containing polemics that spell out the differences on various ideological issues—many of which, however, are related to the underlying national interest issues.

There are in short, basic and real causes of dispute which have resulted in a very great decline of political, economic, and other relations between the two countries, and have led to open competition between the two countries throughout the Communist world movement, and in many respects throughout the underdeveloped world.

One still, I think, has to ask what is the long-range prospect for Sino-Soviet relations. I myself feel that there is very little prospect of immediate repair of the relations between the two countries because the basis of the conflict is very deep.

However, I would not rule out of the realm of possibility a change in this, as in other fields of Chinese policy. I would not rule out the possibility of a decision by the present leadership—although this seems less likely—or a decision by future leaders—which is more possible—that they should slowly begin to modify Chinese policy, to search for accommodation and attempt to reduce the high level of tension that now exists.

Mr. Murphy. Can U.S. action in Vietnam bring Red China and Russia together? To me the Vietnamese situation is a checkerboard and Vietnam is the pawn. The major characters are China, Russia, and the United States. Some action taken by the United States, like the bombing of Hanoi or something of that character would force Russia closer to Red China because of a defense pact between the two Governments.

Mr. Barnett. I think it is conceivable that if the conflict grew to the point where there was a direct threat to China's existence, the Soviet Union would feel compelled to come to China's assistance. This is not absolutely certain, but I think it is probable.

Mr. Murphy. They do have a bilateral defense pact, do they not?

Dr. Barnett. They signed a treaty of mutual assistance in 1950. As in the case of all treaties, one has to examine it in the context of changing situations. It is by no means clear exactly what the significance of this treaty is today. Doubtless the commitment of the Soviet Union in real terms to support China is less than it was in 1950. Although what you suggest—larger Soviet support of China—is possible in the long run, it seems to me there is some evidence that in the immediate present the Vietnam situation has highlighted the differences of Chinese and Soviet policy, and the North Vietnamese have been attempting in a way to balance their relationships between the two—

Mr. Murphy. Playing one against the other?

Dr. Barnett. Yes. I would like to make one final comment on this. I think it is very difficult in a self-conscious way to try to manipulate from the outside the character of relations between the
two powers. I think that our policy can, perhaps, have some marginal influence on Sino-Soviet relations, but that in a basic sense the development of Sino-Soviet relations has a dynamics of its own which is completely independent of what we do. We did not cause it, and I think that the opportunities for consciously manipulating it are extremely limited, although we can adapt policies to situations that grow out of a conflict like this—as I think we are doing, for example, in Eastern Europe, quite wisely. I do not think, however, that we can really control it.

Mr. Clunn. I should like to speak to this. I think that the dispute is quite real. It comes from a clash of national interests. Surely the Chinese would never have suffered the removal of economic aid, for instance, just to put on a show. I think, however, that the dispute comes primarily from the thinking of one man—Mao Tse-tung. It is in accordance with his theory, which indicates to him that he will surely win if he carries the struggle on long enough, even with Moscow. This points up something, and that is that the passing of Mao Tse-tung might facilitate—his passing from power or from the political scene not necessarily from the terrestrial scene—might facilitate something in the nature of a reconciliation. There are some students studying in the Soviet Union. Some trade continues. There is still a relationship on which a bigger structure could be built. It would merely require, I think, something in the nature of a concession from the Chinese side, where the Soviets have not been willing to concede, to repair somewhat, though not to restore to the original condition, this relationship between the two countries.

Dr. Eckstein. I agree with everything that has been said. I am not sure I would exactly put the matter perhaps as strongly as Mr. Clunn has done in terms of identifying the conflict just with Mao alone. I am sure the Maoist ingredient is a major one. But at the same time it seems to me there are some basic underlying differences in terms of the relative vantage points from which Communist China and the Soviet Union sees the world, which would be there even if Mao was not on the scene.

I think the country's stage of development has something to do with this, the geographic position, the relations with the United States, the priority of national interests, and so on. However, I agree with Mr. Barnett. It depends really on what priority or urgency the Chinese assign to these differences. If they look at it in longer range terms they could say to themselves, "Let us try for a while at any rate to have more congenial relations with the Soviet Union and obtain the maximum economic gain from this relationship, and then later on engage or challenge them." This in some sense might seem to us a more rational approach for the Chinese to take in the pursuit of their self-interest. Therefore, I don't think it is a Maoist idiosyncrasy, I think there are basic underlying differences between these two large countries.

Dr. Lindbeck. I would not disagree with Mr. Barnett, but I should like to add something to what he said. It seems to me that while we cannot manipulate the Sino-Soviet relationship in the sense he was speaking of manipulation, nonetheless it appears to me that there is a fundamental way in which the United States has played a role in producing differences between China and the Soviet Union. It strikes me that one of the major factors leading to the rift was the decision...
of the Soviet Union to reorient its policies toward the United States, largely in response to policies we had taken. This reorientation springs out of the problem of mutual threat that the Soviet Union and the United States offered to each other. Our mutual recognition of the danger, the harm we could wreak on each other, produced slowly evolving shifts in the American-Russian relationship. These changes have put the Soviet Union in a position where she is unable to support the Chinese, or back them in many of their specific policy objectives or goals. In this sense the United States has significantly shaped the situation leading to Sino-Soviet divergence.

Mr. Murphy. Would you gentlemen care to comment on the Sino-Soviet border dispute?

Mr. Clubb. I believe there was something in the nature of a series of clashes coming from the circumstance that the Chinese were pushing against the frontiers, this shortly after the beginning of the dispute. The Chinese themselves have this old aim of restoring the borders of China to what they were originally, as I indicated in my first statement. They were prepared to use this particular dispute, to a degree, to try to exercise leverage, I think against Moscow at a time when they were in the midst of the general dispute. Nevertheless, I think that the period of, call it tension, has passed in that regard, the Soviet Union having shown no signs whatever of yielding, and the net result was, in fact, to alert the Soviet Union and Soviet people and leaders to the circumstances of China, if it ever became strong enough, might bring up this issue of frontiers in a more urgent fashion.

This is one reason why there can be no complete restoration, I think, of the relationship that existed between 1950 and 1957. It still remains in the back of the Soviet mind.

Mr. Murphy. The Soviet Union, Mr. Clubb, has been sending people to Turkestan. I noted that a city such as Tashkent has around a million people. On the other hand, one of the gentlemen here stated that the Chinese are moving people desperately into Chinese Turkestan. The Chinese want to move from densely populated areas, like from Shanghai to the west. Since both nations are moving people to the southwest and west, a large number from both nations will settle in the same area. Some people believe there is going to be a great clash in this area.

Mr. Clubb. I don't see any clash in the foreseeable future. It is true that the Chinese are moving people in that direction. I happened to have been in Sinkiang during the war. Even during that time the Chinese were thinking of what a great space this is to put Chinese in. The Chinese concept with respect to the other races that make up what they call China now is one of an eventual amalgamation so that everybody becomes one blood. Of course, the Han Chinese being predominant numerically will dominate the bloodstream, if you will.

Mr. Murphy. You call them Turkish people in the west.

Mr. Clubb. Yes; with some Kazaks and Mongols. You can put them all in the same category, except for the Mongols, as the people who reside on the other side of the frontier. The Russians in the same way have been moving into Kazakhstan for a long time before this particular conflict began because this is an area undergoing development.

Mr. Murphy. Mr. McDowell.
Mr. McDowell. I will throw this out to the panel. What would you consider to be the prime motivation of the Chinese to attack India on the border and create the war incidents there in the last several years?

Mr. Clubb. I believe that the prime incident was the one of 1962, and perhaps that calls for a general response. It indicates the lesson that we can draw from it. The Indians during 1962 in the spring and summer had been pushing into the area that the Chinese had taken over. This, I think, was admitted in the course of the summer when they claimed to have taken back or infiltrated some 3,500 square miles. Perhaps the Chinese weren't supposed—

Mr. Murphy. Are you speaking of the northeast or northwest?

Mr. Clubb. I am speaking of the eastern part of Kashmir, Ladakh, if you will. The Chinese perhaps had not properly gone into that region in the first instance but there they were. They intended to remain there. Consequently they took the opportunity or occasion of a clash on the northeast frontier, in the Northeast Frontier Agency near the McMahon line, to undertake an operation which had from my point of view one objective, perhaps we should say two objectives, first to restore the position in Aksai Chin to what it had been before, protecting the line of communications, whether the Chinese were there legitimately or not; secondly, to teach a lesson to the Indians to let the frontier problem rest on the shelf and not raise it again. Of course, they were highly successful with respect to both objectives.

Mr. Murphy. Any other gentleman?

Dr. Barnett. I think I would agree in general terms. If one pushes it back to 1959, though, one can say that in some respects the initial Chinese actions grew out of the Tibetan revolt and a sense of insecurity in the whole Tibetan-Himalayan area; Aksai Chin road issue was certainly related to that.

Mr. Murphy. Was the Tibetan revolt the result of Chinese action?

Dr. Barnett. Following the Tibetan revolt the Chinese decided that they would strengthen their control in the entire Tibetan and Himalayan area. Then, not long after this issue began to be important to the Chinese, they shifted their policy toward India in a broad political sense and their controlled and limited military action did have much broader political objectives; it was designed to try to discredit India internationally and perhaps help internal fissures to develop within India. In this period, with regard to their latter broader objectives, the Chinese did not at all like the role that India, in collaboration, for example, with Yugoslavia, was playing in pushing for a genuine third world, a genuinely nonaligned grouping of nations. It is difficult to know how specific the aim of weakening India internationally was as a Chinese objective, but I do think the Chinese wanted to discredit the Indians in the international role they were then playing.

Mr. Murphy. Any others, gentleman?

Would you care to comment on China's relationship with Pakistan?

It is very interesting.

Dr. Barnett. It is very interesting. It is an example of tactical lightfootedness. Since the policy shift toward India, the Chinese have had a manipulative approach to south Asia as a whole. It is not just Pakistan. In this period the Chinese have conscientiously cultivated every one of India's neighbors, including Burma, Ceylon,
Afghanistan, Nepal, in an attempt to achieve diplomatic encirclement of India. Pakistan fitted into this general picture and as opportunities arose to develop closer relations with Pakistan, the Chinese tried to take advantage of them and the Pakistanis were willing to go along to a certain extent. I think, however, that last fall in the India-Pakistan conflict the Chinese miscalculated and encountered a setback in their policy. When the Chinese, in effect, issued a threat to intervene, they were trying to encourage the Pakistanis to escalate the conflict to a higher level, but they did not in fact do so; then when the Chinese backed down from their threat without taking any action, this was in a minor sense a blow to their prestige. As the situation developed, quite clearly it did not develop the way the Chinese wanted it to. I think the Chinese wanted to insure continuing tension in the entire south Asian area; instead the two parties turned to the Soviet Union and signed an agreement.

Mr. Murphy. When the border dispute between China and Pakistan was settled and China gave up about 700 square miles of arable land did that settlement with Pakistan weaken the CENTO and SEATO alliances?

Dr. Barnett. Yes, I think that and a great many other things happened at that time: an increase in trade, the inauguration of direct flights between China and Pakistan, and so on.

Mr. Murphy. Any others, gentlemen?

Mr. McDowell. Do you think the fact that China has not made any attempt to normalize her relations with India—in fact, it has gone in the opposite direction consistently—would further support your contention that China does not intend to engage in any major conflict with the United States? In other words, if she became engaged in a major fashion with the United States through Vietnam or Korea on that side she wouldn't want to be threatened by India on the other border. Do you see this as the sustaining reason why China may not provoke any real open conflict?

Dr. Barnett. I am not sure I would put it just in those terms. I would say that it is another example of the Chinese tendency to try to work toward rather ambitious political objectives with rather limited risk-taking and a limited military commitment on its part. I was convinced from the start that the Chinese military commitment on the border issue was always extremely limited and carefully calculated; they did not want to provoke a major confrontation that would bring the United States into India any more than they have wanted to provoke a major military confrontation elsewhere.

Dr. Eckstein. May I comment on one aspect of Mr. McDowell's question as to relations between the United States and China. It seems to me, and this goes back to an earlier point by Mr. Barnett, the Chinese are very militant at the verbal level vis-a-vis the United States and extremely cautious at the military level. I think there is frequently a tendency in the press and otherwise to mistake the verbal militancy for military in action. It seems to me the record thus far would indicate that the Chinese would want to go to great lengths to avoid direct confrontation with the United States. One could argue that if the roles were reversed and if the Chinese had military units as close to the U.S. borders as we do to the Chinese borders that we would tend to be much less patient than the Chinese are. Therefore, I think a very strong argument could be made that
at least at the action level the Chinese have shown surprising patience and caution rather than extreme militancy. As a matter of fact, I personally would be prepared to argue that the danger of a confrontation; that is, of a war with China in terms of the Vietnam situation, is much more related to what we are going to do than what the Chinese are going to do. I doubt very, very much that the Chinese are going to engage in the foreseeable future in any major initiatives designed to provoke actually rather than verbally the United States. I think there is some danger as Mr. Barnett has indicated that we might take certain actions which might create a situation where the Chinese would feel compelled, given their perception of what their minimum national security demands, they would feel compelled, as in Korea, to intervene.

Mr. Clubb. With respect to Mr. McDowell’s question, I think we might find a key here. China finds it difficult to get along very well with any country they consider a major competitor in some way or another. This would apply to India as a competitor of the future, and it applies to the Soviet Union and the United States. The error in their policy, I believe, is their suspicion of these other competitors which has resulted in their almost complete isolation. It is that isolation of China that is the major danger in China’s foreign affairs at the present time, and in the situation in Asia generally.

Mr. Murphy. Gentlemen, Dr. Barnett, Dr. Eckstein, Dr. Lindbeck, Mr. Clubb, I want to thank you on behalf of the subcommittee for a very interesting afternoon and for your participation.

Thank you very much.
The meeting now stands adjourned.
(Whereupon, at 4:30 p.m., the subcommittee adjourned until Thursday, January 27, 1966.)
UNITED STATES POLICY TOWARD ASIA

THURSDAY, JANUARY 27, 1966

House of Representatives,
Committee on Foreign Affairs,
Subcommittee on the Far East and the Pacific,
Washington, D.C.

The subcommittee met, pursuant to notice, at 2:15 p.m., in room 2172, Rayburn Building, Hon. Clement J. Zablocki (chairman of the subcommittee) presiding.

Mr. ZABLOCKI. The Subcommittee on the Far East and the Pacific will come to order, please.

Let me first announce that, under the Rules of the House of Representatives, photographs and tape recordings may not be made while the hearing is in session.

Today’s meeting is the third in a series of public hearings on U.S. policy toward Asia. These hearings are designed to obtain information largely from independent, non-Government sources on Asia, its current problems and future trends, as well as on U.S. policies aimed at that area.

The first two sessions were devoted to receiving testimony about the internal conditions and external relations of Communist China today and in the decade ahead. For today’s session, we have three distinguished experts who will present their views on U.S. interests in Asia from the standpoint of our national economic and security requirements.

We are indeed privileged to have with us today:

Dr. Charles Wolf, senior economist, the Rand Corp.;

Dr. George McT. Kahin, director, southeast Asia program and professor of government, Cornell University; and

Dr. Thomas C. Schelling, professor of economics, Harvard University.

The witnesses have submitted summary statements which are before the Members. They will each make a short oral statement of their views which should be limited to 5 and not more than 10 minutes.

For the benefit of the witnesses and others present the subcommittee operates under a 5-minute rule, during which each member is allowed, in turn, 5 minutes to question the witnesses. When the members present have had their opportunity to question the witnesses, they will be permitted to ask additional questions if they so desire.

We will begin with Dr. Wolf. You may proceed, sir.
STATEMENT OF DR. CHARLES WOLF, JR., SENIOR ECONOMIST,
THE RAND CORP.

Dr. Wolf, Mr. Chairman, I have an extension of the statement
that I abstracted for Mr. Czarnecki. I can pass that up to you if
you would like copies.

Mr. Zablocki. We will be delighted to have them.

Dr. Wolf. The remarks I will make this afternoon are my own
views, and do not necessarily reflect the views of the Rand Corp.

One can address the question of U.S. interests in Asia at various
levels, dealing broadly with the area as a whole, or more narrowly
with particular countries in the region. In view of the limited time,
I will talk mainly at the broader, regional level.

At the broadest level, there are two sides to U.S. interests in Asia:
first, to prevent the domination of the area by a single power, or by
a group of powers acting in concert, whose hostility and capabilities
might constitute a direct or indirect threat to the United States;
second to help the Asian countries progress toward economic moderni-
ization, as relatively “open” and stable societies, to which our acce-
ss, as a country and as individual citizens, is free and comfortable. The
first of these interests might be referred to as a “denial” interest, and
the second as a “development” interest. Where the two interests
conflict, I believe the first takes precedence.

As an analytical exercise, one can try to spell out these broad
interests a little more precisely, in the following way: assume that a
particular country is subjected to a major change in political orienta-
tion (for example, unification of Vietnam under the control of Hanoi),
and then ask what the United States would have to pay and be
willing to pay in order that U.S. interests should be as well satisfied
after the change as they were before. Several years ago, I attempted
to do this in a paper on the “Value of Southeast Asia to the United
States” (with what, I should hasten to say, were highly imperfect
results). The paper tried to separate the military, economic, political,
and psychological components of value, and I might summarize very
briefly the principal conclusions that were reached, since I think they
apply to the rest of Asia as well.

1. The military value of countries on the periphery of China,
from Pakistan and India, to Korea and Japan, is large in regard to
credible nonnuclear conflicts in adjacent areas, but their military
value in regard to nuclear wars among the major powers is probably
negligible. (This is simply another way of saying that the security
of Laos affects the security of Vietnam and of Thailand; that the
security of Thailand affects the security of Burma and Malaysia,
et cetera. It is another way of putting the familiar hypothesis about
the “falling dominoes,” about which I will have more to say later.)

2. The economic value of the Asian area to the United States is
small; its economic value to American allies in Western Europe is
greater. (Without going into details the economic values include
American investments in Asia, which were something over $1 billion
in 1959; American exports to the area which now run to about $2.7
billion per year or less than 10 percent of total U.S. exports; and
imports of $1.5 billion, or about 5 percent of total U.S. imports.
These are only rough orders of magnitude; actually the investment
figure probably understates, and the trade data overstate, the eco-
nomic importance of the area to the United States.)
(3) The political, cultural, and psychological value of the area, which is not amenable to the analytical approach I have been discussing, is in my opinion substantial. Here we confront such intangible considerations as the possible effects of major changes in the Asian area on attitudes and expectations elsewhere in the world, particularly in the rest of the "third world," but also within the United States, as well as such other considerations as the value to us of freedom of access, travel, and other cultural contacts with the area.

The interests and "values" that I have mentioned can be further elaborated in terms of certain developments that we favor because they contribute to the broader interests themselves. In a sense, these subsidiary interests can be considered as derived from the broader "denial" and "development" interests mentioned earlier. As examples of derived interests, the following are among the most important:

(1) To defeat Communist aggression, whether it is overt or in the indirect form of "wars of national liberation";
(2) To develop regional collaboration among countries of the area in order to contribute to a balance of power without the need for major U.S. commitments and a perpetual U.S. "presence." (We thus have a derived interest in seeing collaboration develop in both the economic and military realms: for example, through the Asian Development Bank, and the Asian Productivity Organization; and through such military contributions to regional security as those represented by the Korean forces in South Vietnam.)
(3) To avoid an easing of the rifts between the principal Communist countries;
(4) To assist economic modernization and improved development performance in the non-Communist countries of Asia compared with the Communist countries;
(5) To maintain bases or base rights in such areas as the Philippines, Taiwan, Japan, and perhaps in southeast Asia, from which military operations in the theater can be supported if necessary; and
(6) To counter the political or military use of Chinese nuclear weapons, while discouraging nuclear proliferation and other forms of military unruliness in the area.

In turn, these "derived" interests furnish guidelines for U.S. policies and programs. It should be evident that some interests may conflict with others, and that, for this reason as well as others, U.S. policies and programs are often distinctly limited in what they can do to further these interests.

Before closing, I would like to spend a few minutes addressing several viewpoints bearing on American policies and programs—views which are fairly widely held, and which I think are erroneous or misleading.

One of these views is that, whatever our interests in Asia may be, it is precisely the U.S. "presence" in the area that acts as a provocation to the Chinese to expand their control in the region, and thereby to produce just the outcome we want to avoid. My feeling about this view is that our "presence" is provocative in the same sense that jewels provoke burglary, or a fence around my house provokes trespassing, or the existence of an enemy provokes murder. In analyzing "provocation," there are two risks of error. If the U.S. maintains a firm posture and presence in Asia, there is the risk that
we may be erring because that presence itself is the principal provocation to Communist expansionism, whether from Peiping or Hanoi. On the other hand, if the United States were to withdraw its presence on the basis of accepting the "provocation" premise, there is the risk that the premise is in error and that Communist belligerence and expansionism would proceed unchecked. In my judgment, the risk of the second type of error is substantially greater than that of the first.

A second view is that a firm U.S. position in Asia incurs the strong opposition of Asian public opinion. There is no doubt that some Asians feel deeply about Americans killing Asians. But there is considerable doubt that they are unaware of or unsympathetic to the reasons and objectives underlying these actions. One ought not to generalize about "Asians" as though their views were identical; in fact, they are very diverse. Nevertheless, speaking broadly and loosely, my impression is that there is more similarity between the American and Asian view of the nature of the threat in Asia now than there has been at any time in the past decade. This is not to say that there are not points of disagreement but only to say that the notion that is often expressed that Asian leadership and public opinion is massively opposed to U.S. intervention in Vietnam, is, in my judgment, grossly in error.

A third viewpoint concerns the process of insurgency in the third world generally, as well as in southeast Asia in particular. There is a fairly widespread tendency to regard the growth of an insurgency movement as similar to a free election: the insurgency grows when the public rejects the government and endorses the insurgents. This view is conveyed by the phrases that are popular in this field: for example, the familiar "hearts and minds" slogan, Mao's "fish-in-the-sea" metaphor, et cetera. I think this view is fundamentally wrong. On the contrary, the techniques used by modern insurgent movements are much more closely related to the techniques by which the Nazis acquired and strengthened their power in Weimar, Germany, than either of these examples is to a free electoral process.

There are, finally, two views that I would like to endorse rather than dissent from. One of them concerns the "domino effect" which I referred to earlier. There is nothing inescapable about the process by which successful insurrections in one country increase the probability of insurrections elsewhere. The process is quite intelligible in terms of contiguous borders, accelerated infiltration, external logistics support, and psychological contagion. This does not mean that Thailand will automatically follow Laos or Vietnam. But it definitely means that the costs of meeting insurgent or other threats in Thailand will rise drastically if current efforts in Laos and Vietnam are unsuccessful.

Finally, I would like to recommend a particular approach to building collaboration and contacts among the Asian countries in order to enhance prospects for achieving a regional balance of power over the longer run, in which the U.S. role and presence would be more modest than it has been, is now, or is likely to be in the near future. Instead of approaching such collaboration, whether in the economic realm or the military realm, in terms of overall "umbrella" agreements, I suggest a more modest, "project" approach that tries to encourage specific projects in which two or more countries of the region collaborate with one another. Admittedly, the numerous and intense inter-
national rivalries among countries of the area limit the scope for this approach, and we should seek a moderation of these disputes. But there is probably more room for application of a project approach than has been exploited, and further progress along this line may itself ease the rivalries. It would be a reasonable extension of this approach to use U.S. influence and aid programs to encourage multilateral projects in such diverse fields as civic action, defense production, and maintenance services, on the military side, and manpower training, industrial productivity, transportation and telecommunication, on the economic side.

Mr. Zablocki. Thank you, Dr. Wolf.

(The biography of Dr. Wolf follows:)

BIOGRAPHY OF DR. CHARLES WOLF

Dr. Wolf is the senior economist of the Rand Corp. (Santa Monica, Calif.). He has taught at Cornell University, the University of California at Berkeley, and at the University of California at Los Angeles. He has been a government official at various times, working on the problems of underdeveloped areas. He has specialized in the economic problems of the developing countries and is the author of "Foreign Aid: Theory and Practice" (1960), "Economic Aid Reconsidered" (1961), "Insurgency and Counterinsurgency" (1965), and numerous articles and studies.

Mr. Zablocki. Dr. Kahin.

STATEMENT OF DR. GEORGE McT. KAHI\'N, DIRECTOR OF THE SOUTHEAST ASIA PROGRAM AND PROFESSOR OF GOVERNMENT AT CORNELL UNIVERSITY

Dr. Kahin. Should I assume the memo I previously supplied has been circulated?

Mr. Zablocki. Yes.

Dr. Kahin. There is no need to refer to it again, or should I read that?

Mr. Zablocki. You need not read it. We will insert it at this point in the record. Proceed with your presentation.

Dr. Kahin. If, Chairman Zablocki, there is any one common denominator to that eight-point summary statement that I have submitted to you, it is I think the need for a much greater body of reliable information concerning the countries of Asia, with Congress having access to and the means for digesting and using this information. It leads to the urgent recommendation that to secure adequate information, this Government spend at least as much per year as we do on 1 week of our military effort in Vietnam, so that we do not once again stumble into such a dead end as we now find ourselves there. And it means a repudiation of that view which says "Of course, we have made our mistakes, but the past is no longer relevant; we must turn our back on it and work forward." For the attitudes and possible ranges of response of those with whom we must deal in Asia, are powerfully affected by their previous, often traumatic, relations with the United States.

If we are to frame a policy consistent with existing political realities, we cannot, in our present frustration, impatiently cast aside the accumulated weight of these past actions. For they constitute a residuum that conditions and limits the realistic options currently available to us, and not only in Vietnam. It is incredible that so few
here in Washington are aware of the major impediment to better relations with Burma, which derives from a persisting Burmese sense of outrage at a decade of CIA activity in their country, 1950–61. It is equally surprising that people here so disregard the extent to which CIA encouragement and support of the 1958 rebellion in Indonesia, still affects the attitudes of both the Indonesian Army and President Sukarno. Indeed, without reference to this still smoldering Indonesian resentment, one cannot fully appreciate the current strong opposition of anti-Communist Indonesians, including the generals who lead the army, to American policy in Vietnam.

Surely, in Vietnam realism dictates that our current policies face up to the extent to which present Vietnamese attitudes have been conditioned by past American actions. If we would scrutinize more fully and more dispassionately that part of our record which is etched so deeply in the minds of those whom we are fighting in South Vietnam, it should be clear why in any serious effort at negotiations it is mandatory that we deal directly with them. We might then also better appreciate why our recent peace offensive has apparently elicited so little response. Our adversaries in South Vietnam are men who have been in revolution since 1945 and who have made enormous sacrifices in an independence struggle which, through the terms of the 1954 Geneva agreement, they were assured would be transferred from the level of military activity to the plane of political competition. The Vietcong and the NLF represent those southerners who in helping defeat the French, made possible the Geneva agreements. They yielded up that major part of South Vietnam they had wrested from the French, and for at least 3 years after Geneva ceased military activity. They did so because the armistice stipulated that the French would maintain control in the south until elections could be held, elections which they certainly expected to win. When directly in contravention of Geneva, the United States undertook to establish a separate state in the south, and supported Diem in refusing to hold the promised elections, these southerners understandably felt, and still feel, betrayed and cheated. With the avenue of peaceful political competition effectively blocked to them, it is, I think, not surprising that they should return to revolution. For when a military struggle for power ends on the agreed condition that the competition will be transferred to the political level, the side which violates the agreed conditions can hardly expect that the military struggle will not be resumed.

Seven years later, after another long period of intense struggle and heavy sacrifice, these same men once more seemed close to victory. There then came 3 months of large-scale American military intervention, followed by the 5-day bombing pause of last May. It was during this pause that Secretary Rusk apparently thought it realistic to stipulate that cessation of our bombing in the north was dependent upon the ending of all military activity by the Vietcong in the south. In short, a second capitulation for these same southerners. That it was preposterous to expect acquiescence to such a demand seems now to be recognized. But what has not been sufficiently appreciated is that the conditions which we stipulated in our pause of 6 months ago undoubtedly affect the attitudes of both Hanoi and the Vietcong in reacting to the current pause. Especially is this to be expected in view of American statements and actions on the eve of the present
pause. For it was early last December that Mr. Rusk made clear that in any negotiations we were not prepared to deal directly with the NLF as a principal party and that we would not countenance negotiations leading to its being given political representation in any South Vietnamese Government. And it was in late November, while Mr. Rusk was requesting "clarification" of the views of Hanoi, views which Hanoi had presumably relayed through the President of the United Nations General Assembly, that we announced the dispatch of increased American forces to Vietnam and bombed the critically important Haiphong-Hanoi powerplant.

Moreover, our peace missions have been curiously unaccompanied by any indication that General Ky's Saigon regime would be willing to participate in negotiations. During Secretary Rusk's recent visit to Saigon, it was made all the more evident that General Ky's government did not subscribe to our peace effort. So long as our partner in the South, the Saigon government, so clearly disassociates itself from the position we say we are taking, it is, I think, obviously difficult for our adversaries, the Vietcong (the NLF) to believe our peace effort is genuine.

If future American policy is to be governed by political realities, we must face up to the fact that the NLF is a major political force in the South. We must appreciate that these men who a decade ago laid down their arms prior to and conditional on promised elections that were never held, can hardly be expected to agree again to such a course, at least unless this time there is a firm international guarantee that such elections will, in fact, be held and under international supervision, and that in them the NLF will be accorded a political position commensurate with the vote which it polls. For whatever the degree of Hanoi's influence with the Vietcong, it simply is not in a position to work the political miracle we should like and compel the southern revolutionaries to give up once again what they have fought so hard to secure in an area which they regard as home. It would be ridiculous to expect that Americans under similar circumstances would do so. Why should we expect anything different from Vietnamese? American willingness to take unlimited military risks simply cannot yield the power to impose a solution in defiance of such basic political facts as these. Thank you.

Mr. Zablocki. Thank you Dr. Kahin.

(The biography of Dr. Kahin follows:)

BIOGRAPHY OF DR. GEORGE MCTERNAN KAHIN


Education:
- Harvard University, B.S. history, 1940.
- (U.S. Army, 1942-45.)
- Stanford University, M.A. political science, June 1946.
- Johns Hopkins University, Ph. D. political science, 1951.

Academic positions:
- June 1948-June 1949: Social Science Research Council fellow (research in Indonesia on the Indonesian Revolution).
- July 1949-June 1950: Lecturer in international relations, Walter Hines Page School of International Relations, Johns Hopkins University.
- June 1950-June 1951: Assistant professor, Walter Hines Page School of International Relations, Johns Hopkins University.
STATEMENT OF DR. THOMAS C. SCHELLING, PROFESSOR OF ECONOMICS AT HARVARD UNIVERSITY

Dr. Schelling. Since I was asked to speak to American military interests in the Far East, my remarks are particularly susceptible to being construed as an indirectly stated opinion on the war in Vietnam. I would rather state it directly, so I shall take a few minutes if I may. On the whole, the administration has not only my support, but my sympathy, for what I think is an extraordinary disagreeable way to conduct. I think on the whole, whatever the wisdom and the competence of the conduct of this war has been, charges of impropriety, of bad faith, are misguided. To be specific, I think it was proper, not necessarily right, but perfectly proper and within the judgment of the President, to initiate the bombing of North Vietnam. I think it was proper also—and again not necessarily correct, but nevertheless proper—to extend the truce as long as it was extended. I also think it would be proper, and probably wise, to resume the bombing of the north. I would also comment that this has been, especially for the last 12 months, an extraordinary demonstration of firmness combined with restraint. The worst fears of nearly everybody, optimistic and pessimistic, have not been confirmed. Many of the dangers and risks that were thought to accumulate almost to a certainty within the period of months that has already passed have not materialized.

I would, however, make a few points of my own. First, I think it is a mistake to equate our discouragement, our distaste for the war, and our disillusionment, with encouragement and hope in Hanoi. I think the situation on the other side can be bleak when ours appears bleak. If one looks at our difficulties and assumes that the other side must be encouraged every time we are discouraged, he may be quite wrong in simply supposing that what things look like in Hanoi is the opposite of what they look like in Washington.

I am much impressed with Walter Lippmann’s statement of all the difficulties that attach to our position. I suspect that a man as wise and as experienced as Walter Lippmann in Hanoi could write an equally bleak statement of what it ought to look like to his side.
My second point is that to the extent that we are trying—and especially with the bombing of North Vietnam—to cause the Government of North Vietnam to change its policy, we ought to recognize this may take time. The North Vietnamese Government probably finds it even more difficult than our Government to change an agreed and articulated policy, just because it comes to wish that it hadn't gotten involved in that policy.

I think it very premature to judge, for example, whether the bombing of North Vietnam has been a diplomatic success or failure. I should have been surprised if North Vietnam could have reached conclusions about changing its policy, acknowledged to itself that it was time to change its policy, rationalized its change of policy, and put it into effect, within a period of time shorter than, say, the 11 months or so since the bombing started. To me that means that it would be a mistake to change that policy drastically in either direction just on grounds of lack of any dramatic success so far.

My third point would be that whatever the virtues of eventual explicit diplomatic negotiation, it would be a mistake to think that the beginning of negotiation will be the end of the war. Negotiation may fail. A negotiation that can't fail isn't a negotiation.

Negotiation may go on in as protracted a way as the Panmunjom negotiations went on, with simultaneous fighting or without simultaneous fighting, or with intermittent fighting. It would be a mistake privately to expect that the war would be over once negotiations started, and it would also be a mistake to take the position that the beginning of negotiation symbolizes and acknowledges that the war must be over and cannot be resumed. And even when the war is over our troubles in Vietnam will not be over. Constructing the kind of society we hope for in South Vietnam will be at least as hard as making the Vietcong quit what they are trying to do.

This is going to be a long, nasty period in southeast Asia for us, and I don't see any way that any of the solutions, drastically different solutions that are sometimes talked about, would bring much ease for the United States or for our allies in Asia.

On the whole, I agree with Dr. Wolf about our interests in Asia. He impinged some on my topic, and I am delighted that he did. I would like to add that in an operating sense, one of our interests in Asia is simply to behave in a way that communicates to other countries what to expect of the United States. That I believe must be a large part of what the administration is attempting in Vietnam. I believe that is a good part of what Dr. Wolf referred to as the domino theory, when he referred to psychological contagion if a country next door submits to insurgency. Particularly if it submits to insurgency because the United States displayed either a lack of intent or a lack of skill in dealing with it, then part of the psychological contagion will be the belief that the United States will again lack either the intent or skill to help to cope with it.

I even think one could go so far as to say that it would be a disservice to the Communist Chinese for us to behave in Vietnam in a way that induces them to think we shall not react in the future when in fact we shall. Sometime prior to June 1950 the United States apparently failed to communicate to someone in the Soviet bloc that we would participate in the defense of South Korea. We had a major war, largely due to that lack of communication. The Chinese Com-
munists themselves failed to communicate to the United States they
would cross the Yalu and enter that war, and they may have had a
much worse war for their failure to communicate something to us.

I would hate to see us behave in Vietnam in a way that fails to com­
municate to the Communist Chinese that we shall in fact oppose them
elsewhere, if in fact we shall oppose them elsewhere, because it does
neither us nor them any good to trap them into a conflict with us, based
on the belief that if they push, we won't resist.

I think also one of the important interests of the United States in
the way the war in Vietnam is conducted is to communicate to Com­
munist China not just when and where their actions might lead to
opposition by the United States, or engagement by the United States,
but what kind of an engagement that might be, what kind of war they
should expect.

We have two interests here. We want to make clear to the Chinese
that the kind of war they would have to expect is not the kind that
they would prefer. We must also lead them to believe that the kind of
war we threaten is not a war so dramatic and horrendous that, having
said that is what we would do, we would in fact do nothing.

The great difference in our relations now with Communist China
compared with some years ago is not I believe they have an incipient
ability to bring nuclear weapons of their own to bear, but they have
detached themselves from the Soviet nuclear deterrent. I am not sure
that the United States, in thinking about what kind of war it might be
if we and the Chinese stumbled into a war together, or in thinking
about what kinds of weapons and supplies we would need, have quite
accommodated to the fact that in a major war China would no longer
be a minor theater in a global thermonuclear war, but a significant
enemy that would be fought in circumstances wholly unlike the cir­
cumstances in which people have contemplated a possible war with
the Soviet Union.

In the first place it would be a war in which a prime consideration
were to keep at bay, and adequately deterred, the most powerful
adversary of the United States. In the second place, it should be a
war in which an important objective was to minimize, not to maximize,
population casualties on the other side. And in the third place, it
could be either a war in which the object were to eliminate the regime
in Communist China or a war in which the object were not to threaten
the regime's existence but rather to make it prefer to stop the war by
withdrawing whatever had initiated the war.

The bombing of North Vietnam may well have communicated to
Communist China that there is at least one kind of war that they may
have to consider, in which their manpower advantage would not be a
decisive one, a war that would not be so horrendously thermonuclear
that the United States would necessarily, and perhaps wisely, shrink
from it.

Whenever we talk about missiles and bombers and what they are
good for, we should keep in mind—particularly when the Chinese are
listening—that we do not merely calculate the requirements to deter
the Soviet Union and assume that the lesser of two members of what
used to be the Soviet bloc can obviously be taken care of by megaton
weapons on 50 or so cities. We should rather think now of Communist
China as a unique potential adversary, the weapons requirements for
which should be judged on their merits and not considered as a by-
product of planning a deterrent force against the Soviet Union. A major consideration in southeast Asia now is that Communist China is very vulnerable to an attack by the United States, and knows it, and will act with prudence. I am struck with how few incidents and accidents there have been, during the conduct of more than 50,000 bombing sorties over North Vietnam, involving Communist China. Somebody is being exceedingly restrained in addition to the United States—I suspect with good reason.

This means that while fully attentive to the danger of an escalating war, the United States should assume that the Chinese are at least equally attentive to the even greater dangers to them of a massively escalating war, and should let them assume some of the responsibility for its not occurring.

If, though, all goes badly in Vietnam and elsewhere the question arises, what is the strategic interest of the United States in an Asia that might at worst become all Communist, all substantially dominated by the influence of Communist China? My feeling here, sir, is that the immediate military danger to American security would not much go up. I doubt whether adding poor countries together makes them much richer and stronger. I doubt very much whether the military menace to us of Communist China would be any greater if it had Indonesia, India, Pakistan, the Philippines, among its satellites. In many ways the danger of Communist China would be reduced if we gave up trying to protect countries in that area from Communist China.

I also suspect that if the entire area were substantially dominated by Communist China there would still be great dissidence within that area, and that Communist China would lose enormously in diplomatic flexibility just as we do because we try to maintain influence in, and decent relations with, India and Pakistan simultaneously, for example. The great danger if all Asia goes Communist is really exclusion of the United States and what we call Western civilization from a large part of the world that is poor and colored and potentially hostile. The worst aspects of that exclusion are not military but are social, political, spiritual, philosophical, and have to do with the kind of world that we would like to help build and with the fact that a country like the United States probably cannot maintain self-confidence if just about the greatest thing it ever attempted, namely, to create the basis for decency and prosperity and democratic government in the underdeveloped world, had to be acknowledged as a failure or as an attempt that we wouldn't try again.

In emphasizing China I have neglected Japan. Japan is part of Asia and two things need to be said about Japan. First, as an enemy Japan might well be far more serious than Communist China. As a friend and ally Japan is enormously important not only to our security interests in the Far East but in showing that economic progress in Asia can take hold and be compatible with democracy in a unique combination of Western and oriental life. One aspect of any loss of southeast Asia and India to communism would be the extraordinary difficulty for a country like Japan to assimilate itself to, or to identify itself with, the West, of being the sole Asian country identified with the West, of turning its back on an area of more than a billion people, this would put Japan in a difficult position. In all of our thinking we should not assume that the countries that cause us
trouble today are the countries that, over the next 20 years, are going to be the most important to the United States.

A minor and anticlimatic point is that if we should lose to Communist influence most of Asia, we should be concerned with the loss of geographic access. Over the next 10, 20, 30 years, for a number of reasons connected with the possible spread of nuclear weapons, with developments in space and the ocean bottoms, perhaps the further development of undersea-based weapons systems and things of that sort, the United States, either alone or with other nations, will have an important interest in reconnaissance and intelligence activities all over the earth. Physical access both to waters and to shore stations may assume an importance to American security in the future of a kind that make regions strategically important not merely for their own sake, but because they are part of the round ball we live on.

Thank you, sir.

The biography of Dr. Schelling follows:

**Biography of Dr. Thomas C. Schelling**

Since 1958, professor of economics, Harvard University, and a faculty member of the Center for International Affairs, Harvard University. During 1958-59, on leave from Harvard, he was with the Rand Corp., a research organization in national security affairs. He attended the University of California (B.A. 1943), and Harvard University (Ph. D. 1951). From 1948 to 1953 he was with the ECA mission to Denmark, the Office of the ECA Special Representative in Paris, the Special Assistant to the President for Foreign Affairs, the Office of the Director for Mutual Security, and the Foreign Operations Administration. From 1953 to 1958 he was in the Department of Economics, Yale University.

He has been a regular lecturer on military policy at several war colleges and the Foreign Service Institute, and a consultant to the Departments of State and Defense, the Arms Control and Disarmament Agency, the Rand Corp., the Institute for Defense Analyses, and other organizations concerned with national security. During 1960-63 he was a member of the Scientific Advisory Board of the U.S. Air Force. During 1961-64 he was a member of the Research Advisory Board of the Committee for Economic Development. He is an editor of the Quarterly Journal of Economics, the Review of Economics and Statistics, the Journal of Conflict Resolution, and World Politics.


During the spring and summer of 1965 he was on leave from Harvard and associated with the Institute for Strategic Studies in London.

During 1965-66 he is acting director of the Center for International Affairs, Harvard University.

Mr. ZABLOCKI. Thank you, Doctor.

Dr. Wolf, in your prepared opening statement you outline what you believe are the two sides to U.S. interest in Asia. The first of these interests you say might be referred to as a "denial" interest and the second as a "development" interest. You then go on to say that when the two interests conflict, the first interest takes precedence. In Vietnam and elsewhere in southeast Asia we certainly have a denial interest. Our efforts in Vietnam are designed to deny Communist expansion. We also have a development interest and the United States has proposed a development program for the area. For example, at Johns Hopkins University in April 1965, President Johnson proposed a multilateral program to develop the Mekong River in
which various nations, including the Soviet Union, might participate and contribute.

Would you care to elaborate and comment on how these interests might be in conflict?

Dr. Wulf. Let me try to clarify what I meant by the possibility of conflict between these two interests, and the expression of my own opinion that where there is a conflict the denial interest takes precedence. I am thinking about this problem in economic terms. There is a choice between appropriating resources for programs that are related to strengthening capabilities to resist military aggression, whether it is covert or overt, strengthening, modernizing, sustaining military forces, on the one hand; or appropriating funds for programs that are related to education, agriculture, health, industry, transportation, pointing toward the modernization and development of the area, on the other.

I did not mean to imply that in fact we are not embarked on programs that are addressed to both of these interests, both the denial interest and the development interest. What I meant to imply was that there are circumstances where one can increase the magnitude of programs whose primary purpose is military strengthening, or as an alternative to increase programs whose primary purpose is developmental. Under those circumstances one has to make a choice and the choice is usually between doing more of one and less of the other, rather than doing none of one and some of the other.

I think under those circumstances where there is an active conflict underway—conflict in the sense of a military conflict—then the program that commands higher priority, is the program that has a more directly "denial" objective to it. I hope that clarifies my point.

Mr. Zablocki. Dr. Kahin, you say that there ought to be a clarification of American political aims in the area in order to diminish China's fear of encirclement as well as the uneasiness of other Asian states.

I am not sure which countries you refer to that are uneasy about our presence there. Would you expand on this point, please?

Dr. Kahin. There are two Asian states which I think are particularly uneasy, non-Communist states—Cambodia, and another certainly is Indonesia. This derives in part from past American activities in these areas. For instance, so far as Indonesian political leaders are concerned—regardless of their political cast of mind, whether extreme right or left—when they think of past incursions into their country's politics from outside, it is primarily the United States that they have in mind. China seems very distant.

I think both the Indonesians and Cambodians are glad to see an American off-shore military presence in the Far East. Neither one of them, and I am sure this would be true through all Asian countries, question American military credibility.

They see us as being obsessed with insuring that military credibility, transcending any other kind of credibility, is not questioned. What I was trying to get at in that first statement was that our preoccupation with military credibility has pushed to one side an appropriate concern with our credibility for moral and legal responsibility.

I meant to suggest that American credibility for those qualities, which are certainly just as important to any effective world leadership, is certainly being questioned today, not only in Asia, but also in
Europe. We must right this imbalance. I mentioned just now two countries where America's moral and legal credibility is very low. Let me now add Burma to the list.

This is because of Burmese experience from 1951 to 1961 when American CIA agents were active in behalf of Kuomintang forces operating in northern Burma.

In 1950 as Kuomintang forces were defeated, remnants fled to Formosa with Chiang Kai-shek, but there were substantial forces that went southward across the border into Burma. Instead of submitting to internment and disarmament as they should, they pushed farther south and roved at will through northeastern Burma, pillaging and looting. At American urging a few of these Chinese troops, mostly those who were ill and dependents, were evacuated via Thailand in 1953. But the preponderant majority remained.

I remember in 1955 talking to the Burmese Minister of Defense in Rangoon. He showed me a military map indicating the areas controlled respectively by government forces and insurgents. He showed me first of all the disposition of Burmese Communist forces which the government wanted to contain, and then pointed out the areas controlled by Kuomintang forces. Two-thirds of the mobile reserve of the Burmese Army was being used to contain the Kuomintang forces of Chiang Kai-shek and thus were not available to suppress Burmese Communist forces operating in the rear of government forces.

This was the ironic situation which prompted the then chairman of the Senate Committee on Foreign Relations Subcommittee on the Far East, Senator Alexander Smith, to say, with reference to those forces of Chiang Kai-shek: “Certainly the Burmese Government, which is busily engaged in fighting Communist uprisings within its borders, should not have to dissipate its resources and its energy chasing troops and troublemakers who claim to be on the side of the free world.” Even so, it was not until 7 years later, in 1961, that the United States applied sufficient pressure on Chiang Kai-shek to oblige him to order most of his Burma-based troops to Formosa. Meanwhile, however, the United States did not take effective action to halt Chiang’s continuing transport of U.S. military equipment by air from Formosa to his forces in Burma. The Burmese hoped that this had been stopped. But when in 1961 the Burmese overran the Kuomintang air and supply base in northeast Burma they found, to their dismay, much new modern, American equipment. It was then that in their anger Burmese stormed the American Embassy in Rangoon, their reaction to what they saw as American incursion into their political affairs.

It was only after this when later in 1961 the advancing Burmese Army pushed 2,000 or 3,000 of those Kuomintang troops over the border into Laos, that—because of the delicate situation in that country and a fear that the Chinese Communists might intervene—the United States took sufficiently effective action to insure that a major part of these Kuomintang forces were evacuated to Formosa; there is still, however, a remnant in Burma.

The fact of CIA support for Indonesian rebels in 1957–58 is deeply etched on the minds of Indonesians. Let me give you one example which will make this understandable.

American CIA pilots flew for the rebels. They bombed a city in the Maluccas, probably by mistake. There were civilian casualties.
They also scored a direct hit—this was Allen Pope—on what was the pride of the Indonesian Navy, which was then not more than a corvette, and it went to the bottom with a large part of the elite of the Indonesian Navy on board.

It is interesting, I think, that shortly after this the Indonesian Navy shifted its attitude and saw the propriety of getting naval equipment from the Soviet Union rather than the West. This sort of American involvement has for many of these countries then left a much greater mark and generated a much greater concern than any threats that they see emanating from Communist China. I am not saying they are not concerned—

Mr. ZABLOCKI. Could I interrupt there? There isn't any American involvement or activities in Indonesia now. What this apparently demonstrates is the uneasiness of Indonesia's Communist element since it has been reported that 75,000 to 100,000 Chinese Communists have been slaughtered in Indonesia. That was not a CIA action, was it?

Dr. KAHIN. No, the CIA was not involved in the attempted coup of last October, or in the subsequent deplorable slaughter of Communists.

Mr. ZABLOCKI. There seems to be no great concern as to Indonesia's action of liquidating a bothersome force. This force has been placated and permitted in the country and now suddenly—

Dr. KAHIN. I think what this points up, Congressman Zablocki, is that Indonesians resent any outside interference whether it comes from a Communist country or the United States. Nationalism there is antagonistic toward interference from any outside quarter. It is clear that the Indonesian Army, which has just suppressed the local Communists, is strongly opposed to our action in Vietnam. The top officers have been this way for some time, and still are.

They see a definite relationship between what happened in their country and in Vietnam.

Mr. ZABLOCKI. Doctor, are you saying that they do not see a difference between the Communists that they have so systematically slaughtered, and the ones that are causing the crisis in Vietnam, the Communists that the Vietnamese are fighting? The Vietnamese are just as desirous of ridding themselves of a foreign element as the Indonesians. The Communists they are liquidating in Indonesia are domestic Communists while the Vietnamese are trying with free world help to get rid of Communist aggressors who have been infiltrated from North Vietnam.

I would question whether your appraisal or judgment of the views of Indonesia's high military officials is accurate, sir.

Dr. KAHIN. As a matter of privileged communication, I would be glad to show you off the record a letter from an Indonesian general strongly critical of our policy in Vietnam. This is not just a private view, but is widely echoed in the recent and contemporary Indonesian press where the top army leadership as a whole takes the same position.

Mr. ZABLOCKI. I am afraid my time is up, Doctor. We will pursue this later.

Mr. Broomfield.

Mr. BROOMFIELD. Thank you, Mr. Chairman.

Dr. Schelling, I would like to direct a couple of questions to you if I may. I note that you define a U.S. interest as one to so manage
our affairs in Asia that we do not lose steadfastness of purpose. By
this do you mean that you believe the United States should show the
Communist Chinese that we are determined to run the necessary risk
to make it extremely costly to continue their aggression against
independence-seeking governments such as South Vietnam?

Dr. Schelling. If I understand you correctly, sir, that is part of
what I meant. I have in mind not only that the most important
audience to which we speak, in deeds and words in Asia, is Communist
China. There are other important audiences, both at home and
abroad. I would like, for example, the United States to be in the
position to tell India or any other country in Asia that there is one
argument for their acquiring nuclear weapons that we think carries
no weight; namely that they could not rely on the United States in
the kind of emergency in which they thought nuclear weapons for
their defense might be required.

I would also not like to demonstrate to any country in Asia that
when things get most disagreeable, whether it is through casualties,
money or complaints—justified or not, of allied countries—we do
not simply back out and call it a bad job.

I equally think it is important to show that however determined
we are to pursue these things through to their conclusion, we do not
get so impatient and frustrated that we flail out against the enemy
that is easiest to hit without regard to what kind of influence he has
on the scene. I worry a great deal that if the United States lets itself
lose in South Vietnam in a way that doesn’t show at least that we
tried, within the limits of decency and the concern for a peace, here at
home we may become fed up with a large, important part of the world
and rationalize for ourselves a kind of isolationism that may not only
extend to losing interest in military credibility, but may even extend
to displaying reduced interest in the more important developmental
kind of things that Dr. Wolf talked about. “Steadfastness” as I used
the word meant not only do enough, but don’t impatiently and drastically try to do too much all at once. Show these countries that they
themselves have to have patience, that sometimes we can have pa-
tience to and we can even engage in long-term projects that are not
reversed or called off every time an election is pending or every time
the cycles of discouragement and disillusion happen to reach a mo-
mentary peak.

Mr. Broomfield. Do you think the day will ever come when Red
China would accept the U.S. presence in Asia? The present generation
or the future generation?

Dr. Schelling. Let me be pessimistic. I don’t think within my
generation Communist China will ever be complacent about an
American presence in Asia. I rather suspect also that if the Kuomintang
had suppressed Chinese communism in 1949, they would not be
complacent about an American presence in Asia either.

Any regime in China is likely to have both ambitions and fears that
would make a strong American presence there a terrible nuisance for
them, unless it happened to be a China that was so dominated by, let
us say, a nuclear-armed Japan that they began to look to us for some
kind of protection.

My hope would be this—and this is a comment on what Dr. Kahin
said—my hope is the Chinese interest in not being encircled will
lead them to observe that what went on in Vietnam directly increased.
the encirclement, perhaps permanently; I would like Communist China to deplore anything happening in Burma, Thailand, Singapore, that would have the same kind of consequence leading to long-term contracts for cement and steel to be let by the United States to build what looks like an encircling presence.

One of the possible lessons that may have got across to the Chinese within the last year or two is that even if their territory can be kept immune to what goes on in Vietnam, and their losses limited to what they export to the place where the war goes on, nevertheless a reaction to Vietnam is a dramatically increased American military presence in Asia, with the possibility of Guantanamo-type enclaves that they may end up facing on their continent.

In many respects the American military credibility in southeast Asia goes beyond the question of whether we can achieve our Vietnamese objectives and has to do with whether the Chinese can be made, and the North Vietnamese can be made, to regret, or at least not to want to repeat, the kind of thing that caused this American reaction.

Mr. Broomfield. I note in your comments that you take a pretty strong position on Vietnam. In your judgment, if there were to be peace negotiations, do you believe that Ho Chi Minh could make a decision so far as North Vietnam or would it be orders from Peiping?

Dr. Schelling. This has to be a guess. I doubt whether the influence of Peiping is decisive, and if it is, I doubt whether Peiping would be as opposed to a settlement as many newspaper columnists assume Peiping would be.

If one looks ahead to the ways this war could go badly, it could be very bad for the United States and catastrophic for Communist China. And I suspect they know it. If they reach the point where victory, as North Vietnam would like it, is absolutely denied, which it probably is already, then I suppose Peiping as well as Hanoi must weigh the risks of letting this go on against the inconclusive gains that they might hope for.

It may be about time for those risks to begin to impress the Communist Chinese as much as they have impressed some Americans and Europeans for the last year or so. To recapitulate: I doubt if Peiping would be decisive, but we don't know. Making allowance for how long it takes the personnel of a government after they have changed their own minds, collectively to acknowledge it and to do something about it, I think the seeds of change may already be well planted in the Chinese Communist minds.

Mr. Zablocki. Mr. McDowell.

Mr. McDowell. Dr. Kahin, in reference to your comments about the independence of the Vietcong, do you believe that Ho Chi Minh would have agreed to free elections under the Geneva accords had he had any doubt at that time as to his control over the outcome of those elections, that is, that they would have resulted in South Vietnam agreeing to unite with Communist North Vietnam?

Dr. Kahin. I think he saw it this way, Mr. McDowell. I think he perceived the areas supporting him as extending throughout most of Vietnam. I think one of the things that confuses this issue is that we tend to project the states of North and South Vietnam back into a period when neither existed.
The two opposing regimes, Ho Chi Minh's and the French, stretched all over Vietnam, admittedly in sort of patchwork form, but by 1954 the areas that the Vietminh controlled covered about three-quarters of the country. That being the case, whether or not he utilized the Vietminh apparatus to insure a favorable result at the polls or whether he acquiesced to elections, supervised by the International Supervisory Commission (established under the Geneva accords), I think he would have been pretty sure he would win.

He was looked to at that time as the man who won independence from colonial rule, who secured independence from the French. The factor of nationalism would have been so powerfully in his favor, I think there would have been no doubt as to the outcome.

Mr. McDowell. Then you think he has reacted because of this philosophy which he then embraced in escalating the resistance in support of the Vietcong?

Dr. Kahin. I think there are two elements to keep in mind here in trying to answer the question. If you scrutinize the North Vietnamese press after Geneva, as I have done, you find it manifestly clear that they were expecting elections, they were preparing the population's minds for elections. And they were, therefore, in a very difficult position when the elections weren't held.

Ho Chi Minh's Vietminh, in trying to justify to the Vietnamese public why it had settled for so little at Geneva (in view of the fact that it controlled three-quarters of the country and yet accepted a reduction of this to less than one-half under the Geneva Accords), had to provide a quid pro quo to make this acceptable to the public. The Vietminh undertook to do so by assuring the public that there would be elections and that they would redress the situation by restoring Vietminh authority in the areas evacuated pending those elections as well as extending it to areas which at the time of Geneva were still under French control.

French Prime Minister Mendes-France, in his speech to the French General Assembly defending his agreement to the Geneva accords, pointed out that three entire provinces south of the 17th parallel, which had been solidly Vietminh, were going to be taken away from the Vietminh during this pre-election transition period of 2 years. Under the terms of the Geneva armistice agreement, France was to maintain a political and military presence in the south until those elections, scheduled for mid-1956, were held.

The Geneva agreements did not provide for a separate southern state. They provided simply that France, which was the cosigner of the armistice agreement would exercise de facto control in the south for 2 years pending those elections.

Does that answer your question?

Mr. McDowell. It partly does. Frankly I am not sure that I can agree with your premise that Ho Chi Minh was that much concerned about public reaction. I may be wrong; but I don't think there has been much evidence that he has made any attempt, serious attempt to hold what we would consider free elections in North Vietnam.

Dr. Kahin. I am sure he hasn't held what we would consider free elections, because any opposition to the dominant party is not permitted in North Vietnam. The modalities of the elections scheduled for 1956 were not specified at Geneva, but it was generally under-